
ARISTOTLE, LUBICH AND RATZINGER ON A NEW ECONOMIC PARADIGM

亚里士多德、卢比希和拉辛格 论新经济学范式

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The journey towards a new paradigm of economics must begin from a profound consideration of the inherent problems of existing models. Joseph Ratzinger argues that the market economy stresses freedom in order to produce efficient outcomes while the centralised economy emphasises regulation so as to produce ethical outcomes. A truly efficient and ethical economic model needs to be guided by an objective conception of the common good. Aristotle argues that rational economic activity should be *oikonomia* (household management) for the sake of attaining the welfare of the human being. He is opposed to the activity of *chrematistike* (wealth accumulation) which goes beyond what is necessary for human well-being and produces an unjust allocation of scarce resources. Chiara Lubich founded the Economy of Communion which presents a valuable alternative to the traditional distinction between profit-based enterprises and non-profit organisations. Entrepreneurs of this movement voluntarily commit to use profit to grow their own business, promote the “culture of giving” and assist others by means of social projects.

Market Economy and Centralised Economy

The market economy is understood to operate on the principles of efficiency instead of the principles of morality. Economic forces are supposed to act independently of the morality of economic agents. Market forces regulate supply and demand by themselves in order to produce efficient economic outcomes. It is believed that allowing market forces to operate based on self-interest and profit-maximisation ensures a just distribution of goods and services, and this serves to promote human progress. The market economy ultimately fails because it entails a form of determinism when market forces are assumed to be intrinsically good and to always produce good outcomes (Ratzinger, 1986, p. 200).

The centralised economy is understood to be at the service of the community instead of profit-making. It is believed that market forces can be made to act justly due to state intervention. Only a central administration can guarantee the just distribution of goods and services, and this serves to protect the rights of every human being. The administration regulates the forces of supply and demand in order to ensure economic outcomes that are ethical. But the centralised economy also entails a form of determinism because it assumes that regulations are always designed to produce what is in the best interests for society at large (Ratzinger, 1986, p. 201-202). A new economic paradigm that serves as a viable alternative to existing models must be able to produce both efficient and ethical outcomes. For any economic system to be objectively ethical, it must be guided by a philosophical account of the common good.

Household Management and Wealth Accumulation

As explained in Book I of the *Politics*, every community is formed to attain some good end because all human beings aim for something

good for themselves. Since all communities are formed for the sake of some good end, the state must aim for the greatest good as it is the highest community (1252a1-5). For Aristotle, the state is formed by an organic development process in every society. By nature, human beings are unable to survive on their own. The household is a community established to provide for one's basic needs. The gathering of households results in the formation of a village. A village is a community established to go beyond the provision of basic needs. The union of villages results in the formation of a state. A state is a community that is able to provide all that is needed for human beings to experience well-being. In this line of thinking, the state enjoys priority over the household and the household enjoys priority over the individual. This is because the whole is considered to be more important than any of its parts (1252b12-35).

According to Aristotle, there are two main forms of economic activity. On the one hand, *oikonomia oikonomia* (household management) is the pursuit of goods and services to supply what is needed for human well-being. On the other hand, *χρηματιστική chrematistike* (wealth accumulation) is the pursuit of goods and services that goes beyond what is needed for human well-being. While the economic activity in household management is *qualitative* in nature and limited in practice, the activity of wealth accumulation is *quantitative* in nature and theoretically unlimited. Wealth accumulation can be ethical as long as it is ultimately for the purpose of household management. When the accumulation of wealth exceeds what is needed for sustaining human well-being, the result is the unjust allocation of goods and services within a state (1256b27-1258a18). On this account, the common good of an economic system is the production and consumption of goods and services which are needed for human well-being.

Economy of Communion

Since the Great Recession from 2007 to 2009, popes have spoken openly about the crisis facing the global economy and the urgent need for an alternative economic system. In recent years, the Economy of Communion movement has received official attention. In his encyclical *Caritas in Veritate*, Pope Benedict XVI wrote about the existence of commercial enterprises which could not be labelled as profit-based companies nor as non-profit companies:

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” (2009, p. 46).

Pope Francis has also publicly acknowledged and encouraged this movement (2017).

The Economy of Communion was established in 1991 by Chiara Lubich (1920-2008) and the movement expresses her spirituality of the “culture of giving” as opposed to the “culture of having”. The Economy of Communion originates from the *Focolare* Movement, whose spiritual identity is based on striving for communion (or unity) with others. This culture of giving involves a communion (or sharing) of goods among *Focolare* members as well as helping people who are not members of the movement. Hence the Economy of Communion movement can be described as the manifestation of the culture of giving in terms of economic activity. Entrepreneurs within the Economy of Communion movement consider it essential to make profits to ensure that their businesses remain viable and expand. They also consider it

necessary to distribute their profits to those who are in need and to promote social development. Lubich elaborates on how profits are utilised in this economic model:

One part of these profits would be used to help the business grow; a second part would be used to help those who are in need, giving them the possibility of living a dignified life while looking for work or through offering them work in the business itself. Finally, a third part would be used to develop educational structures for the formation of men and women motivated by a “culture of giving”: “new people,” since without new people it is not possible to build a new society (Lubich, 2002, p. 15-16).

The Economy of Communion is an elegant model of subsidiarity economics that addresses the weaknesses of both the market economy and the centralised economy. The first advantage is that businesses on this model have to operate efficiently so as to survive and remain competitive in the context of the free market. The second advantage is that businesses within the movement are self-regulating by nature and do not require governmental interference in order to behave in an ethical manner. On an Aristotelian analysis, businesses within the Economy of Communion practise *oikonomia* which promotes well-being for all instead of *chrematistike* which leads to the accumulation of private wealth. With its core value of the “culture of giving” that challenges the “culture of having”, the Economy of Communion is a significant model of common good entrepreneurship that integrates spirituality with business practices in a manner that promotes fairness and solidarity for all.



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