

### **Book Reviews**

#### **The Moral Dynamics of Economic Life: An Extension and Critique of *Caritas in Veritate***

Daniel K. Finn, ed. 2012. New York: Oxford University Press. ISBN 978-0-19-985835-4. \$29.95 (paper).

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**B**enedict XVI's 2009 social encyclical, *Caritas in Veritate* (Benedict XVI, 2009, henceforth *CV*), continues the tradition of Catholic Social Teaching (CST) by bringing theological reflection to bear on the social order and politics. The notable contribution of Benedict's reflection is its rootedness in the love of God in Christ, and the implications of that love for our understanding of human nature: "Charity in truth, to which Jesus Christ bore witness by his earthly life and especially by his death and resurrection, is the principal driving force behind the authentic development of every person and of all humanity" (*CV*, para. 1).

This edited collection is the fruit of a Vatican seminar convened by the Pontifical Council for Justice and Peace and the Institute for Advanced Catholic Studies sixteen months after *CV* was promulgated. Two dozen prominent scholars (with theologians in the majority, along with a couple of bishops) each were assigned the task of writing ten pages of reflection and critique of *CV*. Having read each other's work before the conference, the stage was set for discussions over two days. This slim volume is an edited version of the papers (it is not clear how much they changed after the seminar), organized in an intriguing but unusual way by Daniel Finn, the editor: "each of the chapters includes the work of several authors, with the work of many authors appearing in more than one chapter" (p. 6). The purpose of this structure is to give the volume more coherence than is found in many volumes of conference papers, at the same time presenting the many interesting ideas generated by the conference.

This uncommon structure can only work if the editor chooses his passages judiciously to present different approaches to the various themes of the encyclical, at the same time avoiding a succession of side-by-side narratives which are not placed in dialogue. Dan Finn has chosen well: each chapter is a useful survey of the various ways in which theologians and social scientists encounter the themes of this encyclical. Finn has chosen the passages to emphasize the agreements among the participants, not the conflicts. This choice is defensible. No doubt there were disagreements on important matters in the seminar, but the focus on common projects and goals provides a space for constructive engagement.

The quality of the contributions and the skill of the editor make this an enlightening one-volume introduction to the threefold challenge of understanding *CV*, applying its novel insights, and exploring its shortcomings. The presence of economists among the participants (Mary Jo Bane, Rebecca Blank, Katharine Marshall, Matthew Slaughter, Stefano Zamagni), many who are also theologians or philosophers (Dan Finn, Mary Hirschfeld, Albino Barrera, Luk Bouckaert) makes the book of particular interest to readers of *Faith & Economics*.

The chapters of the book follow a conventional pattern. Chapters one and two introduce the context of the encyclical and some of its basic theological themes. Chapter three is an introduction to the relationship between markets and government in CST, which sets the stage for Benedict's new approach. Chapter four explores a relational view of the human being in light of the loving relations between the persons of the Trinity, in whose image human beings are made. Chapter five reflects on the implications of this relational view for economic life, and chapter six focuses on the implications for business specifically. Chapter seven explores the implications for concepts of human development and well-being. Chapter eight acknowledges the polarized political environment; in the rush to recruit CST to fight political battles, its message is often diluted or ignored. Chapter ten critiques some of the conceptual categories of the encyclical, with a view to applying them more effectively in a radically secular culture. Chapter eleven wraps up with suggested implications from the participants; the President for the Pontifical Council for Justice and Peace (one of the sponsors of the seminar) offers concluding thoughts in chapter twelve.

Instead of plowing through the volume chapter by chapter, I will review what I think is its twofold contribution: a clear discussion of the meaning and implications of reciprocity, and its treatment of the shortcomings of the encyclical and of CST. By focusing on these two themes, I do not mean to denigrate the other contributions of this collection. The volume does many things well, but I think these two themes are of particular interest.

Benedict XVI finds his critique of the economy, and of our concepts of the economy, on "reciprocity." The concept of reciprocity, modeled on the community of giving and receiving in the Trinity, suggests that human beings (who are made in the image of the Trinitarian God) cannot be conceived of as autonomous individual subjects. The social bonds and common goods which human beings pursue are not simply individually-experienced goods which just happen to be pursued in concert, side-by-side; instead, reciprocity is part of the human constitution: "Reciprocity

[is] the heart of what it is to be a human being” (*CV*, para. 57). We are individuals who “interpenetrate” one another, who find our identities most fully in relation (*CV*, para. 54).

In chapter four (“Reconceiving Relation”), the implications of reciprocity for our self-conception and analysis are explored. Amelia Uelmen is hopeful that the idea that interpersonal relations are constitutive of human good, and are not simply another of a long list of goods which individuals happen to pursue in tandem, can overcome a perceived modern inability to commit to common goods, to things greater than oneself. To the extent that we realize that we have an inescapably communal dimension, we must acknowledge *something* greater than ourselves—if not in God, then in our reliance on others.

In the same chapter, Mary Hirschfeld utilizes the communal nature of the human being to launch an important critique of economics. Economics (and other social sciences) is blind to the communal nature of humanity in part because that nature is expressed through culture. Culture is that sphere of life in which values, norms, and virtues develop. Because “culture, of course, is not an institution” (p. 71), (like the market or the government), it cannot be controlled, and is therefore ignored by social sciences whose goals are social control and regulation (i.e., “policy implications”). This insight is important, and changes the nature of the kind of social action which CST implies, and the audience to whom it is directed. If the bonds of sociality are foundational to social order, then the work of building those bonds is cultural work, which takes places for the most part outside of the scope and control of economic and social policy. Policy affects culture, of course, but you do not build culture indirectly, through policy; you build it directly, by forming and sustaining families and other communities.

Chapter five is more specific about the application of the idea of reciprocity to economics and to the economy. Stefano Zamagni (whose joint work, Bruni and Zamagni, 2007, on the “civil economy” of fifteenth and sixteenth century Italy is influential in *CV*) contrasts reciprocity with the “exchange of equivalents” (p. 73), which takes place by means of a pre-existing market price, and in which agreement on each side of the exchange is contingent on agreement on the other: I give you the good because you pay me, and you pay me because I give you the good. In reciprocity, such conditionality is not part of the transfer. “[Person] A acts freely to help [person] B in some way based on the expectation that B will do the same, eventually, for him or, even better, for a third person, C” (p. 73). The action of person A is not a pure gift; the transfer is made in the expectation that a relationship (friendship) will be established, and that the

transfer will be reciprocated. If it is not, future transfers from A will not be forthcoming. Person A is not simply giving things away; he is trying to establish social bonds.

There is a growing economic literature on the empirical and theoretical implications of reciprocity (Sobel, 2005; Smith, 2008). Zamagni asserts that *CV* encourages economists and others to analyze the social aspects of business, and “reminds us that it is possible to do business even while pursuing socially useful goals and acting for prosocial reasons” (p. 74). Dan Finn, in the same chapter, emphasizes the broad scope of reciprocity: it does not apply to nonprofits only, but plays a role in for-profit businesses as well. The foreman putting in last-minute overtime with his crew is being paid, it is true, but he is also doing a favor for his boss, and his boss will probably repay it. These sorts of favors create bonds of trust and sociality between employers and employees, suppliers and companies, and customers and retailers. Michael Naughton ends chapter five by noting that reciprocity requires the ability to receive as well as to give gifts. Charity is “love received and given” (*CV*, para. 6), and an economy of reciprocity is hobbled by what Naughton claims is a modern inability to *receive* gifts, and the implicit invitation to community which gift-giving and gift-receiving contains.

A second unique contribution of this volume is its discussion of the challenges of translating the theological insights of *CV* into a set of concepts with which to address non-Catholic, non-Christian, and secular audiences. This theme appears in many places in the book (in chapter eight on political polarization, and in chapter eleven, “Implications”), but is the primary focus of chapter nine.

Daniel Finn opens chapter nine by noting that “since everything has been created by God, insights of reason into how things work cannot ultimately be at odds with the insights provided by faith and revelation” (p. 114). Nevertheless, *CV* is grounded explicitly in theological categories, and a confidence that revelation is necessary for a full humanistic understanding of society: “without the perspective of eternal life, human progress in this world is denied breathing space” (*CV*, para. 11). Coleman acknowledges the strengths of the theologically rooted account of *CV*, but stresses the need for a “less theologically-weighted account” to engage “our densely pluralistic world” (p. 116).

Chapter nine does not resolve the challenge of communicating inescapably theological insights into broader categories, but it offers a useful tour of some often-rehearsed Catholic arguments on this issue, along with some genuinely new insights. Philosopher and economist Luk

Bouckaert stresses the conflict between the air of proclamation in *CV* (and in all Papal teaching documents) and the stated desire of CST to engage the world in dialog. The encyclical calls for dialog with other Christians, with non-Christian religions, and with the secular world, and is addressed to these audiences as well as to faithful Catholics, but nevertheless adopts in its prose a confidence in Catholic teaching rooted in Christian revelation which might alienate the broader audience. Moreover, the encyclical, while critical of modern economies and governments, is not at the same time critical of the Church's own failures, and thus lacks credibility with modern secular audiences. To overcome this conflict, Bouckaert recommends more self-criticism, and "epistemic humility" (p. 122) on the part of CST.

Theologian Johan Verstraeten seconds Bouckaert's criticism of what he calls the Pope's "top-down theology" (p. 121), but locates the problem in the method of theological analysis employed by the Pope. Verstraeten asserts that Benedict's theology is "based on an image of God that is exclusively mediated by the Church" (p. 121); he would replace this approach with what he claims is "the theology of Vatican II, which pays attention to God's liberating presence in the concrete history of humankind" (p. 121). This argument is essentially an argument against the authority of the Church as exercised by its bishops, in favor of a more inductive theology, by means of which we discern God's "liberating presence" in the world by mulling "the signs of the times." Non-Catholics will recognize in these discussions the categories of Niebuhr's *Christ and Culture* (Niebuhr, 1951). The Popes take something like a "Christ above culture" approach, while Verstraeten and other liberationists take a "Christ in culture" approach.

The difficulty in Verstraeten's analysis, which pits Benedict XVI against "Vatican II," is that Benedict XVI is a product of Vatican II (and played an important advisory role in the council). The same can be said of his predecessor, John Paul II. The argument being played out in these pages is not between Vatican II and Benedict XVI; it is between two competing theological interpretations of Vatican II.

It is good to see these arguments in print, but the chapter would have been more complete if someone had argued for Benedict XVI's perspective on Vatican II, and for a different (I think more correct) interpretation of Vatican II's call for "scrutinizing the signs of the times" (Second Vatican Council, 1965, para. 4). Calls for reading "the signs of the times" are often calls for the sort of inductive discernment of God's will in ongoing struggles for justice, development, and power in the world (Christ in culture). The documents of Vatican II do not, however, advocate for an

uncritical adoption of the signs of the times as a program for theological reflection. The full passage from Vatican II's *Pastoral Constitution on the Church in the Modern World (Gaudium et Spes)*, from which the phrase "signs of the times is taken," is "To carry out such a task, the Church has always had the duty of *scrutinizing the signs of the times* and of interpreting them in the light of the Gospel." "Such a task" is specified in the preceding paragraph as "to carry forward the work of Christ under the lead of the befriending Spirit" (Second Vatican Council, 1965, para. 3). The "signs of the times" are indeed crucial data for reflection on the Gospel and its application in the modern world, but they are to be interpreted "in the light of the Gospel." The Bishop of Rome and successor of Peter surely has some authority (in union with the bishops) to engage in this interpretation. This authority, and attempts to counter or broaden it, is the nub of the internal Catholic dispute over Vatican II.

These are well-worn (but nonetheless ongoing and important) theological disagreements. What is new in this chapter is Mary Hirschfeld's analysis of the language of CST and the limitations it imposes on the practical implications of the teaching. As she notes in an earlier chapter, the language of economic and social policy is a language of control; for this reason, economics has little to say about culture, which is not subject to engineering-like manipulation. What is problematic in *CV* (and in the encyclical tradition in general) is that it adopts the language of economic policy (of control) at the same time it points to culture as the arena in which much of the work of societal renewal must take place: "*Caritas in Veritate* emphasizes the role of culture, but the encyclical is written in the language of policy prescription" (p. 116). An example of "the language of policy prescription" is the encyclical's treatment of the ways in which reciprocity might *be fostered* in commercial (for-profit and non-profit) enterprises. The encyclical asserts that "space should be made" for reciprocity and the institutions which embody it. This passive-voice construct is the language of policy prescription: the economy and its institutions are done unto; they are acted upon, and are not themselves called upon to act. She notes that

cultural change requires conversion, and conversion requires rhetorically effective direct address rather than the impersonal 'control' language native to policy discourse. In the language of control, the passive voice is often used, and individuals are referred to as objects to be manipulated. Such language makes it unclear just who it is who is supposed to act.... It is possible to walk away

from such language without feeling personally called to do anything at all (p. 117).

The reliance on the rhetoric of policy control makes it more likely that the audience of the encyclical will ignore its implications for their action beyond what government policies they should promote, “stranding us in a world where the only meaningful actions are taken by policymakers” (p. 118). This is an important insight. Attention to it will address a real problem in CST: the impression given that reflection on CST ought to result in support for one policy or another, instead of a different attitude towards one’s own work and participation in community.

The primary shortcoming of the book is also a shortcoming of CST. There is little discussion of sin and its consequences for the organization of society. Michael Novak (in chapter two) cites the existence of sin as a challenge to Benedict’s vision, but the topic is not taken up in any other place in the book. The lack of reflection on the consequences of sin for the social order, and on how we should think about institutions in light of sin, is a serious shortcoming of CST, and of *CV*. Of course, one can always find mention of sin in papal encyclicals (all theological bases are usually covered), but Anthony Waterman (2011) has convincingly argued that much more needs to be done to fully integrate the consequences of sin into CST’s account of the social order and a Christian perspective on it.

I recommend this volume to anyone who would like a brief survey of the context and reactions to *CV* from theologians and economists. It is a useful complement to the encyclical itself. The book does not discuss and critique the policy sections of the encyclical (beyond some discussion of development and of world regulatory authorities). I think this was a wise choice; although these sections of encyclicals are much argued over by those whose primary interest is in recruiting CST to political causes, they are not the core contributions of CST (and are often distractions). By elaborating the relation between truth and charity, and the recognition of the role of charity in the economy, *CV* (and this volume of reflections) offers new insight into the economy, and challenges us to think more comprehensively about what happens in markets.

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