

**Reinhard Cardinal Marx, Archbishop of Munich and Freising / Jury Chairman CAPP
International “Economy and Society” Award:
Presentation of the winner of the International “Economy and Society” Award 2019
Rome, Palazzo Cancellaria, May 20th 2019**

The spoken word applies.

Laudatio of the winning work

As chairman of the jury of the International "Economy and Society" award given by the *Centesimus Annus - Pro Pontifice* Foundation, I am happy to present today on this solemn occasion the award winner of this fourth edition.

Amongst the more than 45 works submitted from 12 countries and 3 continents, it is my special pleasure to announce that this time the jury has chosen an English text as the winner of the prestigious International Award:

Mary Lee Hirschfeld, *Aquinas and the Market. Toward a Humane Economy*, (Cambridge, Harvard University Press 2018)

After having pursued in 1989 a doctorate in Economy at Harvard University and taught for 15 years Economics at the Occidentale College in Los Angeles, she pursued in 2013 a doctorate in Theology at Notre Dame. Today she is Associate Professor of Economy and Theology at Villanova University.

The award has previously been given to books written in Italian, Spanish, French and German, therefore the jury was also happy to give the award to a book in English. There were many motives that moved the jury to confer the International Award to this text:

The first reason was certainly its high quality, assured also by its appearance in a renowned publishing house. The fact that the text is already in the process of being translated into Portuguese and Italian is another sign of its quality. The book constitutes a true dialogue between Theology and Economics, materials that the prizewinner has studied thoroughly.

Another reason the jury choose this text was because this book on the vision of St. Thomas Aquinas helps to understand that the Social Doctrine of the Church doesn't actually begin with Leo XIII, but is nourished by roots that reach much further back into Christian tradition.

The starting point of the book is the observation that today, even in the so-called rich countries, lots of people are not happy; many live in fear or desperation and do not really rejoice in their life. Hirschfeld thinks that many of these diffused problems have one of their roots in the fact that people have a pathological relationship with money. Often we accept in an uncritical way the power money has over ourselves and our society. We risk considering money not as a tool for our ends, but let money govern our life.

With her book *Aquinas and the Market. Toward a Humane Economy* Professor Hirschfeld proposes therefore to institute a new dialogue between economy and theology. This dialogue is often very difficult. Sometimes, theologians are so influenced by the economic mentality that they are not able to recognize the originality of the Christian point of view. Other times, they elaborate thesis's that are so vague that they have no real relevance for the economy. Still other times, they are so idealistic that the economists aren't able to take them seriously.

To overcome all these dilemmas Hirschfeld recommends the study of St. Thomas of Aquinas as a favorable starting point for the dialogue between Theology and Economics. On one hand, in St. Thomas one finds a certain independence between the two areas of interests. Actually, not being connected directly to one of today's dominant economic schools, his theological principles are not able to be ascribed *a priori* to one of them. On the other hand, the importance given to the theme of happiness within the morale doctrine of Thomas, offers a common starting place for both Theology and Economics, from which however Theology is able to correct a certain unilaterality in the economic position. Happiness consists in a real relationship with the infinite, thus it cannot be reached through an indiscriminate accumulation of finite goods.

Thomas's thought is not exclusively critical towards some of today's fundamental convictions regarding the economy, but it is actually able to gather their importance. He sees, for example, private property as something in itself positive, corresponding to the nature of man. Furthermore, Thomas shares the conviction that self-love has a certain priority over altruism, indicating also a certain limit. One of the principle problems of the actual economy comes from its insufficient anthropological foundation. Its model, based on making rational choices, simply

affirms that man is able to calculate efficiently how to arrive to his desired ends, but it does not say anything about the nature of such ends, in relation to them it declares itself neutral.

Therefore, for Hirschfeld, what are the central intuitions of a Thomistic anthropology? She underlines especially the fact that man's life has a precise meaning. The meaning of human life cannot consist in seeking after an infinite series of different ends; man needs to have one ultimate end that is clearly defined and able to confer a unity to his life. The classical economical position limits itself to indicating the most efficient way of reaching possible ends, without explicitly stating their values, thus it implicitly suggests that what is best is the possibility of pursuing as many ends as possible. Such a vision, however, makes a real unity of life impossible.

For Thomas the ultimate end of human life cannot be defined only subjectively. The end has an objective sense, conferred from outside, that is subsequently also accepted subjectively. Such a thesis is not easily accepted in a pluralistic society. Thomas is also aware that in reality men have different conceptions concerning the sense of their life. He is convinced that not all the possible responses have the same rational evidence, and yet open to the possibility of discussing the question at hand. The real problem for man, therefore, is not that much knowing how to efficiently reach that which is desired, but rather learn to desire that which is truly desirable.

For Thomas, the idea of life having an objective meaning is based on his conviction that it was created by God, and not a fruit of chaos. In the present era this conception is no longer universally shared, that being said it remains the vision that the Cristian faith proposes.

Also the Thomistic conception of the virtue of prudence offers itself as a contrast with economic thought. For Aquinas prudence is the central cardinal virtue. Its principle task is that of ordering the various goods together coherently. From this perspective the singular decisions are not so much a question of calculation (quantitative), as much as it is a question of discernment (qualitative). Through prudence man participates in a certain way in God's creativity. Although it has the task of recognizing the will of god, this does not consist simply in applying a schema, but in determining a singular way, or rather, a truly personal way of realizing that will.

For many motives the classic way of economic of reasoning, that reduces prudence to a "quantitative constrained optimization" does not correspond to similar paradigm. The tendency of the economist to optimize often brings a uniformity that destroys the beauty of the diversity.

“In the field of economics it most notably does this by inviting us to see goods primarily in terms of their prices rather than in terms of what they actually are in themselves” (116).

In Aquinas’ view of economics it is important to order lower ends to higher ends. He distinguishes between natural and artificial wealth where the second must be ordered to the first. There are two opposite vices we can have in relation with wealth: covetousness and prodigality. The covetous person love riches more than they ought too, while the prodigal person has a deficient love for riches. For Aquinas the undervaluation of a good is as much a vice as an overvaluation. Propriety serves in the first place for sustaining oneself and ones family, and in second place for the construction of the communion with those who are proximate. Who uses goods for these ends has the virtue of liberality. Aquinas retains that our desire for natural wealth should be finite. “The criterion for judging whether one’s desire for natural wealth are rational is that those desires be satiable, that we be able to identify how much is enough” (120).

The rational choice model implies the premise that an expansion of resources allows us to move to higher-ranked bundles of goods. But “a higher-ranked bundles of goods” is not a well-defined end. Scitovsky argues in his paper “Are Men Rational of Economists Wrong?”¹ that such an end is an illusion. He observes that in our societies many people try to maximize income without knowing how to spend it. They try also to save time, but in the end they spend it watching television, shopping or running errands. They try to spare effort, become obese and then have to go to the gym.

Aquinas does not deny that the market has positive function: it conveys, for example, information to both producers and consumers. He postulates however that economic exchanges should be just. What is the meaning of this demand for justice? To say that an economical act has to be just means that we have to take note of the concrete circumstances in which we are, that is that we have to take into account all of the factors of the situation. The tendency of the economy to valuate every product only by its “objective” price, risks however to substitute looking at the concrete people and product. The main risk of the use of money in economic life consists therefore in the fact that it is a quantitative abstraction that does not respect qualitative

¹ Tibos Scitovsky, “Are Men Rational of Economists Wrong?”, in *Human Desire and Economic Satisfaction Essays on the Frontiers of Economics*, New York, New York University Press 1986, cap. 6.

distinctions. Hirschfeld writes: “Instead of thinking primarily in terms of real goods and services that are produced, the real human activities involved in production, and the extensive network of human relationships that the economy comprises, we begin to think in terms of the monetary measures of economic activities as having an independent reality” (155).

Aquinas defends private property as a help to channel proper self-interest and to order human affairs. He qualifies however his support of private property in an important way when he affirms that we can be too rich. The possession of goods is moral only inasmuch as they help us to have a life well lived. The early 20th century American literature on home economics, largely written by women, (pp. 174-76) brings important insights to the question “how much is enough?”². Although the standards of living we pursue are generally determined by the society, formed therefore by nebulous social forces, we need not simply take them as given. We have to discern ourselves in a critical way between what genuinely serves a good human life and what does not.

Reflecting about the nexus between standards of living and economic justice we have also to care that the talk about income inequality does not reinforce our idea that money is what really matters. Speaking about her relation with Hector, gardener of the college where she worked and member of her parish, Hirschfeld affirms for example: “Yes, we can pay gardeners more. But a big part of what matters is the respect we have for them and the cultivation of our ability to see the wealth – which is the true sort of wealth – that the poor have to offer us”. (187)

At the end of her book Hirschfeld arrives at the conclusion that the tools provided by economists are indispensable for anyone interested in pursuing economic justice. Analysing the real conduct of man in economics helps the policy makers to understand possible counterproductive effects of their measures. The study of human nature Aquinas proposes is however important because the empirical man is not the ideal man, the man who has realized fully all his potentialities. It indicates not only the means in order to realize some ends, but values the ends men have. Not all our desires are good desires. “In Aquinas’s model of practical reason, the whole project of developing virtue is learning what one should desire”. (205). All our acts are in this perspective important because they form our future desires.

² Cf. for example Hazel Kyrk, *A Theory of Consumption*, Boston, Houghton Mifflin 1923.

Thomas's framework has two major implications for economic practice. It invites the economists to embed their analysis in a holistic account of happiness. Insofar as human fulfilment does not require only an adequate provision of material goods, but also relationship and social standing, economists have to learn through interdisciplinary studies from sociologists, psychologists and anthropologists.

A second implication consists in the intuition that the economists inevitably contribute to the culture's understanding of human nature and the corresponding conceptions of the good life. Economists have to realize that their insights are based on a partial view of human nature that should be completed by others.

To sum up: I think that the lecture of this book can help us who are living in a society where money seems to govern all things to pose certain questions about the sense of our life and our own relationship with the goods of this world. To find the just answer to these questions is one of the conditions for a truly human life. I congratulate therefore Mary Hirschfeld for her spiritual and intellectual effort.