

Introductory remarks

The present essay offers a detailed, reasoned synopsis and a brief discussion of the 1994 book *Economic Ethics*,^[1] written by the German-Swiss^[2] social philosopher Arthur Fridolin Utz (1908-2001).^[3] Utz is known chiefly in German-speaking theological circles and in Catholic ones in particular. He is also known in those of southern Europe where, to date, only a few of his many books have been translated into Spanish, French and Italian.^[4] Utz's research deserves attention, both for its inherent value and in connection with Peter Koslowski's reflections on economic ethics, about which Jacob Dahl Rendtorff has recently reported to our NSU research group.^[5] Thus, this essay is a spin-off of Jacob's own foray into economic ethics and an integration of the same, for it deals with a different, well-established approach. Equally, it is an attempt at bringing to the attention of Nordic scholars, especially in the human and social sciences, the work of a thinker that is still hardly known in my adoptive country, Iceland, as well as in Scandinavia. Finally, given the absence of English-language translations and comprehensive studies of Utz's books, it is also a useful reference work for Anglophone academia at large.^[6]

For almost thirty years, Utz taught social and moral philosophy, economic ethics and legal theory at the University of Fribourg in Switzerland, where he also directed the International Institute for Social and Political Sciences of the Union of Fribourg.^[7] Together with Austria's Johannes Messner (1891-1984),^[8] Utz was a key-member of the German-speaking Catholic school of thought that, in post-war Europe, exercised considerable influence in the development of both the Social Doctrine of the Church^[9] (also known as Catholic Social Teaching; hereafter SDC) and the social market economy, which was promoted by Christian-democratic parties both at a national level (especially in former Western Germany^[10], Austria^[11] and Switzerland) and at a continental one (i.e. in what we call today the European Union).^[12] Among Utz's interlocutors on economic matters were the World-famous Canadian-born liberal economist John Kenneth Galbraith (1908-2006) and the Czech socialist economist Ota Šik (1919-2004), who is best remembered as the architect of the economic section of Dubček's Action Programme in the Prague Spring of 1968.

The book is the fourth instalment in the author's monumental *Social Ethics*, which comprises five volumes in total: (1) *Principles of the Social Doctrine* (1958; 2nd ed.1964); (2); *Philosophy of Law* (1963); (3) *The Social Order* (1986); (4) *Economic Ethics* (1994); and (5) *Political Ethics* (2000).^[13] None of these volumes has been translated into English yet. I myself, being far from fluent in German, owe my acquaintance with Utz to the Italian translations of volumes 4 (1999) and 5 (2008) of his *Social Ethics*, both published by San Paolo, and to the 1997 French translation of his 1975 book *Zwischen Neoliberalismus und Neomarxismus: die Philosophie des dritten Weges* (Köln: P. Hanstein).^[14] Before engaging

in the detailed, reasoned synopsis of the book, I summarise here its main elements.

In his *Economic Ethics*, Utz applies a Thomistic ethics to the domain of economics. Economic life is thus seen as a sub-domain of human and, as such, of social life—for we are essentially social animals. Henceforth, economic life can be deemed good or bad on the basis of whether it assists coherently in the realisation of the inherent ends of the human person, who is essentially social.[\[15\]](#) Thomistic ethics is a teleological ethics: human actions have a defining material object—for example eating has the acquisition of nourishment as its proper object—and also a defining human end—for example eating aims at sustaining the person towards her achievement of happiness.[\[16\]](#) Human reason, albeit imperfect, is considered capable of abstracting from experience the fundamental principles of organisation of reality, including the aims that are natural and therefore truly positive for creatures, their societies and creation itself to have.[\[17\]](#) Articulate, logical reasoning upon experience can produce knowledge of the deepest layers of reality, while empirical science stays closer to the surface of observable, quantifiable facts.[\[18\]](#) As Utz writes: “The philosopher moves at the level of inherently immutable essences”, provided that she starts her “abstraction” from concrete “empirical-ontological data” (1.2.3).[\[19\]](#)

Humanists be optimists.[\[20\]](#) Our natural faculties, albeit imperfect, are still capable of identifying what “*natura humana*” consists in, especially if they make use of the body of intelligent reflection on human experience provided by centuries of philosophical and theological study, rather than rejecting it as archaic or unscientific (1.2.4).[\[21\]](#) Building on tradition, intuition, observation (including the scientific one) and reflection, human intelligence can dig deep.[\[22\]](#) This is the specific contribution that philosophy, in its Thomistic understanding, can make to human knowledge. This is what, according to Utz, metaphysicians and ethicists can do that is unique to their profession. In the field of economics too, the philosopher can ascertain deeper and more essential aims of economic agency, which the economist would not consider, for she would limit her investigation to the “technical questions” of economics (1.2.6.2).[\[23\]](#) For example, a philosopher can assess as negative a booming national or international economy, which grants unprecedented wealth to the members of today’s society and yet imperils the wellbeing of tomorrow’s society because of the overexploitation of natural resources.[\[24\]](#) Empirical data are the beginning of reflective wisdom, not its end.

Utz discusses the deeper and more essential aims of personal and social life, of which economic life is but a part, in the first instalment of his five-volume-strong *Social Ethics*. In the present volume, he merely hints at some of them. In addition to expressing general agreement *vis-à-vis* Ota Šik’s list of universal human needs (4.1), Utz speaks recurrently of bodily sustenance (e.g. 1.1), meaningful and dignified self-direction (e.g. 1.2.3), family life

(e.g. 1.2.4), acculturation (e.g. 1.1) and religious life (e.g. 1.2.6).[25] In typical Thomistic fashion, “God” is defined as “the ultimate and integral end of the human being”, i.e. the true attainment of “happiness” or “perfection” (1.2.6). Having such an ultimate end in the next life means that, in this life, we ought to pursue the penultimate ends of virtuous behaviour (i.e. prudence, temperance, justice, etc.), all of which can be sought only by way of consistent, responsible, personal agency under particular social circumstances (1.2.6). The good life, i.e. the road to human fulfilment, consists in the harmony of coherent natural aims that self-instantiate in each person’s actions within society.[26]

Plurality of aims is generally the case and is often good, i.e. consonant with *natura humana*. Sometimes, however, the opposite is good too. First of all, not any aim is equally good: some can be better; some can be bad. Secondly, some aims can be good for everyone. Examples of coherent aims that are valuable and common to all humankind are “universal human rights”, which Utz mentions as the most obvious and glaring negation of individualistic and cultural relativism (1.2.4).[27] Though differences among individuals and cultures do exist and may contribute to the proper functioning of human societies, there exists a fundamental shared ground, which the Thomistic tradition would dub rational or natural. It is, in essence, the life-enabling ground identified by the Thomistic “natural law” tradition, upon which human rights jurisprudence was developed over the centuries (1.2.4).[28] Similarly, there may be differences among national economies, their laws, business environments and specific arrangements, but only economic organisations consistent with the nature of the human person can be good, as they succeed in establishing the specifically economic conditions facilitating each person’s pursuit of happiness, or “perfection” (1.1). Thus, after examining the various natural needs of humankind and the main varieties of economic order experimented with during the 20th century, the book concludes that “the only real” definition of an ethical economy, i.e. one “correspond[ing] to the integral economic ends of man”, is the following: “*the competition economy, founded on the universal right to private property, both for production and consumption, with the greatest possible diffusion of productive property, with stability of price levels and full employment.*” (7.8.6; emphasis in the original).[29]

Detailed, reasoned synopsis of the book

The Overall Structure

Utz’s *Economic Ethics* comprises twelve chapters, which are conceptually ordered like a Gothic arch. After the preface, the first chapter articulates a lengthy introduction to possible definitions and studies of the economy, including an ethical study of it. The ensuing five chapters address, in light of Thomistic ethics, seven fundamental categories that apply to

any economy: (i) “order” or “system”; (ii) “rationality”; (iii) “need”; (iv-vi) “factors of production” (i.e. land, labour and capital); and (vii) “property”. Other basic economic categories—such as efficiency, growth, want and gain—are also addressed, but as corollaries of these seven. The seventh chapter, which constitutes a sort of apex within the volume, evaluates the main modern economic systems and significant varieties thereof. The successive short five chapters apply the critical wisdom produced in the previous ones to specific issues of modern market economies, e.g. inflation, currency speculation, structural unemployment. A vast, thematically structured bibliography and two alphabetically organised critical indexes of, respectively, cited persons and cited topics, conclude the 379-page-long book.[\[30\]](#)

The Preface

The book’s preface, unlike most, contains some very important statements. Utz—he too unlike most thinkers—shows his philosophical cards from the very start. Instead of feigning neutrality or assuming uncritically theoretical presuppositions that may be shared by his audience and therefore taken as obvious, he states that the “ethics” to be applied in his book is a specific one, namely “the teleological ethics of Thomas Aquinas” (p.5). The reason for this choice is that, after “sixty-five years” of keen philosophical scholarship, “no other ethics” has proven to be nearly as “adequate in order to find the logical path leading from universally valid human norms to the correct solution of concrete practical problems” (id.). According to Utz, Aquinas’ “natural law”, which lies at the heart of the “universal human rights” (1.2.4) cherished by most political and legal thinkers, is also the best theoretical framework to understand and defend them, leaving aside the “superficiality” and “dreadful ignorance” (p.5) of many intellectuals, who discarded Aquinas’ wealth of knowledge without truly studying it, e.g. Hans Kelsen (cf. p.5n). If Utz’s audience will listen to what he has to say, then it is good and well. If they will not, then Utz states that he is bound to sound like “the doctor of a patient suffering from addiction”: correct, but unheeded (p.7).

What does it mean to apply the teleological ethics of Thomas Aquinas to the field of economic phenomena? It means “to investigate more deeply than those who have a merely empirical viewpoint” (p.6). First of all, insofar as we, by studying economics, study cases of voluntary human agency, then we must acknowledge that economics has always and inescapably “a moral background, even when the immediate object [of economic agency] is not of a moral nature” (id.). All voluntary human agency, whether directly or indirectly, has origins (e.g. intentions) and repercussions (e.g. social effects) that are ethically laden.[\[31\]](#) Secondly, following Aristotle’s and Aquinas’ understanding of human agency, there exist universal ends inscribed in nature, including human nature, which ethical reflection can identify. Knowing what these ends are, i.e. grasping “the meaning of creation and of the

human being” and how economic agency can help us fulfil these ends, means that “the integral good of the human being” can be served, instead of a partial or a false one (pp.6-7). For instance, economists and businesspeople would be likely to welcome “the pure material success of capitalisation”, as this is shown by a national economy’s conspicuous growth, even if “one third of the persons seeking employment is left out of the labour process.” (p.7) A Thomistic assessment of the same “material success” would not, for capitalisation of this ilk harms both materially and spiritually the unemployed, their families and their communities, and therefore works against integral human goodness by causing, *inter alia*, “moral degradation... crime [and] addiction to narcotics” (id.).

Chapter One

In the first chapter, entitled “The scientific study of the economy”, Utz defines the economy as “the activity whereby the human being” *qua* “corporeal being... meets the need for material goods in view of her own perfection”, which, following Aristotle, is understood as the realisation of “her many potentialities” (1.1). Albeit each individual is free, “in general she is already inclined by nature towards her final end” i.e. “perfection” or “happiness” (1.1). Were a person to “seek perfection outside her own nature”, she would find none (1.1). Error is possible, in other words, for our nature is not perfect to begin with, nor is freedom a guarantee of its own good use. For instance, were a healthy person to choose freely to seek perfection without consideration of the interpersonal fellowship or of the rational mind characterising our species, she would find none, as both loneliness and irrationality are pernicious to wellbeing, survival and, *a fortiori*, happiness. Happiness is the end towards which we are naturally inclined, but from which many men and women distance themselves in real life because of a plethora of deficiencies (e.g. lack of self-control, mistaken conceptions of the good, obtuse selfishness). Natural inclination is not natural determination. Health, knowledge and understanding are needed, among other things, in order to increase the chances of recognising, accepting and pursuing genuine, natural happiness as our key existential goal. Utz’s initial definition of the economy is then refined as follows: “the totality of those actions whereby the human being utilises the material goods in order to meet her vital and cultural needs” (1.1).

Given our social nature and the fact that we share “one and only one World”, any real economy is bound to be “a social economy”, i.e. “the cooperative utilisation of the material goods to meet the vital and cultural needs of *all*”, as implied by commonplace phrases such as “common good, national wellbeing or shared interest” (1.1; emphasis added). Whether this end is better served by a “communist or capitalist... form of organisation of the social economy” is yet to be seen at this stage of Utz’s argument, but one important substantial conclusion is already reached. “Since humankind” is *de facto* “without temporal limits” and

the “World” that we share is one and limited, “every economic community is duty-bound to use it with parsimony” (1.1). The textbook distinction between “scarce” and “non-scarce” goods is merely contingent (1.1). In absolute terms: “All goods are limited as concerns the needs of the entire humankind” (1.1). Most “economic science” is myopic in this respect, for it focuses upon limited time-frames, despite being traditionally keen on the notion of “scarcity” (cf. textbook definitions of economics such as Paul A. Samuelson’s; 1.1).

The more an “economic good” does in fact “contribute to the fully human wellbeing of all”, the higher is its “value”, which must not be confused with its “price” (1.1). By “all” Utz means all: not only those who are presently “economically active”, but also the inactive members of society (e.g. the infants, the elderly, the ill) and the “generations” to come (1.1). Their “vital and cultural needs” must be computed too, which implies that a “rational” economy would not imperil the chances for a healthy and “socially ordered” existence of the human beings that will come after us (1.1). Their future cooperative efforts to attain “human perfection, i.e. the common good” must be served too, even when this service may involve restrictions over present “liberty” (1.1). Within any well-ordered society, norms that qualify and, at times, restrict freedom are necessary in order to pursue the common good. Liberty is a pivotal human aim, but Utz does not prioritise it above all others, unlike many liberals.[\[32\]](#)

Another point of contention with liberalism is the claim whereby the “classic theory of the national economy” is allegedly “value-neutral” (1.2.1). According to Utz, this liberal theory does in fact “posit surreptitiously determined axiological premises”, as these are captured in Alfred Marshall’s iconic definition of “*homo oeconomicus*... who is under no ethical influences and who pursues pecuniary gain warily and energetically, but mechanically and selfishly” whilst enjoying “formal liberty” (1.2.1 & 1.2.1n). Albeit “unreal” and unpalatable, this free yet “morally perverted human being” helps us understand “socio-economic processes” in a “market economy”, which is one of several possible economic orders that aim at serving the material needs of humankind (1.2.1). It suffices to say that, given such premises, classic economic theory can and does reveal important aspects of human agency in market economies, but misses out far too much to be able “to offer universally valid advice for concrete political economy” (i.e. policy-making), including significant aims of market agents that go beyond “the desire for profit”, such as the “entrepreneurial drive” studied by Schumpeter (1.2.1). Not to mention some of the major “contradictions” of unfettered market economies that Marx himself had correctly identified in the 19th century, such as “social misery”, “paralysis of labour”, “moral[,]... social[,]... [and] economic collapse”, “corruption” and, as Utz adds on his part, the devastation of “the ecological pre-conditions for life” (1.2.4).

Political economy too, whether “philosophical” (e.g. Marx) or “empirical” (i.e. the study and

“computation of costs and benefits resulting from different alternatives” open to political decision-makers under specific “social and political circumstances”), claims to be “value-neutral” (1.2.2). However, as Utz argues, political economy does in fact “take stock of the many possible aims and therefore also of the values” at issue in any and every “economic computation” (1.2.2). An axiology is present, then. This is even more visible as the economic computations are performed in the name of “efficiency”, i.e. the actual chief aim of political economists, who prioritise it above all other aims, passing *ipso facto* an implicit “value judgment” (1.2.2). Besides, this implicit value judgment is ethically “debatable”, not least because of its consequences for “distributive justice”^[33] (e.g. wider wealth disparity is deemed acceptable for the sake of increased efficiency, despite its negative moral and social impact; 1.2.2).^[34] Even though implicitly biased in its axiological presuppositions, political economy remains primarily a descriptive science and, *per se*, “empirical data cannot produce ethical norms” (1.2.3). The determination of a “hierarchy” of “aims” within society is the province of philosophy, and ethics in particular, for such a hierarchy “can be known only *via* a[n explicit] moral judgment” (1.2.2).

“Ontological reflection” on economic phenomena can limit itself to studying “human behaviour *vis-à-vis* goods serving their survival and development”, as many branches in the social sciences have been doing for generations (1.2.3). “Philosophical” ontological reflection, i.e. “economic ethics” (1.2.5.1), must dig deeper, however, so as to unearth “which behaviour[s] can be defined ‘according to nature’... in the sense of classic natural law theory” (1.2.3). It is at this level of reflection, for instance, that we can grasp the socio-economic implications of “the catalogue of human rights emanated by the United Nations”, which is not a mere list of “individual rights”, but rather an articulate expression “of the collective duty to create the preconditions for the realisation of everyone’s fundamental rights” (1.2.4). Besides, understanding the quintessentially “social nature” of the human being can lead us to appreciate as natural, for example, the human “desire to self-realise and develop by one’s own agency and initiative, the search for a global juridical order... [and] solidarity” (1.2.3). More generally, the same understanding can help us realise how any ethics, including an economic ethics, cannot but be a social ethics too. Abstracting towards broader generality is not a move away from reality, but one into a more profound layer of the same—beneath, beyond and above data gathering, from which one must start, though, to avoid empty speculation.

Utz distinguishes three logical levels of reflection in economic ethics. The first one, “value theory”, deals with “the supreme, most general and still very abstract norms of any economic activity” (1.2.5.1). It is an Aristotelian “metaphysics of economics” focused upon the most fundamental personal and social aspects of *natura humana* (1.2.5.1). It is at this

level, for example, that we can retrieve “the imperative commanding that the common good be higher than the private” good, which is in fact ordinarily justified on the basis of its beneficial social outcomes (e.g. eminent domain/compulsory purchase/resumption legislation; Adam Smith’s assumption of a socially beneficial invisible hand; 1.2.5.1). The second level deals with the “actual inclinations and modalities of human behaviour in its relationship with economic goods” (1.2.5.2). Characteristically economic implications of *natura humana* are considered at this level, e.g. the paramount “organisational principle of economic planning” known as “private property”, the “socially just economic order (or system)” (1.2.5.2), and the inability of centralised “State authority to capture the productive potential and willingness [to contribute] of the members of society” (1.2.5.3).^[35] The third level deals with “problems” affecting specific economic orders, such as “contractual autonomy[,],... just price formation[,],... credit, etc.”, i.e. the typical issues of “business ethics” in Anglo-American academia (1.2.5.3). Utz underlines how crucial it is to set in place a rational economic order, which prevents problems from arising (e.g. the conflict between the common good and “the desire for profit of the individual manager”), and *a fortiori* how it is up to “the politician...not... [t]he entrepreneur” to establish constructively rational “social conditions for the competitive economy” (1.2.5.3).

The first chapter continues and concludes with an overview and discussion of significant 19th- and 20th-century theological views on economics, both Catholic (Taparelli, Messner, John Paul II, liberation theology) and Protestant (Weisser, Rich, Katterle, Thielicke, Herms, the German Lutheran Church). In a positively Thomistic perspective, Utz explains how “the harmony of reason and faith” can be established, arguing that the conclusions on economic ethics to be reached by a philosophical ontological investigation are bound to be consistent with those reached by a theological one, as long as the latter is conducted under the guidance of the Revelation in all of its forms (1.2.6.2). Citing Augustine, he states: “*anima humana naturaliter christiana*” (1.2.6.2). Moreover, thanks to the wealth of wisdom offered by a Christian social ethics, Utz derives further normative elements conditioning the proper functioning of a sensibly designed market economy, i.e. one that works for and not against *natura humana* (e.g. Sunday rest, human dignity). According to Utz, a religious inquirer can grasp aspects that a purely technical approach to economic affairs would miss: “The pure market mechanism, which liberals invoke under the guise of a complete deregulation, is a failure with regard to social problems, especially unemployment. The person that is inspired by faith and oriented towards the afterlife has naturally, because of her conception of life, a different attitude *vis-à-vis* development and productivity than the one who thinks in purely economic terms.” (1.2.6.3).^[36]

Chapter Two

In general, the existing literature about economic ethics assumes the existence and motivated “rational” agency of “individual[s]”, who pursue their “self-interest” by way of cooperative behaviour, or “solidarity”, in the economic sphere (2.1). Liberals would like to reduce all relevant economic considerations to this level, i.e. “contractual” interactions among assumedly free individuals (2.1; e.g. Hayek, 2.2). All the justice they seek is commutative. Socialists, on the contrary, typically subsume the existence and motivated rational agency of individuals under the higher level of social processes and collective values, which individuals are meant to serve in a more or less self-less manner. All the justice they seek is social (aka general or legal). Utz, in a consistent Thomistic fashion, stands between these two poles, for he assumes, in addition to “individualism”, the notion of “a common good to be realised through economic actions” undertaken willingly and responsibly by the individuals (2.2). Justice, as Aristotle and Aquinas had already argued, is both general and particular, and as the latter is concerned, it is not only commutative, but also distributive.

Pace today’s dominant liberalism, before contracts among assumedly free individuals are considered, one must determine whether the “economic order” allowing for such contracts is morally justified (2.3). Whilst current business ethics presupposes “as obvious... the capitalist system” or “market economy”, Utz’s economic ethics does not. According to him, if we wish to pursue a genuine ethical investigation of economic phenomena, rather than engage in mere “apologetics”, we cannot presuppose the legitimacy of any existing economic order, but rather consider “the philosophical-anthropological premises determining the supreme norms of every systematic construction” (2.3). The structure of the analysis to follow in the rest of the book is announced in 2.3: “I shall focus upon the problem of the economic order, starting with the issue of the common good, e.g. by wondering whether the [centrally] planned economy or the market economy correspond to the *a priori* principle of the common good, then which institutions may be essential in a market economy as demanded by the principle of the common good, and under which ethical conditions they must operate.” Utz speaks of “two stages” of analysis: “the general principles and the application to the concrete situation.” (2.4). First of all, one must determine which abstract rules pertain to “human nature, in view of the universal common good”; then it will be possible to proceed to their application to specific national and international contexts, with due consideration for the “empirical data” that can be gathered (2.4). If insufficient caution is exercised with regard to national and international specificities, then “unrealistic and excessive expectations” can be forced upon “a nation”, as exemplified by the one-size-fits-all approach of international financial organisations operating in the developing World (2.4).[\[37\]](#)

Chapter Three

Given the glaring and multifarious social failures of 18th- and 19th-century classical liberalism, constructive reforms have been sought repeatedly, including Eucken's "market social economy", which proved very influential in 20th-century German-speaking Europe (3). According to this conception of the economic order, next to the "purely economic rationality" *à la* Marshall (cf. 1.2.1) that liberal "economists far too easily overestimate", "the life norms of a society" are also to be considered, for they are bound to qualify, condition and even conflict with rational economic activities, hence co-determining their fate (3). Utz suggests that these "life norms", often exquisitely ethical in character (e.g. fairness, dignity, trust and duty in all domains of social life, business included), should be studied from a Thomistic "rational-teleological" perspective, which would then allow to "harmonise" socio-ethical rationality and "economic rationality" in view of "a single definition of well-being" (3). Thus, and thus only do we attain a rich, deep and true understanding of economic categories *qua* essentially "socio-economic"—indeed socio-ethico-economic—categories (3).

For example, "productivity" should not be merely the entrepreneur's or planner's efficient use of available resources to meet existing demand, but also and above all the economy's ability to meet "the integral needs of all members of society... for example health[,],... culture[,],... future ecological needs[,],... labour rights[,],... Sunday rest" (3-3.1). Similarly, a sound socio-economic "market order" would not simply tolerate and accept "just social requirements" because of their inevitability, but actually "stimulate... personal initiative and responsibility *via-à-vis* the establishment of [good/rational/natural] values" (3.1).[38] On an analogous note, proper economic "gain" should not be the satisfaction of whatever selfish pursuit the individual market actor may opt for, including "sheer speculation", but rather the deserved "remuneration for a rendered service contributing to the common good" (3.3.2). It is on the basis of, and in proportion to, the ability of an economy to be productive and just as *per* the examples above that the legitimacy of any actual economic order can be gauged.[39]

Failures, in this connection, abound, for allegedly rational economic behaviour can actually be nothing short of insanity. On the one hand, an unfettered "market economy" can lead to "the danger of the economicisation of society", as witnessed already in the early days of liberalism (3). Human beings are then attributed value solely as means to a profit, and their exploitation is positively sanctioned. However, according to Utz's Thomistic analysis, the good economy is "a means for the realisation of life values", not of sheer pecuniary profit (3.1). On the other hand, a "planned economy", even if well-meaning and explicitly built upon ethically sound social aims, is bound to end in "bankruptcy because of its neglect of

self-interest”, which is a powerful natural drive to be taken most seriously in view of a rational organisation of society (3). Productivity, meaningful self-direction and human dignity depend on it. The right path is somewhere in the middle. This middle ground is what Utz’s “teleological rationality” aims for: individual self-interest is to be acknowledged, harnessed and steered towards the common good; it is not to be given into (e.g. the liberals’ justification of callous selfishness), denied or underplayed (e.g. the socialists’ rejection of private property; 3.2).

The intellectual “determination” of the natural “socio-ethical aims” of human life is paramount, for no economic system can transgress repeatedly and consistently “human nature” without leading to “undesirable and inadmissible results”, as best exemplified by the Earth’s “ecology”, which both liberal economists and socialist economic planners neglected for generations (3.3.1 & 3.3.2). Fundamental social equilibria must be paid heed as well. Thus Utz identifies additional, normatively relevant socio-ethical aims: “the free development... of every human being[,]... humane [and] dignified employment[,]... assistance to persons that are unable to work” (3.3.2). These aims too must qualify and, if needed, limit the scope and the typology of allowed economic undertakings. Good norms are imperative. Given our imperfect nature, some stumbling along the logic of “trial and error” is bound to persist in the domain of socio-economic organisation (3.3.2). Nonetheless, to possess a clearer notion of “the objectively founded aims of the economy” is going to reduce the number of trials and the degree of the errors to be encountered (3.3.2).

Chapter Four

If the standard, textbook liberal notion of economic rationality is deemed inadequate to capture the social as well as the diverse natural aims of human life, equally inadequate is deemed the standard, textbook liberal conception of “human needs” (4). In this respect, according to Utz, the empirical research of “anthropologists, ethologists and psychologists” should be used in order to integrate, refine and correct that of “economist[s]”, who seem prone to oversimplification because of factually unwarranted *a priori* thinking (4). Furthermore, well beyond sheer empirical research, any serious “economic ethics” should reach back to “the essential determination, i.e. the abstract yet real nature of the human being” (4.1). By doing so, it becomes possible, on the one hand, to discriminate between the natural and “unnatural” needs that comprehensive empirical research may come across (cf. Gerhard Merk’s distinction between “goods” and “non-goods”, 4.2; Utz’s own distinction between “factual needs” and “latent” ones “activated” by ethically “disturbing” advertising, 4.3).^[40] On the other hand, it also becomes possible to “assess their relative importance”, e.g. “environmental needs” are “primary” under whatever economic order one may wish to establish (4.1), and a starving man’s need for bread has clear priority over the bread’s well-

fed owner's claim of private property (*ergo*, as Aquinas argued, its furtive acquisition is *not* "theft"; 6.1.3.1). Granted such a richer, deeper and truer understanding of human needs, political decision-makers can produce, if willing, rational regulations, i.e. consistent with *natura humana*.

Utz agrees with the socialist economist Ota Šik on what constitutes *in abstracto* "universal human needs", that is, "fundamental material needs, needs of safety and health, needs of spiritual development, environmental needs, needs of psycho-physical self-realisation, social needs, needs of rest, needs of self-affirmation, needs of social activity" (4.1). However, he disagrees with Šik on whether even a reformed socialist economic order would be capable of being so efficient as to grant their satisfaction for all "members of society", whether they are able to participate in "the economic process" or not (e.g. minors, the unemployed, the gravely sick, the elderly, the severely handicapped, future generations; 4.1).

Socialist economies, like monastic orders, presuppose the members' agreement on "the common end as the end of their own lives" (4.3).^[41] Yet, the citizens of a socialist or, for that matter, of any other State have not made a free, thought-through and responsible decision to pursue such an end as their own. In fact, within any State, there can be considerable disagreement on, and diversity of, "worldviews" (4.3). This plurality of "worldviews", i.e. individual preferences and value-attitudes, is what the market order, unlike the socialist or "communist" one, can acknowledge and deal with, at least to a significant extent, through its polycentric productive and allocative processes (4.3). That is why, according to Utz, market economies are better candidates than socialist ones *vis-à-vis* the universal satisfaction of genuine human needs.

Still, Utz does not praise market growth for growth's sake. Citing Aristotle, Augustine and Marx, Utz emphasises how humankind would be better off by needing less and better, rather than seeking endless increases of "productive force" to match insatiable wants, especially if these wants result from the marketing experts' "manipulat[ion]" of "demand" (4.2 & 4.3). Pursuing endless growth is blatantly unnatural, indeed irrational, as the World's ecology keep telling us. Rules and regulations of the market order are, then, *de rigueur*. Without them, "liberalism" can only face a "shipwreck" akin to the one suffered by communism in the 20th century (4.3).

Chapter Five

The application of a Thomistic rational-teleological ethics to the economy means that, as done with the categories of rationality and need, also the standard understanding of "the factors of production" must change (5).

To begin with, “land”, i.e. “natural resources” in the broadest possible sense (“utilisable nature”), must be considered in light of the “super-temporal” needs of the human race, and not merely in light of the commonplace and yet myopic “economic interest limited in time” commanding its allegedly efficient and yet destructive exploitation (5.1). Once again, Utz highlights the issue of long-term ecological sustainability.

Major emphasis is then placed by Utz on rethinking the second factor of production, i.e. “labour” (to which “management” can be reduced; 5). “Labour”, whether “intellectual” or “bodily”, must not be treated like “investments”, which can be “cut or regulated” at will in order to generate higher returns (5.2). Labour is “part of human activities” and, as such, it is ethically obligatory to “pay heed to the conditions under which human agency preserves its own human dignity” (5.2.1). Starting with Aristotle’s distinction between “*actio immanens*” (i.e. “an action that serves uniquely the perfecting of the agent” e.g. “play or sport”) and “*actio transiens*” (i.e. “an action that produces an object that lies outside the agent” e.g. the “toiling and damaging” labour of “slaves”), Utz seeks a mediating conception of human labour (5.2.2). His mediation reads as follows: “the human being, in her economic agency, creates a product that serves the ends of her own nature and that, for this reason, is valued by the members of society because of its utility (use value)” (5.2.2).

“Manchester liberalism”, which Marx rightly rejected, was culpable of lacking “respect for the inseparability of labour *qua* factor of production” and “the moral essence of the human being”, thus causing “workers’ uprisings” and, eventually, harm to “the economy itself” (5.2.2). There exists therefore a “right to labour”, which is not the right to having jobs created *ad hoc* for the unemployed by the State (as many socialists have argued), but the tangible expression of each person’s rights “to sustenance[,]. . . self-affirmation within social cooperation... [and social] integration” (5.2.3). The fulfilment of this right is to be attained by means of a rational, comprehensive regulatory framework that facilitates job creation and, therefore, sets proper incentives and disincentives to all economic agents, such as “invest[ors], entrepreneurs and... even employed workers” (5.2.3).

It follows in practice from Utz’s theoretical analysis that, within a well-regulated market economy, employment must be as broadly available as possible. It is only in this manner that most suitable individuals will take responsibility for their own self-perfection and participate constructively in the social generation of well-being *via* the economic sphere. Not any line of employment will do, though. This ideally full employment must be in activities that are ecologically (cf. what said about “land” above), socially (e.g. not leading to “uprisings”) and economically sustainable in the long term (e.g. “humanised” working conditions allowing for the “reproduction” of the workforce; 5.2.4). It must be personally meaningful, since “pay alone” is not enough; there is a “spiritual root to all labour” (e.g. “the worker expects to

achieve her own social integration” or “social status” through her labour; 5.2.4 & 5.2.7). It must be consistent with the fundamental human needs (e.g. “family life... [and] culture”), aims (e.g. “self-realisation”) and dignity of each human person (5.2.3 & 5.2.4). That is why, in practice, there exist “labour legislation or workers’ protection”, e.g. binding norms on “free time[,],... safety[,],... hygiene[,],... prevention of accidents[,],... unemployment benefits[,],... [and] special protections for women and children” (5.2.5). That is also why there exist internationally codified universal social, economic and cultural rights to be respected, protected and fulfilled. Though costly in the short- and medium term from the perspective of a firm’s bookkeeping, to do away with such binding norms and internationally codified universal rights would mean doing away with workers’ human dignity. No society and, *a fortiori*, no economic order could operate for long under such inhumane and undignified conditions, which would also destroy the humanity and hence the dignity of the workers’ exploiters and their academic legitimisers.^[42] As Utz states, “the individual good must be integrated within the collective good”, that is, whatever businesses and jobs are in place, they must serve the natural aims of human life (5.2.4). It is only under such a rational, comprehensive regulatory framework, i.e. “a juridically ordered economic society”, that there can be “freely stipulated... labour contract[s]” as those advocated by the liberal tradition and, more broadly, an ethically justified market order (5.2.4).

Much progress has been made since the callous ‘iron laws’ of classical liberalism and the industrial horrors of “Manchester liberalism”, but much remains to be done, according to Utz. For one, “international competition leads often to violations of humane labour policies” (5.2.6). For another, “abrupt technological revolution[s]” cause frequently “the social misery of workers” (5.2.6). The respect of the workers’ “teleological” claim over “production”, in addition to the commonly recognised “causal” one, finds still little acknowledgment in legal and business practice (e.g. workers’ “co-management” of enterprises being rare; 5.2.7). In addition, “growing capitalisation creates over time a mass of unemployed”, and although socially responsible “unemployment benefits” may soften the blow, “the problem is not at all resolved” at its root (5.2.6). Indeed, according to Utz, “given the international economic network” emerged with globalisation, “the imperative of the complete respect of the personal-individual character of labour cannot be fulfilled” today (5.2.6).^[43]

As regards “capital” (to which “technology” can be reduced; 5), Utz argues that any “economic ethics” trying to be “general” must start with “a definition” that does not “presuppose a given economic or social system” (5.3). At this level of abstraction, “capital” cannot be “productive investments” and even less “money”, both of which presuppose socio-historically specific institutions (5.4). Therefore, the definitions offered by Smith, Weber, Schumpeter and Eucken are rejected by Utz because too system-specific. Only Böhm-

Bawerk's definition is praised, since it would apply "even to Robinson Crusoe" (5.3). Following Böhm-Bawerk's lead, capital's "original concept" is defined by Utz as "a reserve of useful services withdrawn from immediate use" (5.3), or "useful service detracted from immediate consumption" (5.4). *Qua* "factor of production... capital is not a 'thing', but rather the function of a thing" (5.4). In this perspective, even a Robinson Crusoe must put aside resources (e.g. food, seeds, timber, time and labour) that, later on, will enable him to produce further means of survival. "Savings" are then the heart of "capital", i.e. "the presupposition for the possibility of operating on the means of production" (5.3). *Contra* Keynes, Utz claims that "savings come before investment, not vice versa" (5.3). Moreover, from an Aristotelian perspective, "productive investments" are "capital only 'potentially'", for they must find adequate "demand", which can be absent, as Keynes rightly argued this time (5.4). "[T]he actualisation of means of production" constitutes "capital", in an Aristotelian perspective (5.4).[\[44\]](#)

In a broader, more complex society, this abstract notion of "capital" implies that a rational regulatory framework must be set up so as to save adequate resources to be employed in later forms of production "leading to a useful growth that benefits the whole population", present as well as future (5.3). "[E]nvironmental needs" are once more highlighted most forcefully in this context, for both so-called "capitalist" and socialist economies (or "State capitalism") have been culpable of pursuing alleged efficiency whilst sacrificing the "nourishing basis for the production of the means of production", i.e. they have "failed to save" (5.4). Similarly, large-scale debts and expenditures, both public and private, are criticised by Utz, for they erode the "capital formation" needed for future useful production (5.4). In a rational market economy, all economic agents, i.e. "investors", "entrepreneurs", "State authorities" and "workers" (especially through their "trade unions"), must be free to operate in a self-interested manner, i.e. with their own particular good in mind (5.3 & 5.4). However, they must do so *within reason*, that is, within a regulatory system that prevents excessive debt and expenditures and that aims at the "real utility for the economic society" in the long term, i.e. with the common good in mind (5.4).

It is only under such premises of sound "political economy" that one can justify "interest" on borrowed credit—a historically thorny matter for Christian scholars (5.3). In order not to be usury or speculation, interest on borrowed credit must be the just remuneration for a rendered service, namely the provision of "real capital", i.e. "a nourishing basis" for the "production of [further] means of production" benefitting the common good (5.3 & 5.4). It may be olfactorily true that, as the Romans said, *pecunia non olet*, but it does not mean that "capital formation" is devoid of "an ethical role" (5.4). According to Utz, it too must serve eventually "the perfection perceived in human nature", for its use to be ethically justified

(5.4)

Chapter Six

Utz's principled revision of basic economic categories tackles property too. Given the importance of this notion, and rather unusually for this book, Utz offers an ample historical overview of the main conceptions and justifications for different property regimes (6-6.1). The list of thinkers cited and discussed is extensive, somewhat uneven, and certainly stimulating. It goes from Plato, Aristotle and the Stoics in classical antiquity to Marx, Taparelli and Rawls in times closer to us, whilst also dealing with philosophers as diverse as Suárez, Grotius, Pufendorf, Wolff and Thomasius—among others. Conceptual differences, but also continuities, are retrieved across the centuries. Some are pleasantly surprising (e.g. the early Church Fathers' "paradisiac state" and "the original position" in Hobbes, Locke, Rousseau and Rawls, or Marx's primeval communist societies; 6); others are intriguingly insightful (e.g. modern contractualists' abstraction from actual individual peculiarities in their thought experiments about "the original position" as "masked natural-law reasoning" i.e. closet metaphysics; 6.1.4).

The centrepiece is, however, Thomas Aquinas' conception and justification of private property, to which Utz devotes four subsections (6.1.3.1-6.1.3.3 & 6.2.3). The emphasis placed on Aquinas' understanding is due primarily to Utz's belief in its ability to offer a point of equilibrium between the ancient approach, which focuses on the needs of society at large or "the common good", and the modern one, which focuses instead on the "property rights" of individuals endowed with private ownership (especially but not exclusively in the liberal tradition of Locke, Smith, Hayek, Buchanan and Friedman; 6.2.1). The former approach lacks specificity on individual rights and cannot guide "the praxis" of concrete social organisations *vis-à-vis* "easily controllable property relationships removed from any arbitrary authority, whether the legislator's or the administrator's" (6.1.4.1). Too much emphasis on general justice jeopardises particular justice. In the name of socially valuable aims, the former approach can allow, "one piece at the time[,]... the destruction of the order of private property, without a definite criterion delimiting the justification of State intervention" (6.2.2). The latter approach, on its part, concentrates too much upon the claims of individuals who already own property and neglects "those who wish to become property owners[,]... the workers[,]... those who seek employment" and, more broadly, "the utility of all human beings", present and future, who may not have any "capital" at their disposal, or whose fundamental needs may not be served by owning any (6.2.1). Too much emphasis on commutative justice jeopardises general justice. Utz's present fears about global dehumanisation by way of societies' "economicisation" and the past horrors of Manchester liberalism loom largely in the background (3). For one, even if a competitive

market economy can produce and allocate resources efficiently across much of society, it does not secure *per se* genuine “universal wellbeing, in a humanistic and not only material sense” (6.2.1). Good rules and regulations are needed to secure this kind of wellbeing. For another, as Utz writes, persons “are not machine[s] that can be thrown away” once they no longer bring in profits: “rebellion” and its attendant “social costs” are the likeliest outcomes of short-term profit-maximisation by way of economic exploitation, exclusion and insecurity (6.2.3). A more balanced position is required, which is what Aquinas can help us find.

By no means individualistic and contractualistic in the modern fashion, Aquinas’ approach makes use of the classical notion of “common good”, but it also includes a line of argument whereby “the absolute necessity to administer rationally the goods in view of economic productivity” leads to the justification of private property *qua* “individual... right” (6.2.3). On a general, “metaphysical” hence fundamental or “real” level, Aquinas acknowledges the “duty to consider material goods as a gift from God for the advantage of the whole humankind and to behave accordingly.” (6.1.3.1) Given her “rational nature”, the human being was “chosen” by God as “master of the World... so that she uses it in view of the ends proper to her nature.” (6.1.3.1) Rational creatures ought to make a rational use of the existing resources, i.e. in view of rational ends. Accumulation of wealth for its own sake, or callous and undignified disparities in ownership and derived life-capacity, are irrational, i.e. contrary to human nature, which too ought to express the divine order of the universe. On a specific, historical and pragmatic level, the best system that can secure the goal of using rationally the existing resources for the sake of the common good is, according to Aquinas, one based upon private property. Here, Aquinas no longer thinks of humankind in general, metaphysically, or ‘really’. Rather, he thinks of concrete individuals under contingent socio-historical circumstances, such as those of the “fallen natural state” of humankind, whereby the “deplorable... inclination... to accord preference to one’s own good over the common good” has become almost as “natural” as our inherent rationality (6.1.3.2; a “quasi-nature”, 7.8.2).^[45] Taking stock of this situation, hence thinking ‘realistically’ rather than just ‘really’, how can anyone “procure” the material goods needed for “bodily sustenance”? (6.1.3.1) And how should she “use” them, once they have been procured? (6.1.3.1)

As regards the first question, Aquinas argues that a system of private property is preferable to one of “communal property”, e.g. those of ancient “Sparta and Taranto”, about which Aristotle had written in his *Politics* (6.1.1). Private property “spurs [individual] industry, hence... productivity”; it identifies clearly who is “the responsible person” for given goods and services, and therefore “allows for a better administration devoid of confusion”; and it secures “social peace” by avoidance of “disagreements” thanks to clear “legal bounds” on who owns what (6.1.3.1). As regards the second question, the answer ties back into the

metaphysical level and the rational aims fulfilling *natura humana*. Even if “held in private hands... all existing goods maintain their original destination, i.e. they must serve all human beings.” (6.1.3.1) Therefore, even if “the owner may dispose of her possessions as she wishes”, she is under “the grave obligation of helping those in need” (6.1.3.1). As already recognised by the Church Fathers and, later, by Pope Leo XIII, the founder of the SDC, “in the use of their property, the wealthy must be considered administrators, not owners” (6.3)—and a just administration of their wealth implies “the sustenance of the poor” (6.1.3.1). Similarly, existing pecuniary reserves, once their owners’ “own use and production” have been satisfied, should be made available to “social productivity” as an ethical imperative (6.3).^[46] Fundamentally, as Utz states later in the book, “the order of private property” is justified because it serves “social ends” (7.7).

Chapter Seven

No “economic order” or “system” can exist “without plans” (7). Individuals, businesses and societies, unless pathologically lazy or mad, plan ahead all the time. Which forms of planning, however, are the most likely to “overcome or, at least, lessen the burden of the scarcity of goods, in order to meet the needs”? (7) In order to find an answer to this interrogative, Utz outlines and discusses the main known paradigms of economic order, i.e. the liberal and the socialist, and some varieties thereof, assessing their strengths and weaknesses. The result is the longest and possibly most complex chapter in the whole book.

Four economic aims are particularly important in Utz’s ethical analysis of economic systems, i.e. (i) “price stability” *qua* “duty of justice towards the saver”; (ii) “full employment” *qua* “human right to labour”; (iii) a “well-ordered balance of payments” *qua* “justice... [towards] partner States”; and (iv) “continuous growth” *qua* “duty of the human being to pursue self-perfection” (7.6). In light of the revised economic categories tackled in the previous chapters, Utz’s understanding of these four aims is different from the one found in mainstream economics’ textbooks. For one, “saving” applies to the “correct use” of “ecological goods” rather than to mere money with which a consumer could buy “environmentally harmful... luxury comforts” (7.6.1). “Growth”, on its part, cannot be “merely economic”, i.e. measured by the sheer volume of produced and/or traded goods and services, but must also include our “human perfection[,].... a growing knowledge of the universe[,].... spiritual values... [and] social costs” (7.6.1), “the axiological ends of the human being[,].... the environment[,].... access to labour... [and] the living standards of the whole society.” (7.8.1)

As regards the market economic order of the liberal tradition, Utz tackles first classical and neoclassical economics, the latter with reference primarily to Hayek. Utz praises “the liberal

vision... of the pure market economy” for “constructing logically” a “theoretically valid... argumentative scheme of the market economy” based upon “self-interest” (7.1). Utz stresses the theoretical coherence leading from the 18th- and 19th-century philosophical roots of “sensualism” and “individualism” to the political and economic doctrine of “liberalism” (7.1.1). On the basis of such roots, “altruism” was deemed inadequate to form the basis for a well-functioning “ramified network of interactions, particularly in the field of economic agency”, and the “self-interest” of “private” economic agents was therefore taken to be the prime “motive of human commitment” in society (7.1.1). A system of “commutative justice alone” emerges from it that demands “perfect competition” and “rational price formation”, so that it is possible for “the goods required for the universal satisfaction of needs to be produced in the most economic manner”, i.e. for the “parsimoniously” generated “supply” to meet most “efficiently” its corresponding “purchasing demand” (7.1.1 & 7.1.2). Within this system, “value”, hence “social value” too, means the “price” of goods and services supplied, as their price is determined by the demand of “purchasers or consumers” (7.1.1). This determination applies to all forms of “goods”, including “labour”, “land” and “capital” (7.1.2), and must operate free from price-distorting State interference on both “national” and “international” levels (7.1.3). Under this perspective, “private” agency is paramount and preferable to that of public authorities at all levels, including “social security”, “unemployment” remedies, “pensions” and “expecting mothers’ protection on the workplace” (7.1.4).

Albeit a mere abstract “image” or “idea”, many liberals have believed this system to be “ethically justified because of its economic efficiency” and therefore worthy of being pursued in reality in a “total”, if not totalitarian, implementation (7.1.1). Were their abstract idea a real one, in the Thomistic sense of reality, then it could be a valuable operation. However, the liberal idea is deficient. Liberals may believe that they are depicting an image akin to the anatomist’s perfect abstraction of a healthy body, but in actuality their depicted body is a mutilated one. Undoubtedly, self-interested “individualism” has firm roots in reality, as also shown by the widespread “loss of honesty” characterising “the modern age” (7.1.5). As such, it cannot be excluded from view, like the Marxists would like to do. However, it is equally true that “individualism” misses out many other aspects of human nature that, *pace* Hayek (7.8.2), allow for the notion of “common good” to be intelligible and reasonable, our natural sociability *in primis* (7.1.5). It is not possible to reduce “society” to the “individualistic... market only”, lest we wish to face unbearable contradictions (7.3.1).

For example, liberals miss out the participation of human beings in a greater ecological order, which cannot and must not be sacrificed to “unlimited growth” as “the supreme end of political economy” (7.1.5). Unless we intend to face worldwide environmental, social and,

a fortiori, economic collapse, standard economic criteria for “growth” must be revised radically (7.1.5). No major novel scientific discovery is needed to understand this point: “That cars pollute was known since the beginning... The same goes for oil-powered heating” (7.1.5) Rather, “the moral renewal of society is necessary to save the market economy” from sheer short-term self-interest, which has led to profitable venues being sought relentlessly without consideration for long-term ecological effects (7.2.4).^[47] Then, a viable “compromise” between standard self-interested economic behaviour and an enlightened notion of the common good should be pursued, which makes an ecologically sound use of “taxes[,]... interest rates” and “subsidies (*contra* the theory of the pure market economy)” in order to attain an “ethically correct growth” aiming “at the global human ends.” (7.1.5) *Pace* the liberal idea of *homo economicus*, “the individual must be able to think beyond her own self-interest in order to save the market economy.” (7.2.4)

Moreover, liberals self-contradict when dealing with the issues of “unemployment” and “poverty” (7.1.5). If it is true, as liberals assume, that “the individual with her desires must be the norm for common behaviour”, why should the unemployed or the poor be prevented from taking over the existing institutions, notably the State, and using them to improve their lot? Liberals claim that these individuals should not seek market-distorting means of coercive wealth “distribution” and wait until “growth” will deliver improvements (7.1.5). Why should they wait, however, if individual self-interest is the fundamental norm? And for how long should they wait exactly, if they are willing to pay some heed to the liberals? There are countries in the World where poverty has been the legacy of several successive generations, despite liberal institutions being the norm in the economic sphere (cf. the United States of America; 7.1.5). At this point, “the individualistic principle placed at the beginning of the argument in favour of economic efficiency... is abandoned” (7.1.5). Utz reveals how the key-criterion at work here is not concrete individual self-interest, but the “highest possible growth” of the “economy as a totality” (7.1.5). As long as economic growth is attained in accordance with the liberals’ criteria, flesh-and-blood individuals can endure prolonged “martyrdom” by way of, *inter alia*, “unemployment” and ruthless exploitation on the workplace (7.1.5). The self-interested “individual” about whom liberals speak so much is no concrete human being, but the abstract “*homo oeconomicus*” of their aprioristic textbooks and theoretical models (7.1.5).

This fiction, according to Utz, will not do. In order to function on a vast scale and over the long period, the “market economy” requires “human beings with a certain ethical and cultural level” of competence and performance (7.2.). It is only in this way that they will pursue “a common rational exploitation of the resources” available to them and “advance” beyond the present condition, guided by a “high degree of responsibility[,]... enthusiasm in

personal initiative and the willingness to offer personal performances” of the highest standard (7.2). *Homo oeconomicus* does not possess all these attributes and inclinations. A far richer and more complex socio-cultural milieu generates the kind of individuals that a well-functioning market economy requires to come about, function and endure.[48] Again, on top of being self-contradictory, the image of the self-interested individual lying at the heart of the liberal paradigm is shown to be severely incomplete. According to Utz, “the stability of the market economy depends on the moral behaviour of the members of society: honesty and responsibility” *in primis*: “The more wanting the respect of the moral conditions becomes, the more necessary prohibitions become and the more expensive the economic process turns out to be.” (7.2.4)[49]

After exploring and exploding the contradictions of liberalism in its classical and neoclassical versions, Utz tackles one variety of liberal thinking and economic policy that has tried to deal with the many elements of human nature forgotten by the classical and neoclassical versions, i.e. the social market economy (hereafter SME) of Eucken, Rüstow and, “above all”, Müller-Armack (7.3.2). Unlike classical and neoclassical liberalism, SME conceives of a market system that takes place within a set of well-specified legal, social, political and economic conditions that State authorities establish, monitor and enforce throughout, such as “an austere monetary order[,],... competitive credit[,],... State policy for competition[,],... labour and social rights[,],... environmental protection[,],... land planning[,],... consumer protection[,],... direct assistance to individual enterprises on a regional or typological basis, etc.” (7.3.2). In particular, SME allows and aims for a “first distribution” of income that “occurs within the economic process as wages and profits”, as well as for a “second distribution” reaching all those members of society that cannot participate in the first one, e.g. “the ill, the elderly, families, etc.” (7.3.2). Within any society, there are individuals whose particular preferences are efficiently reflected in market transactions, but also “those who have no purchasing power... the unemployed” and economically dependent persons whose “needs” too must be “met” (7.8.5). If only a privileged section of society benefits from the liberal economic system, then it is arduous to see the “ethical justification of the commutative justice underpinning the market.” (7.3.2)

Albeit appreciated by Utz for its holistic socio-ethical understanding, SME fails to tackle two major flaws of the liberal approach, with which SME has historically sided (SME is also known as *ordoliberalism*; cf. 3.1). On the one hand, by accepting international competition and “flexible labour contracts” as positive givens of a well-functioning market economy, SME fails to notice how the global competitive system brings wreckage upon “national economies”, to the point of causing dramatic “sociological” and “political” consequences (7.1.3). According to Utz, a worldwide market economy puts such a “pressure” on the “level

of wages” that these can “drop to the minimum needed for subsistence, if not below”, which is a recipe for massive social and political instability (7.3.3). Moreover, whilst legally weak countries are selected by transnational businesses for their competitive low costs of production, stronger ones suffer waves of “unemployment” by way of delocalisation, loss of investments and inability to compete (7.3.3).^[50] These horrors being absent from view or neglected, SME’s emphasis is set squarely on the fear of “inflation” instead, thus reflecting the chief preoccupation of moneyed individuals rather than, say, the working poor or the unemployed (7.3.3). On the other hand, SME accepts the trade unions’ “taboo” institutions of “universally binding labour contracts” and labour disputes by way of “strike and closedown” *qua* normal features of the market order, even if they are disruptive (e.g. harmful to production), ethically dubious (e.g. akin to extortion) and, above all, conceivably replaceable with sounder alternatives (7.3.3; cf. Ota Šik). The combined result of international competition and the trade unions’ power of blackmail is structural “unemployment” which, in the end, cannot be paid for by social provisions, since international competition reduces the resources available to State authorities, such as taxation and inflationary monetary largesse (7.3.3).^[51]

It is at this point that Utz introduces the “socialist market economy” (hereafter OS) of Ota Šik as a better, albeit little known, combination of purely economic goals and socio-ethical concerns. Even if Šik does not use the term, OS can be deemed “socialist” because it does not entail “private property in the sense and forms of [standard] market economies” and it is critical of “capitalist... systems” in general (7.4). OS takes seriously the liberals’ “self-interest” *qua* chief human motive, but also SME’s acknowledgment of the “major importance” of the “State... for macro-level equilibrium”, plus the traditional socialist emphasis on “planning” (7.4.1). According to OS, minor “micro-level disequilibria” are part of normal business life and generally acceptable, but major “macro-level” ones require substantial State monitoring and careful planning by the public authorities (7.4.1). Without such monitoring and planning, “income distribution” goes astray (7.4.1). Specifically, OS observes a systematic “disequilibrium” at the macro level between “supply” and “demand” in the capitalist economic order (7.4.1). This disequilibrium is caused by the capitalists having the upper hand in market economies, where entrepreneurs and stockholders enjoy too large a portion of the pie produced therein, hence leaving the workers with too small a portion of it. As a result, the historical experience of capitalist economies has shown repeatedly how the wealthy seek further profits by means of destabilising speculative manoeuvres and/or industrial “overinvestments” (7.4.1). The latter are investments aimed at production and pecuniary gain that are unmatched by the workers’ actual “wages”, which inexorably “lag behind” and therefore lead into crises of “overproduction”, i.e. a macro-level mismatch between supply and demand, as also signalled waves of dramatic “unemployment”

(7.4.1).

As a first, fundamental solution to these problems, OS advises “income distribution” not to be left to the market, but rather carefully “regulated” by the democratically elected authorities, e.g. by means of equal “retributions” for all workers performing the same job, wherever that may be (7.4.1). This way, private demand would be increased by better wages, to which OS adds also better pensions and targeted investments coordinated by State authorities (7.4.2). Additionally, the democratically controlled State authorities should make sure that environmental and workplace regulations are enforced too, as well as shorter working hours for the sake of “full employment” (7.4.2). This democratic macro-level regulation applies also to the “profits of the enterprise”, of which workers should become co-owners (7.4.1). This is OS’ second fundamental solution to the problems of capitalist economies. Property must not be ‘aristocratically’ concentrated in a few hands, but ‘democratically’ distributed as widely as possible. In this way, the opposition between employers and employees can be abolished, so that the paralysing industrial conflicts arising from such an opposition are abolished too, whilst at the same time allowing the citizens to acquire more balanced, less sectarian “motivations” in politics (7.4.3). “Democracy” must apply in the economic sphere, not just in the political one (7.4.1). This is possibly OS’ most radical point. According to OS, a new, well-functioning economic system is not going to arise by the mere mixing of elements from the liberal and socialist camps, but from deeper changes in the “political order” and the “mentality” of economic actors (7.4.1).[\[52\]](#)

Utz claims OS to be an innovative and intelligent proposal, which is not immune to critique, however. As Utz argues, the State is granted by Šik considerable power to exercise “pressure” on the private sector, as well as to decide “retribution levels and investment quotas” (7.4.3). This would be all good and well, if and only if democracy’s chief pitfall did not exist, i.e. the voters’ diverse “motivations” and, above all, their diverse short-term self-interests, which could be in mutual agreement only under the unrealistic condition of equal distribution of property among them (7.4.3). Even less likely to succeed are systems where the State possesses the undemocratic power to enjoy the “central planning of the economy” (7.7). First of all, such systems fail to recognise the just and productive institution of “private property” and the self-interested “motivation of the persons involved in the economy” as fundamental to any economic order (7.7). Secondly, by doing so, these systems’ pursuit of “efficiency” and human “happiness” has always ended in failure: “until now, no centrally planned economy has ever succeeded in fulfilling its own proposed plans.” (7.7)

Upon the basis of the previous six chapters and of his extensive analyses and critical assessments in the seventh chapter, Utz concludes by offering the “only real... healthy...

ethico-economic definition of the economic order: *“the competition economy, founded on the universal right to private property, both for production and consumption, with the greatest possible diffusion of productive property, with stability of price levels and full employment.”* (7.8.6; emphasis in the original)

Chapter Eight

The “justification” for the “existence” of the “market economy” pivots around the issue of whether it can also address “those who, for whatever reason, have no purchasing power” (8.1). “[C]lassical theory” focussed on “supply” so much that it became incapable of understanding and dealing with the problems proper to “demand”, including noticing those who may not exercise any (cf. Say, Mill; 8.1). John M. Keynes, studying in depth the issue of “unemployment”, offered a significant and substantial integration of the liberal paradigm (8.1). Still, not even the State’s injections and withdrawals of “investments” and “credit” for the sake of “full employment” and, with it, the balance between market “supply and demand” can address clearly and fully the issues of a “socially” and environmentally “sustainable economic growth”, i.e. a growth that is truly consistent with *natura humana* (8.1 & 8.2). Quite the opposite, by lack of adequate axiological criteria, Keynesianism remains trapped within a logic of indiscriminate “consumption” that, especially *via* the powerful means of modern “advertising”, leads to life-disabling consequences on both individual and collective levels (8.2). Its “ethics of demand” is flawed (8.2). And so is its “ethics of supply”, for no genuine commitment is present therein to “the integral human good”, but only a competitive scramble for “profits” that, inherently, “knows no morals” (8.3).[\[53\]](#)

No intrinsic logic of the market economy, or consequence thereof, serves specifically or primarily the good of *natura humana*, as amply shown by past (e.g. Manchester liberalism) as well as present forms (e.g. car-related pollution) of capitalism. Pressured by morally enlightened persons, the State alone can introduce, monitor and enforce rational “laws... directing supply towards the common good” (8.3). International competition works against State regulations, however. Entrepreneurs, seeking profits in a larger and increasingly competitive business environment, and managers, pressured by the imperative of maximising stockholder value, will resist, bend, circumvent and break the law, or move to countries where none or more “permissive” laws can be found (8.3). Therefore, as Utz concludes, a “socially” and “ecological[ly]... just” economic order requires the enforcement of rational “regulation” at the “global level” (8.3).

Chapter Nine

“Money” *qua* “universal and atemporal means of exchange” is understood by Utz as both a “claim over goods of the same value” and “a legal right to participate in the fruits of socio-economic cooperation”, present as well as future (9.1). With their money, the economic agents of market economies do not only buy goods and services, but stake claims over contemporary and later portions of the economic system’s productivity (e.g. *qua* interest payments and dividends). Besides, the value of money is not a mere matter of alloy, as it was in Aquinas’ Middle Ages, or of equivalent purchasable goods, as it is still applicable today, but also of the overall “economic prosperity” to which money contributes (e.g. *qua* productive investment; 9.1). In modern “dynamic economies”, money is much more than just a useful instrument to operate fair exchanges according to “commutative justice”, for its value ties directly into the “social justice” that “economic prosperity” is meant to serve (9.1).

Keynes had already observed that “the value of money is not determined by its quantity, but its circulation” (e.g. in periods of “stagnation”, the monetary mass may increase, yet the value of money remains unchanged; 9.1). Monetary and fiscal policies are therefore tools that State authorities can use in times of crisis. Yet, too much money poured into circulation may also lead to disruptive “inflation”, which is a “scourge” to be avoided, for it is “unjust” to the people whose rightfully earned money can no longer purchase as many or as valuable goods and services as when they earned that money (9.1 & 9.1.1). Above all, however, stand the social purposes which the circulation of money serves or facilitates. Not any circulation will do, even if conducive to short-term equilibrium between market “supply and demand” (9.1). For one, Utz deplors the increased economic roles and ownership levels attributed to State or other public authorities in the name of “manipulating at will” the monetary mass, for they reduce the room for private initiative, responsibility and ownership (9.1). For another, Utz deplors the historical applications of Keynesianism, which were far too one-sided, i.e. keen on injecting money in times of crisis, but timid in withdrawing it in times of economic boom. The resulting conspicuous “inflation” experienced in many countries caused enduring harm to “the elderly”, whose pensions lost value, and the youth, whose employment was made more unlikely, “the entrepreneurs” preferring their “substitution by technological innovations” to which the higher “retributions extorted by the trade unions” were not to be corresponded (9.1.1).

Concerning “credit”, Utz begins by recalling its Latin etymology (i.e. “*creditum*”), for it implies a bond of “trust” between borrower and lender (9.2.1). *Ipsa dicto*, a viable credit system cannot do without the moral substratum of inter-personal trust underpinning human cooperation in the economic order. Also, Utz recalls how medieval “scholastics, in connection with [the philosophy of] Aristotle”, did firmly condemn “usury”, but also

distinguished it from rightfully earned “interest”, which applied whenever the loan involved: (i) “a loss for the lender” (i.e. “*damnum emergens*”, e.g. “the owner of a [lent] hammer... for the duration of the loan, had to use a more rudimentary tool”); (ii) “missed profits” (i.e. “*lucrum cessans*”, e.g. “the lender... [cannot make] an investment”); (iii) the “risk” of loss of part or all of the loan (i.e. “*periculum sortis*”); and/or (iv) its late “restitution” (i.e. “*poena conventionalis*”). Important is also for Utz the scholastics’ acceptance of gains derived from “investments” in “somebody else’s enterprise”, which are earned “participation in profits”, not unearned “rent” (9.2.1). Medieval scholastics allowed money to be lent and hence interest to be rightfully gained for the sake of “productive aims” (e.g. lending money to merchants launching a new fleet; 9.2.2). Their condemnation of “usury” applied to “loans for the aim of consumption” (e.g. giving money to a person to let her buy bread to eat; in this case, the restitution of the borrowed sum was all that should be allowed; 9.2.2).^[54] Not any profitable economic endeavour is a genuine “productive investment”, however (9.2.3). A good “growth” is not “quantitative”, but “qualitative”, e.g. it avoids “waste and environmental damages” even if doing so reduces consumer “comforts” that we take for granted in today’s societies (9.2.6). Seemingly old virtues need recovered and revaluated for their deep ethico-economic implications, e.g. “parsimony, abstinence and patience” constitute “objective presuppositions” for capital formation (9.2.3).

From Utz’s perspective, serving the common good is the “more profound” criterion that separates an unhealthy market economy from a “healthy” one (9.2.4). In the latter, “the owners of pecuniary patrimonies participate” responsibly and freely with their “productive investments” in a well-regulated market system, which is based upon “profits” and “private property” (*contra* “communism”; 9.2.5), and yet avoids a number of crucial evils that still plague market economies worldwide: “high taxes on enterprises’ profits[,]... the enterprises’ own exiguous dividends[,]... the stock-market oscillations caused by socio-economically unjustified speculations” (9.2.4), excessive “inflation” (*contra* “the Keynesians”, 9.2.6), and “the oppressive debt” induced by “the abuse of consumer credit” (9.2.7).

Rational regulation, i.e. laws and rules that have *natura humana* as their axiological axis, is particularly paramount *vis-à-vis* “banks and the stock exchange”, for failure to do so leads to major crises “disturbing the whole economic process” both in the short term (e.g. financial losses, unemployment spikes) and in the long one (e.g. post-crisis “recession” brings about “mergers of banks” that “weaken competition” and exercise unjustifiable “influence over the entire credit market, economic policy and State politics”; 9.3.1).^[55] It may be true that “money has got its own market”, but it cannot be treated like any other commodity: “the real economy” depends on it in far too many and too crucial ways (e.g. price stability, investment decisions, wages; 9.3.1). For example, transnational “currency speculation” is

sternly condemned as disruptive of both national and global economic orders (9.3.3). As Utz argues, “individual self-interest”, which market economies harness to the fullest extent, “must remain inscribed within the general interest” by way of powerful “legal instruments” applying at all levels, so that “the common good” is served by the economic process (9.3.2 & 9.3.3).

Chapter Ten

Rational regulation of the economic order is also at the basis of ethically justified contractual transactions. Without rational regulation, “prices” and “contracts” can far too easily be formed devoid of “good faith”, e.g. unbalanced transactions occurring because of another person’s state of urgent need (“hunger”; 10.1). In this case, speaking of free contracts, free trade and individual responsibility is either naïve or hypocritical; it is like accepting as valid “sport performances” by athletes taking forbidden drugs, or the “legal order” established by “dictators” who violate “human rights” (10.1). For the system of “commutative justice” known as the market economy to be justified, the conditions for “social justice” must be in place first (10.2). These conditions may require some degree of State interference in economic activities, but they are not primarily and certainly not exclusively about that. “Social justice” means that a just economic order presupposes a just social order, within which the former is contained and sustained (10.2).

Following Augustine and Aquinas, Utz accepts the notion according to which an individual’s assessment of the “usefulness” of certain goods is at the basis of price-formation in all commercial exchanges, rather than some abstract “ontological value” (10.2). However, as Aquinas had already highlighted, such assessments and exchanges take place within a “social space” that is not “empty”, but filled instead with “social aims” that ultimately justify the lawfulness and desirability of precisely such price-forming assessments and exchanges (10.2). For any “ethically just price” to be, then, two fundamental conditions must be met, one *ex ante* and another *ex post*: (i) “the given economic order [must be] ethically justified”; and (ii) “the price-formation occurring within it makes it possible for the needs of the members of society to be met completely.” (10.3)

Hypothetically, under the ideal textbook conditions of “perfect competition”, the liberals’ market economy might be able to meet both conditions; however, in the real World, “there exists only an imperfect market.” (10.3) Imperfection in the real World is what calls for and justifies State “intrusions” in “market price-formation”, including some that are often “qualified with the disparaging term ‘protectionism’” and yet are ethically imperative, especially when “basic food staples are at stake” (10.3). As to the exact type and specifications of such intrusions, they vary with country, goods, services and time in

history.[\[56\]](#)

Chapter Eleven

Analogous considerations apply to the domain of “income” and workers’ “retributions” in particular (11.1). It is not the exploitative desire for profits of the entrepreneur (cf. 11.4), nor the ability for extortion developed by modern trade unions (cf. 11.4-7) that should determine the income of employers and employees in a rational market order. If anything, the inability to consider lucidly the other party’s legitimate interests and their relevance for the long-term well-being of society are the chief source of frequent, deplorable and disruptive forms of “warfare” within market economies (11.3), where the economic party enjoying “superior power” wins the day (11.6). In earlier phases of capitalist history, workers had no other way to make their voice heard and their rights respected. Today, in conditions of widespread prosperity, that justification no longer applies. Utz is vehemently critical of the legally accepted and judicially defended rights to workers’ “strike” and employers’ “lockdown” in the private sector (11.4), as well as of the unfair “double vote” of personnel in “the public sector”, whose “right to... political strike” blackmails “elected politicians” while harming “the public” that is supposedly to be served (11.5).

In *lieu* of such “civil wars” (11.6), “the supreme norm of justice” *vis-à-vis* “retributions” should be “the overall economic productivity” of whatever “economic system” is in place (11.1). Once again, this is no mere economic determination in standard liberal terms. Utz’s understanding of “overall economic productivity” requires taking into full account “the global social issues” that justify ethically the economic order, which *a fortiori* may not: (i) “seek... productivity... by increasing unemployment”; (ii) do without “full employment” *qua* cardinal “principle of justice”; and (iii) imperil or ignore the imperative “to ensure the future of the whole society”, both in the short- or medium-term (e.g. the “second distribution of income” to “the sick, the elderly, families”) and in the long one (e.g. “population growth... and... cultural needs (schooling, formation, etc.)” (11.1) In order to facilitate the respect of “justice” in employer-employee relations and the consequent determination of due income, workers’ “unions” and entrepreneurs’ “cartels” must stop thinking of themselves as enemies (11.2). Therefore, “joint responsibility”, cooperative behaviour and “trust” within “the enterprise” must be maximised by any available channel (11.2), e.g. novel forms of “contractual autonomy”, Johannes Messner’s plan for a “global economic organisation” independent of political pressures (11.3), or “collaboration in the formation of profit and capital, hence also in the entrepreneurial risk.” (12.3).

Chapter Twelve

In the concluding chapter, the notion of “profit” is also tackled “in connection with the global aims (social and cultural) corresponding to human nature”, i.e. with *natura humana* according to the Thomistic understanding of it (12.1). Ethically, there is nothing inherently wrong with the “desire for profit” *qua* “adequately remunerated performance”, this performance being measured according to the “objective” standards of the existing economic order (12.1). If “the aim pursued through the desire for gain” of an individual is (i) “honest”, (ii) contributes to “growth in living standards”, and (iii) sustains “the family[,]... the poor... [and] the State community”, then it is possible to interpret the “profit... sought... [and] need[ed]” by “the entrepreneur” in a capitalist system as the ethically legitimate reward for “individual performance and responsibility” (12.2). *Contra* liberalism, which often conflates “self-interest” and “selfishness”, Aquinas’ understanding of “profit” emphasises its “justification” on the basis of “the service rendered to the global economy” by “the entrepreneur”, her “enterprise” and, within it, “the workers too”, whose crucial “participation” must be acknowledged not only by means of decent “wages”, but also by “longer paid holidays[,]... a reduction of the working hours[,]... social contributions... [and,] in particular, ...invested retributions” that increase the workers’ stakes in the enterprise (12.2 & 12.3).

Concluding remarks

To express concisely Utz’s stance, I adopt and adapt hereby the characterisation of the sort of economic transactions that truly life-enabling market economies should have, as these are described by Canada’s leading value theorist John McMurtry in his famous [Cancer Stage of Capitalism](#) (London: Pluto, 1999; 2nd ed. 2013). In symbolic formalisation, these ideal economic transactions read as follows:

$L \rightarrow \$ \rightarrow \text{MoL} \rightarrow \$^1 \rightarrow L^1$

Which means in extended formulation that:

1. Textbook for-profit market economic exchanges occur (i.e. input capital “\$” generating output capital “\$¹”, e.g. profits, interests, dividends, etc.);
2. but in such a way (i.e. within such a strictly enforced binding legal framework) that the commodities (i.e. goods and services) therein produced, transported, traded, consumed and/or disposed of are always and exclusively beneficial to life (i.e. “MoL”, means of life, e.g. zero-mile organic bread);
3. that is, they are neither destructive (e.g. weapons, carcinogenic pesticides, junk food) nor blind to life-aims and life-requirements (e.g. financial derivatives);
4. and they are conducive to broader and deeper levels of life-capacity (i.e. the initial

input “L” engenders “L¹”, e.g. healthier, happier and/or more cultured individuals).[57]

This is as succinct and clear a theoretical template as I can provide of a rational, well-designed and well-conducted capitalist economic order that, at global and local levels, aims at securing life-fulfilment for present as well as future generations to the widest imaginable extent. It is the schematic depiction of a capitalist economic order that, *via* the countless transactions that it engenders and the many institutions that it establishes, takes the World as it is right now and makes it into a better one—a World where the conditions for continued human flourishing are secured.

McMurtry’s Life-Value Onto-Axiology offers an articulate set of criteria to understand and direct such a flourishing (cf. [EOLSS](#), *supra*: nn24 & 28). On his part, Utz characterises life-fulfilment in relation to the fundamental aims of *natura humana*, i.e. the “supreme principles” of Aquinas’ “natural law”: “self-preservation, self-perfection, mating, generation and education of the offspring, acquisition of knowledge, (natural) knowledge of God” (6.1.3.2). In this perspective, a good economic order is one that facilitates throughout, say: longer and healthier human lives (cf. self-preservation), peaceful and happy personal existences (cf. self-perfection), a healthy demographic balance (cf. mating), universal schooling and free university education (cf. education of the offspring, acquisition of knowledge), freedom of conscience (cf. natural knowledge of God). The implications for economies and, in particular, for policy-making (Utz’s “economic policy”), are obvious: a good market economy is one that secures the conditions above (and many others); a bad market economy is one that does the opposite (e.g. by facilitating the destruction of the Earth’s life-support systems).[58]

There are implications for the study of economic phenomena too. Once Utz, true to Aquinas’ legacy, has established that the human being possesses a certain nature, which determines *de facto* and justifies *de iure* certain socio-ethical and personal goals and not others, it follows logically that no economy we may choose to study can be isolated from its socio-cultural milieu, for it is therein that human agency unfolds, economic agency included. No economic category can be treated as though such a milieu did not exist or were irrelevant to such categories’ conception, selection and/or application. In particular, all forms of economic agency *qua* human agency are, inherently, morally connoted, for they imply personal motives and social consequences that can be deemed ethically good or bad, whether economists realise it or not. Standard economics grasps and operates upon *some* important features of human social existence; but equally do other social and natural sciences (Utz mentions anthropology, ethology and psychology), as well as much older disciplines, whose task is to delve deeper than the empirical sciences themselves (Utz speaks in this respect of philosophy, ethics, theology and natural-law jurisprudence). An

intelligent economics capable of addressing the human condition holistically—its fundamental needs, rights, duties and aims—will have to be integrated, qualified and sometimes guided by these other disciplines. No discipline is an island, and most certainly not the discipline of economics. Above all, an intelligent economics will have to acknowledge how any legitimate and possibly good economy must serve what is good to the human person, now and in the future, universally.

It is unclear whether the 2008 global meltdown and the ongoing economic crisis resulted thereof have changed the way in which mainstream economics is pursued, not to mention the World's economic policy-making by State officials. As far as I have been able to ascertain, mainstream textbooks in economics have not been revised yet and it is far from clear whether State officials have stopped prioritising the corporate interests that they had been catering to before 2008 under the banner of globalisation, of which Utz is vocally critical. Perhaps, the powerful economists and the economic powers are as obtuse and as obstinate as the addicted patient who, as Utz mused, keeps harming herself by refusing to be cured. Utz-the-physician may yet be unheeded. Still, Utz's work does not come across as pessimistic. On the contrary, it is infused with Scholastic optimism in our natural faculties. The book assumes that human reason, albeit imperfect, can identify the essential aims of human existence and conceive of the institutions that are capable of maximising our likelihood to attain such aims.

For a book written by the member of a religious order, *Economic Ethics* contains no mysticism, no appeal to faith, and very little theological commentary. It is in the paucity of scriptural sources that I observe the most striking difference between Utz's book and the founding documents of the SDC, namely the Popes' encyclicals on socio-political, economic and environmental matters.^[59] Conceptually, the similarity, indeed the identity of views, is patent to anyone familiar with SDC. Utz's stance in these matters is the one characterising the so-called "third way" of much European Christian Democracy, which strikes a balance between liberal principles and socialist ones, whilst also endorsing others that are either neglected or opposed by both liberalism and socialism, at least in their historical manifestations (cf. Giovanni Franchi, "[Arthur F. Utz als Interpret der pluralistischen Demokratie](#)", 2013).^[60] Thus, Utz's book can serve as an eminent example of SDC to anyone willing to explore this "third way" and understand its philosophical foundations.

Appendix - A short note on Utz's Political Ethics

Human actions are never purely economic, purely political, or purely legal; but all are moral (cf. 1.1.3). On the one hand, the agent's intentions typically combine multiple ends, such as serving one's own family's or closest associates' well-being (i.e. a political end) by

conducting intelligently one's own for-profit business (i.e. an economic end), whilst keeping to the existing laws (i.e. a legal end). Depending on the family's notion of well-being, the sort of for-profit business and the spirit of the laws at issue, the agent's actions may be good, better, worse, or bad. For example, the family or associates at issue could be a mafia clan, the business an ecologically devastating one, and the laws to comply with the most permissive that persistent lobbying and generous bribing have bought. On the other hand, the agent's actions have consequences, which affect individuals, communities, societies, States, animals, natural environments, and the meaningful unity of the whole Creation. Depending on the consequences, the agent's actions may be good, better, worse, or bad. Maximising shareholder value by ecologically harmful licit business activities, whose legislation is the result of well-meaning business-friendly advice by liberal-minded international experts (cf. 3.1.8), is still going to cause negative consequences for present and future persons, even if no wicked intention is at play. Indeed, if the eventual goodness of the market order is assumed *a priori* (e.g. the invisible hand's necessary beneficial spill-overs), such negative consequences may be easily overlooked.

It is logically possible and practically useful to separate different domains of investigation in the social sciences, which began their long path towards disciplinary specialisation in early modernity, thanks primarily to Machiavelli (cf. 3.2.1) and Bacon (cf. 1.1.3). Excessive separation, if not outright isolation, leads to monstrosities, though. Pure law, devoid of anchoring in metaphysics or ethics, accepts as valid the most unjust legal system, as long as it is formally and procedurally correct (e.g. Kelsen; cf. 1.2 & 2.1.1). Pure politics reduces the political arena to an unprincipled struggle for power (e.g. Weber; cf. 1.1.2), if not to preparation for or execution of war against an enemy (e.g. Schmitt; cf. 1.1.2). Unrestrained political struggle can lead to civil strife and/or loss of legitimacy of the political system (cf. 3.2.5). War can be just, but it can be so by fulfilling very strict ethical criteria (cf. 5.2.3). Both must be seen holistically in order to be healthy, i.e. in connection with *natura humana*. Even in its democratic manifestation, as long as no deeper principled ground is retrieved, politics is reduced to the competition among different aggregates of subjective preferences, which may be as largely and as voluntarily adhered to as possible, and yet remain thoroughly unjust (cf. 2.1.2), hence illegitimate (cf. 2.5.2, 3.16, 3.2.3). States cannot be utterly neutral on matters of fundamental value (cf. 2.2.3).

Not even the broadest shared interest of the democratic polity is necessarily the common good (cf. 3.1.5 & 3.16). For instance, popular votes and elections may bear witness to the widespread support for a leader, party or political programme that exclude, expel or even exterminate an undesired minority. Under such circumstances, we can easily perceive that there is something amiss. In today's legal jargon, we would claim that someone's

fundamental rights—human rights—are being violated (cf. 1.1.6). But what justifies and secures these rights against a large democratic consensus set squarely against them? And what justifies and sanctions, positively, open resistance to their negation? (cf. 4.6.2 & 6.1)

Universal human rights are not to be understood as mere individual rights bestowed upon individuals under a democratically run constitutional setting. They are not to be thought of as a matter of sheer agreement among individual citizens, which can change with changing circumstances. Universal human rights are the result of reflective abstractions from prolonged moral experiences, individual as well as collective. They are the fruit of centuries of socio-cultural and politico-legal consideration. They encapsulate our knowledge of the most important dimensions of what it means to be human. They express what makes it possible for us to be human beings, i.e.:

1. both in terms of our being (e.g. “the right of everyone to be free from hunger” and “to the enjoyment of the highest attainable standard of physical and mental health”, cf. ICESCR arts. 11(1) & 12(1));
2. and in terms of our humanity (e.g. “the widest possible protection and assistance... to the family”, “the right of everyone to education... cultural activities... periodic holidays with pay... just and favourable conditions of work”, cf. ICESCR arts. 10, 13(1), 15, 7(d) & 7).

Following the Aristotelian and Thomistic traditions, Utz welcomes metaphysics and ethics as pivotal abstractive ontological reflections (i.e. reflections about facts of being) and includes them among the disciplines at our disposal in order to make sense of the World in which we live. Indeed, Utz includes also faith *qua* knowledge based on good testimony (cf. 4.4.5) and the Christian religion *qua* repository of axiological wisdom (cf. 6.2). His gaze is set primarily on Thomistic philosophy and the philosophical components of the doctrine of the Catholic Church, however, for they are not a matter of faith, but of rational reflection (cf. 6.2.2). *Pace* Kant, metaphysical abstraction is claimed not to lead necessarily and uniquely to empty forms of the intellect, but, if properly conducted (e.g. Aquinas’ *recta ratio*), it can also grasp the fundamental principles of reality, including the aims that are natural to the human being and therefore good for us to pursue (cf. 1.1.1 & 1.1.2).

The natural-law tradition emerged upon the basis of such forms of abstraction is what provides the epistemic and moral foundation of human rights legislation and it explains why, even if all citizens of a democratic human community but one agreed upon the denial of that one person’s fundamental rights, an intolerable injustice would have occurred (cf. 2.4.3). Injustices have occurred in the past and keep occurring in the present, sometimes on a massive scale. Utz claims that these injustices, in the long run, cause major socio-political

catastrophes, for consistent and prolonged violation of the nature of things—i.e. attacks on the integrity of their being—is the dark fountainhead of the worst human tragedies (e.g. war, genocide, ethnic cleansing). Ontological error breeds practical horror. It may be true, as Hobbes argued, that *“auctoritas, non veritas facit legem”*, but bad laws are not going to make such an authority enjoy prolonged legitimacy and success, for they contradict essential characters and aims (1.2.1.3).

The starkest example that Utz discusses in this connection is that of the ecology of the planet, which cannot be treated as we wish, no matter the degree of authority enjoyed, and no matter what extensive democratic agreement there may be (cf. 3.1.7). The nature of the Earth’s ecosystems has to be seen for what it is, taken on its own terms, and allowed the ontological means required for its actual continuation, even if that may signify a considerable change in everybody’s life-style. Though undesired and perhaps even painful for most, if not even for all the members of the present generation, such a considerable change of life-style ought to be accepted and pursued, so that life too, including human life, may continue in the future. The good of Earth is a splendid example of common good i.e. that which is good to human societies, but that cannot be reduced to the individuals therein comprised. Doing what is good for the planet is not the same thing, especially in the short- and medium-term, as what the individuals acknowledge as good and therefore want for themselves. Doing what is good for the planet cannot even be reduced to a matter of agreement, at least in theory. If all citizens of Earth preferred to continue with the current life-destructive life-style and waste away the planet’s ecology, that would be still evil.

The human being has its own nature, which involves ends that are intrinsic to our being (i.e. the analogical final causes of the Aristotelian tradition; cf. 3.1.9). Pursuing happiness (aka perfection, aka well-being) is one of them, which can be delineated in many ways, depending on the specific circumstances that apply to each person, as well as derailed in many ways, given our freedom and capacity to err (cf. 4.2.1). Politics is one of the instruments at our disposal in the pursuit of happiness. Indeed, politics is, in concrete historical experience, one of the essential ends of the human being, for we are inherently social beings and we cannot seek perfection, individual selfishness notwithstanding, but in broader associations, which in large and complex cases take the form of political communities (cf. 4.3.5). States, or better, the societies that they serve, have therefore their own order of perfection, i.e. the common good.

Again, Utz emphasises how the common good is not an aggregate, but that which is good for society (e.g. the rule of law), even if it may not be obviously or immediately good for the individuals inside it (e.g. some individuals would be better off, most certainly in the short or medium term, by having chaos, civil strife, corrupt judges or inept policemen, rather than

the rule of law; cf. 2.4.1). Utz believes it necessary to stress this point repeatedly, because modern civilisation, unlike the ancient and medieval ones, has broken the unity between intellect and reality (cf. Descartes, 3.1.3). This break has left our mind uncertain *vis-à-vis* the validity of the claims of knowledge that we can make, and replaced the strong objectivity of older metaphysics with a weaker intersubjective one (cf. Kant, 4.6.7), which shifts the focus of our attention and admiration away from the World (and its Creator) and onto the individual instead. These are the philosophical roots of modern individualism, with which any contemporary political entity has to deal.

Endonotes

[1] The original version, [Wirtschaftsethik](#) (Bonn: Scientia Humana Institut), is available online. All English translations of and from Utz's works in the present text are mine. I cannot claim major proficiency in German, but I believe my competence to be adequate to the present task. This essay is no in-depth critical study, but a reasoned, detailed synopsis and brief discussion of *Economic Ethics*, of which I also consulted existing Italian and Spanish translations.

[2] Born in Basel, Utz grew up in Germany and became a Swiss citizen in the 1950s (cf. Wolfgang Hariolf Spindler, "[Arthur Fridolin Utz](#)", *Thomistenlexicon*, Bonn: Nova & Vetera, 2007: 677-684).

[3] Utz was a member of the *Ordinis Praedicatorum* i.e. the Dominican Order. His *Social Ethics* is neither confessional nor clerical, however. It is philosophical, and specifically Thomistic.

[4] His most widely translated books are the eleven volumes of Utz's *Bibliographie der Sozialethik* (Freiburg: Herder, 1960-1980). Extensive bibliographies and e-texts of Utz's works can be found on the websites [Helmut Zenz: Arthur Fridolin Utz im Internet](#) and [Stiftung Professor Dr. A. F. Utz](#).

[5] Koslowski knew of Utz's research, e.g.: his *Principles of Ethical Economy* (Dordrecht: Kluwer, 2001) refer to the 1982 collection of essays entitled *Kann der Christ Marxist sein? Muß er Kapitalist sein?*, edited by Utz (p.264); "The Common Good of the Firm as the Fiduciary Duty of the Manager", i.e. his contribution to the 2005 book *Business and Religion: A Clash of Civilisations?* (edited by Nicholas Capaldi; Salem: M. & M. Scrivener Press, pp.301-312), includes a reference to Utz's 1958 first instalment of the *Sozialethik*; his essay "Public Interest and Self-Interest in the Market and the Democratic Process" (*International Centre for Economic Research*, [Working Paper No.9/2004](#)) includes another

to B. Kettern's 1992 monograph on Utz, entitled *Sozialethik und Gemeinwohl. Die Begründung einer realistischen Sozialethik bei Arthur F. Utz* (Berlin: Duncker & Humblot). Also, Koslowski and Utz took part in a collaborative project on economic ethics (cf. Peter Koslowski & Yunquan Chen (eds.), *Sozialistische Marktwirtschaft und Soziale Marktwirtschaft. Theorie und Ethik der Wirtschaftsordnung in China und Deutschland* (Dordrecht: Physica Verlag, 1996), from the book series *Ethische Ökonomie. Beiträge zur Wirtschaftsethik und Wirtschaftskultur*, directed and co-edited by Koslowski). As to Utz, *Economic Ethics* mentions five times Koslowski, whose work figures prominently in the bibliography.

[6] To my knowledge, Utz's only English-language publication was "The Principle of Subsidiarity and Contemporary Natural Law", *Natural Law Forum* 3(1)/1958: 170-183. The present synopsis is therefore likely to be the most detailed English-language text on Utz's ethics of economics, larger even than Helen Alford's excellent essay "The Influence of Thomistic Thought in Contemporary Business Ethics" (in Christoph Luetge (ed.), [Handbook of the Philosophical Foundations of Business Ethics](#), vol. 2, Dordrecht: Springer, 2013; pp.227-250).

[7] Based on the older Catholic Union for Social and Economic Studies (est. 1885), the institute was affiliated with the University of Fribourg between 1946 and 1978; afterwards it became autonomous. Utz was also the director of the Institute for Social Sciences Walberberg (1966-1993) and the president of the International Foundation Humanum (1976-1998).

[8] Domènec Melé states: "Utz and Messner have made an outstanding contribution to social and economic ethics from a Thomistic approach." ("Scholastic Thought and Business Ethics: An Overview", in Christoph Luetge (ed.), *Op. cit.*: p.137). Utz was most familiar with Messner's thought and edited a [collection of essays](#) in his honour in 1980. The two thinkers agreed on all crucial issues, while disagreeing on some details. Their divergences in matters of economic ethics are addressed by Utz in the present book. Firstly, Utz adopts a stricter notion of human freedom than Messner (1.2.4). Secondly, albeit praising him for his "unsurpassed... systematic exposition of economic ethics", Utz criticises Messner for not distinguishing sharply between the level of the "abstract... theory of value" applying to all forms of "social ethics" and the level of the "economic order" best reflecting "the natural or quasi-natural behaviour of social members" (1.2.5.3).

[9] Utz had direct contact with several Popes, before and during their pontificates, especially Pius XII, John Paul II (who nominated Utz founding member of the Papal Academy of Social Sciences) and Benedict XVI (cf. Spindler, *Op. cit.* & Herbert Schambeck, "[The](#)

[History of the Pontifical Academy of Social Sciences](#)", *Sustainable Humanity, Sustainable Nature: Our Responsibility*, Rome: Pontifical Academy of Sciences, 2014, pp.1-8). Important in this connection are also Utz's 1963 extensive [commentary](#) on Pope John XXIII's encyclical *Pacem in Terris* and the many volumes on the SDC that he authored, co-authored and edited, such as *Die katholische Sozialdoktrin in ihrer geschichtlichen Entfaltung* (Aachen: Scientia Humana Institut, 1976), *Was ist katholische Soziallehre?* (Köln: J.B. Bachem, 1978), and *Die katholische Soziallehre und die Wirtschaftsordnung* (Trier: Paulinus, 1991).

[10] Utz received in 1968 West Germany's Federal Cross of Honour.

[11] Utz received in 1991 Austria's Great Golden Medal.

[12] Other key-members were Joseph Höffner (1906-1987) and Oswald Nell-Brüning (1890-1991). Utz is also known as part of the Walberberg intellectual circle, which comprised four more Dominicans: Laurentius Siemer (1888-1956), Eberhard Welty (1902-1965), Edgar Nawroth (1912-2010) and Basilius Streithofen (1925-2006) (cf. Wolfgang Ockenfels, "[The Walberberg Circle. The Social Ethics of the German Dominicans](#)", in Francesco Compagnoni (ed.), *Preaching Justice: Dominican Contributions to Social Ethics in the Twentieth Century*, Dublin: Dominican Publications, 2007: 330-355).

[13] All original versions and partial Japanese translations of volume 5 are available [online](#).

[14] An anonymous reviewer of the Italian translation of Utz's *Political Ethics* describes his style as "compact, schematic, clear, assertive", whilst also praising "the absence of polemics" and concluding: "this style of thought and expression is something that only old wise persons can afford." (cf. [FASS](#), 2008) The same can be said of Utz's *Economic Ethics*, which reads like a series of calm yet trenchant logical steps following from the adoption of the Thomistic ethical perspective and its application to economic affairs. Utz observes and comments upon them in a way that is aloof from current intellectual fashions, priorities and prejudices. Looking at modernity from, so to speak, the 13th century, leads to remarkable lucidity.

[15] The Thomistic epistemology of our inherent aims is articulate (cf. 6.1.3.2). Firstly, Utz mentions fundamental intuitions in the person's rational nature, requiring no articulate inference (i.e. Aquinas' *lex naturalis*, e.g. the pursuit of happiness). Secondly, he speaks of general principles inferred from the person's rational nature (i.e. Aquinas' primary *ius naturale*, e.g. the common good as prior to the private, human liberty). Thirdly, he speaks of general principles born out of rational reflection beyond the person's rational nature alone and aimed at fulfilling the previous two levels (i.e. Aquinas' secondary *ius naturale* or *ius*

gentium, e.g. private property). Finally, he recalls how such principles apply to mutable circumstances.

[16] Aquinas combined Aristotle's eudaimonism, whereby human beings seek by nature a fundamental end i.e. happiness (aka perfection, completion, well-being), and Christian belief, whereby final happiness lies in *post mortem* beatitude.

[17] Utz does not reduce "the common good" to the sheer aggregate of individual goods. Seeking personal perfection is paramount for human happiness, but it must take place within, and in coherent connection with, the good of larger units, e.g. the Earth's ecology and the communities to which each person belongs and is duty-bound (cf. 3.3.2).

[18] Utz derives from Aquinas the idea that all norms are identified by means of reasoned reflection (i.e. metaphysical abstraction) on the individual's inner experiences of moral duty and responsibility, which, however, can only be given, understood, formulated and acted upon in a socially established system of interpersonal existence, thought, language and mores situated beyond each individual. No man is an island; not even Robinson Crusoe (cf. 5.3 & 5.4).

[19] Except for the preface, for which I make use of page numbers in the original German edition, in-text references are provided by way of numbers separated by full stops: the first number indicates the chapter, the second the section, the third the sub-section and the fourth the sub-sub-section. This should be an efficient solution for readers coming across different translations of the book, as well as an indication of its systematic organisation. I owe the idea to Giovanni Salmeri and Angelo Lanzoni, the Italian translators of Utz's volumes 4 and 5, which in the original editions employ respectively, though somewhat idiosyncratically, worded numerals, Roman numerals, Arabic numerals and letters of the Latin alphabet.

[20] In his witty and insightful 1933 book on [Saint Thomas Aquinas](#), G.K. Chesterton writes about Aquinas' "optimism" *vis-à-vis* the epistemic potential of human reason (section I). This positive attitude is reflected in Utz's own confidence, and the Catholic Church's at large, in the willingness and ability of individuals and institutions to do the right thing, our fallen nature notwithstanding.

[21] *Pace* today's ordinalist, post-modernist, relativistic and variously consensus-based World-views, Helen Alford praises Utz's Thomistic position in light of the on-going environmental collapse of our planet: "the possibility of seeing nature, including human nature, as a guide for human action in general could be more widely recognized" because of

“the current recognition of the ‘nature’ of the environment, that is, that we cannot treat our planet only according to our supposed ‘consensus’ (many would say ‘what consensus?’), but that we need to treat it according to its own nature.” (*Op. cit.*: p.238)

[22] Whether the will follows reason’s discovery and assessment of natural inclinations is a different issue. Given our imperfect condition, there is no guarantee. The Christian revelation, under this perspective, comes to our assistance, e.g. God’s grace, Christian rites and sacraments, character education in religious schools, etc.

[23] As Helen Alford observes in her study of Utz’s book, ethics explores paths that scientists trod upon inevitably but blindly: “Technical disciplines that do not recognize that they are based on more profound assumptions or premises that they take as self-evident (unexamined) and on which they are built do in fact have such assumptions, but their experts are not aware that this is the case, and... [it] is not a question on which they reflect.” (*Op. cit.*: p.239)

[24] Utz’s book echoes the mounting literature in value theory, environmental thought and ‘green’ economics accusing mainstream economics’ conceptions of aiding the destruction of Earth’s life support systems (cf. UNESCO, [Encyclopedia of Life Support Systems](#) (EOLSS), 2002-2015).

[25] These natural or rational aims correspond almost point-by-point to the “supreme principles” of Aquinas’ “natural law”, i.e. “self-preservation, self-perfection, mating, generation and education of the offspring, acquisition of knowledge, (natural) knowledge of God.” (6.1.3.2)

[26] Aquinas’ notion of harmonious inter-connection of moral virtues for the sake of human happiness is possibly the oldest key-theme in the philosophical work of Utz, whose first published book was his university thesis *De connexione virtutum moralium inter se secundum doctrinam sancti Thomae Aquinatis* (Oldenburg: Albertus Magnus, 1937).

[27] Utz and Šik belong to two different philosophical traditions, both of which acknowledge the fundamental equality of all persons. As such, they stand opposed to traditions that separate them into casts (e.g. Nietzsche), races (e.g. Gobineau), orders (e.g. Adam Smith), makers/takers (e.g. Ayn Rand), proletarians/bourgeois (e.g. Stalinism), and grant them accordingly different rights (e.g. classical liberals’ opposition to universal suffrage), if any at all.

[28] Together with Scottish-Icelandic jurist Rachael Lorna Johnstone, I have described and

discussed in [2011](#) and [2013](#) the substantial overlap between the human rights legally and internationally recognised by the United Nations' ICESCR and John McMurtry's "life ground". This notion is part of what constitutes to date the most ambitious theory of value developed by any 21st-century philosopher, i.e. Life-Value Onto-Axiology (cf. UNESCO, [EOLSS](#), 2002-2015).

[29] This definition is the only "real" one, even if it may not describe any concrete imperfect economy: "in anatomy, the physician does not define the sick man, but the healthy one." (7.8.6)

[30] Helen Alford argues that mainstream economists are likely to find peculiar the thematic order and the areas of emphasis of Utz's book (e.g. a mere handful of pages on profit "in a book of 300 odd pages"). Yet both reflect the fact that the book is "about the *ethics*" of economics, not economics as such, as well as its intention to erect "a Thomistic economic system" of great "breadth and coherence", which she claims Utz to succeed in, thanks to his "encyclopaedic knowledge" ("[An Unusual Animal: A Coherent Economic Ethics](#)", *Oikonomia* 2(2)/2000).

[31] Garrett Barden and Tim Murphy reach the same conclusion in their 2010 book *Law and Justice in Community* (Oxford: Oxford University Press), which too reflects the natural-law tradition.

[32] Responsible acceptance of good restraints to freedom is a standard feature of Christian thought. Even from John Milton's radically Protestant and anti-Catholic perspective, to seek freedom above all was Satan's misguided aim: "...*Here at least / We shall be free... Better to reign in hell, than serve in heaven.*" (*Paradise Lost*, Book I, verses 258-259 & 263).

[33] Utz's book addresses frequently "commutative" and "distributive justice", which are respectively fairness in the exchanges between individuals, and fairness in the distribution of goods and responsibilities among the same individuals. Aquinas described both forms of justice as the two species of *particular justice*, i.e. virtuous behaviour directed to the good of *individual* members of the community (e.g. specific customers, employers, spouses, etc.). The book contains also references to *general justice*, i.e. virtuous behaviour directed to "the common good" i.e. the good of the *community* in which the individual members operate (e.g. being law-abiding citizens). Following Aquinas' 19th-century scholar Taparelli, who mentored Leo XIII, Utz refers to general (aka legal) justice as "social justice" and claims it to have priority over particular justice (5.2.6): after all, a dysfunctional society will inevitably fail the well-being of its individual members.

[34] Such a debatable ethical character explains why, according to Utz, John Rawls developed a novel criterion for the justification of wealth disparity, alternative to the Pareto optimality commonly endorsed by liberals (1.2.2).

[35] Utz's scepticism *vis-à-vis* the centrally planning State has old roots in his reflection, e.g. [Das Subsidiaritätsprinzip](#) (Heidelberg: Kerle, 1953) and *Formen und Grenzen der Subsidiaritätsprinzip* (Heidelberg: Kerle, 1956).

[36] Giovanni Bertuzzi argues that Utz's book shows how Christians should not rely upon the Gospels alone for the understanding of socio-historical phenomena. The Thomistic tradition offers "an objective abstraction-based knowledge[,],... natural law[,],... and the teleological interpretation of human ethics", all of which, albeit eventually consistent with revealed doctrine, spring out of reason, not faith ("[Non basta il Vangelo a guidare il cristiano?](#)", *Oikonomia* 2(2)/2000).

[37] Giovanni Pallanti highlights the importance of Utz's critique with regard to major negative side-effects of "globalisation", such as the increased job insecurity caused by the "pulverisation of productive systems" into a plethora of "flexible" contractual forms, the widespread varieties of denial of "labour rights" in the name of "competition", and the return of outright "exploitation" in "Asia, North Africa, Eastern Europe" ("[Diritto al lavoro e dignità del lavoro](#)", *Oikonomia* 2(2)/2000).

[38] Utz prefers describing the good (aka natural, aka rational) "values" as "teleological decisions based on nature", so as to separate them clearly from mere individual preferences, which are subjective (*contra* Scheler; cf. *Political Ethics*, 6.3).

[39] Paolo Carlotti argues that Utz's Thomistic interpretation of "financial ethics" leaves the concrete field of business agency open to many profitable operations, as long as "they allow and favour the adequate development of necessary economic functions" and, *a fortiori*, its "social aims" ("[L'etica economica finanziaria di A.F. Utz](#)", *Oikonomia* 2(2)/2000).

[40] In a later sub-section, Utz argues that market economies cultivate and exploit immature consumers that are very far from the rational self-interested individuals assumed by liberal textbooks: "Competition among producers degenerates into the advertising market, where the one who wins is the one that can afford the most expensive advertising", even if the sold "goods" are "harmful to the environment, the health, or the morality of society" (7.2.2). The influence of John Kenneth Galbraith on Utz's analysis of modern consumer societies is most evident here.

[41] Communist States and monastic orders are compared and contrasted in Utz's 1982 book [*Das Wirtschaftssystem der religiösen Order oder: Ist der Kommunismus möglich?*](#) (Bonn: Institut für Gesellschaftswissenschaften Walberberg).

[42] Consider, for example, the classical liberal Drummond professor of political economy William Nassau Senior (1790-1864) who, when told that a million Irishmen had already died in the potato famine (1845-1849), famously replied: "It is not enough!"—the iron law of supply and demand had not yet run its full course. Or Adam Smith, who had argued in his 1776 [*Wealth of Nations*](#): "in civilized society it is only among the inferior ranks of people that the scantiness of subsistence can set limits to the further multiplication of the human species; and it can do so in no other way than by destroying a great part of the children which their fruitful marriages produce." (I.8.38) In recent times, Lawrence Summers, then Chief Economist for the World Bank, issued on the 12th December 1991 an internal [memo](#), later leaked to the public, in which he claimed that "the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable." As he argued, countries where the inhabitants are paid "the lowest wages" and where, even if their natural environments are "UNDER-polluted... compared to Los Angeles or Mexico City", they statistically die younger than "people" in richer nations, who instead "survive to get prostrate cancer", are also the countries in which "health impairing pollution" can be "done... [at] the lowest cost", for such already poorer and shorter-lived populations have less to lose, i.e. lower "foregone earnings from increased morbidity and mortality". The memo does not address the fact that such an impeccable logic, if followed, would also be self-reinforcing, hence condemning shorter-lived populations to remain shorter-lived.

[43] Utz reiterates his critique of "sudden" and "complete opening of the markets" in the seventh chapter: "each individual national economy was born out of particular social conditions, which cannot be changed abruptly without social and political shocks" (7.6.2). Also, delocalisation into Third-World countries, the US pressures over the EU to establish a common agricultural market despite the US' less healthily regulated agricultural sector, and the corporation-friendly processes of "GATT and European unification" are all criticised in light of their nefarious "social consequences" (7.6.2). In particular, Utz singles out "unemployment", "the exploitation of poor populations", necessity-driven "immigration", and "identity loss" in the socio-cultural and political spheres (7.6.2; in his *Political Ethics* he expresses preoccupation *vis-à-vis* migration from Muslim countries and doubts on its effective integration within Europe, cf. 4.4.4, 4.4.7, 4.4.8 & 6.2.1).

[44] Ferruccio Marzano argues that Keynes' actual ethico-economic stance was close to Utz's one, especially as regards the social functions of "money and credit", the disruptive nature of unfettered financial speculation, and the economic key-role of "savings" and

individual “responsibility” (“[Il punto di vista di un economista keynesiano](#)”, *Oikonomia* 2(2)/2000).

[45] Though pivotal, common interest trumps self-interest, e.g. the liberals’ own acknowledgment of the citizens’ duty of military service “in case of war” and the justification of their own policies as beneficial to “the common good” (7.8.2).

[46] This moral duty has legal repercussions that, however, are discussed mostly in other chapters. For example, a person that, “fallen in a state of need”, stealthily alienates some of an unhelping wealthy person’s goods, is no criminal. By failing to meet her “moral duty”, the wealthy person “loses her right over those goods” (6.1.3.1). Costly legal, judiciary and administrative institutions must be established too, in order to ensure that “social justice” is actually served, for “social justice” has “priority over market law” i.e. “commutative justice”, as exemplified by: (i) unemployment benefits funded by a money pool in which “all enterprises” participate (5.2.6 & 7.1.1); (ii) a tax-based “common fund” aimed at integrating the income of low-paid workers so that they are able to provide for “a family” (5.2.7); (iii) a centrally administered monitoring and steering authority that, by means of “fiscal” dis/incentives, leads to “the productive use of the land” (7.7; cf. Summers’s 1991 memo as a reasoning based on commutative justice alone, devoid of social justice: *supra* n42).

[47] Industrial “research” in market economies has been geared towards “the most powerful engines... the most comfortable heating systems”, not towards “renewable energy sources” (7.1.5). In actual market economies, “industry” keeps resisting “change... because of the previous investments that have been made” and for “fear of unemployment” (7.1.5).

[48] Utz includes in his bibliography Cornelius Castoriadis, to whom our NSU research group devoted three years of study. The great Greek-French thinker had similarly argued that “capitalism... inherited these anthropological types from previous historical periods: the incorruptible judge, the Weberian civil servant, the teacher devoted to his task, the worker whose work was, in spite of everything, a source of pride. Such personalities are becoming inconceivable in the contemporary age: it is not clear why today they would be reproduced, who would reproduce them, and in the name of what they would function.” (“[The Rising Tide of Insignificancy](#)”, *notbored.org*, 1994, p.137)

[49] Consider US president Obama claiming “ethic of greed” as the prime cause of the 2008 international financial meltdown (cf. Jeanne Cummings, “[Obama blames ‘ethic of greed’ for economy](#)”, *Politico*, 27 March 2008). Utz’s stance resembles Michael Polanyi’s: “public liberties” are prior to “private liberties”, since a freedom-loving citizen must be committed to social values (e.g. beauty, justice, knowledge) in order to enjoy room for personal

idiosyncrasy, eccentricity, obsession and isolation, which are justifiable insofar as they benefit society (cf. *The Logic of Liberty*, U. of Chicago Press, 1951).

[50] Because of its nefarious psychological, social and political effects, unemployment was the issue that most preoccupied Utz as regards the dysfunctional traits of actual market economies, cf. *Die massive Arbeitslosigkeit und die Wirtschaftsordnung* (Berlin: Duncker & Humboldt, 1998).

[51] Keynesianism is treated briefly by Utz as a variation on the liberal theme. It is stated that, in its original formulation, it correctly individuated the “significance of demand”, hence seeking a solution to a glaring and recurring market failure, to be contrasted by “increasing the money supply” for some time; doing it indefinitely would lead to skyrocketing “inflation”, however (7.5). As such, Keynesianism was primarily a temporary solution to one specific problem of the liberal order, not a new overall conception. In its “post-Keynesian” developments, it is praised by Utz as much more realistic than either classical or neoclassical liberalism, for it is capable of considering “the effective constellations of power within society and the economy[,],... the family[,],... regional, social and cultural units and institutions” (7.5). Still, no distinction is drawn by post-Keynesians between “mutable” and “immutable” socio-economic institutions in the way “natural law” would do (e.g. “matrimony and family”); nor have they developed a critique of “the classic liberal conception of growth”, which is “economic” only in a most short-sighted sense (e.g. growth leading to greater human fulfilment *versus* growth that is life-destructive; 7.5; cf. Summers’ 1991 memo: *supra* n42).

[52] Utz recommends letting workers “participate” in the “formation” and “ownership” of “capital” in a “market economy”, so that they too be personally “co-responsible” for its proper, productive use (7.8.6). This is a tenet of the SDC that has had a small impact on business life (e.g. cooperatives), which mostly takes employers and employees as two tribes at war with each other. Utz claims this to be the “original sin” of historical market economies, where “capitalists, for the sheer sake of profit, refused capital formation in the workers’ hands.” (7.8.6) The opposition between “capitalist-entrepreneurs” and “workers” ensued, which continues today with its chaotic legacy of uncooperative and conflictual “class spirit” (7.8.6).

[53] Buoyant and balanced buying and selling of goods is all that liberals can perceive as good, including Keynesians. Utz helps us gauge instead the distinction between natural and unnatural goods, i.e. good and bad goods (4.2 & 4.3).

[54] Utz criticises Weber’s superficial knowledge of medieval economics, which Sombart

studied much more closely. The latter identified the “root” of “capitalism” already in Aquinas’ thought and age (9.2.2). Following Sombart, Utz highlights the teachings of Antonin of Florence and Bernardino of Siena, who took as “capital” the money serving for “productive investment”, hence setting it aside and above “loans”, some of which could be unjust “usury” (Antonin of Florence studied even the ratio between the “velocity of capital movement” and “profit increase”; 9.2.2).

[55] Utz deals with State capture by private interests, lobbies and pressure groups in his *Political Ethics* (cf. 2.1.4).

[56] Universal abstract principles, even the most just and most consistent with *natura humana*, must be applied to particular, concrete contexts. In his *Political Ethics*, Utz argues that consideration for local conditions means that caution must be exercised not only with regard to the opening of national economies to liberal standards of international trade, but also to their reorganisation around liberal standards of government (e.g. ‘exported’ democracy). The traditional virtue of prudence leads to gradualism, not to revolution, whether the latter is sought in the name of equality or of liberty (cf. 3.1.8).

[57] I presented McMurtry’s work to the NSU audience on a previous occasion (cf. “[Capitalism and Freedom: The Core of a Contradiction](#)”, *Nordicum-Mediterraneum* 8(2)/2008).

[58] Utz’s own list is simple, generic and possibly incomplete, if compared to McMurtry’s comprehensive study for UNESCO. Also, the interpretation of Aquinas’ supreme principles may also vary, e.g. what may constitute a suitable family capable of raising children: a standard Catholic stance would contrast with a standard secular one (Utz’s *Political Ethics* contains a strong condemnation of abortion as a violation of the unborn child’s rights, for instance; cf. 6.1). Still, I do not intend to pursue here a detailed analysis of the points of disagreement between Utz’s traditional Thomistic account and McMurtry’s Life-Value Onto-Axiology. Quite the opposite, I wish to highlight the points of agreement, or overlap. In particular, Utz’s account is akin to McMurtry’s in denouncing back in the 1990s: (i) the life-destructive consequences of globalisation; (ii) the primacy of environmental concerns; (iii) the asymmetric focus of liberal economists and policy-makers over the risk of inflation rather than unemployment; and (iv) the degeneration of finance into a speculative cradle of instability, which the 2008 collapse of Lehman Brothers and the ensuing international economic crisis have made visible to all today.

[59] SDC began with Leo XIII’s encyclical letter [Rerum Novarum](#) (1891) and had its latest instalment in 2015 with Francis’ own [Laudato si’](#). The [Compendium of the Social Doctrine of](#)

[the Church](#), issued by the Pontifical Council for Justice and Peace in 2004, makes extensive reference to encyclicals, in addition to Biblical, authoritative (e.g. Augustine, John Chrysostom, Aquinas) and other Church documents (i.e. constitutions, decrees and declarations by ecumenical and pontifical councils, documents issued by congregations, the Holy See's charter of rights, canon law, the Catechism). Prominent in this respect are *Rerum Novarum*, Pius XI's [Quadragesimo Anno](#) (1931), John XXIII's [Mater et Magistra](#) (1961) and [Pacem in Terris](#) (1963), Paul VI's [Populorum Progressio](#) (1967), and John Paul II's [Laborem Exercens](#) (1981), [Sollicitudo Rei Socialis](#) (1987), [Centesimus Annus](#) (1991), [Veritatis Splendor](#) (1993) and [Evangelium Vitae](#) (1995). References to international law are also present, i.e. the [Charter of the United Nations](#) (1945), the [Universal Declaration of Human Rights](#) (1948), and the [Convention on the Rights of the Child](#) (1990).

[60] In *Economic Ethics*, Utz mentions the expression “third way” with respect to OS (7.4.1). Still, on previous occasions, Utz used it to describe his own approach in politics and economics as well as the overall stance of SDC, e.g. the 1978 book cited in the introduction (*Zwischen Neoliberalismus und Neomarxismus: die Philosophie des dritten Weges*) and his essay “Das Grundanliegen der Pluralismusidee in der freiheitlichen Gesellschaftskonzeption und der Dritte Weg”, included in the collection [Neomarxismus und pluralistische Wirtschaftsordnung](#) (Bonn: Scientia Humana Institut, 1979: 77-104), edited by Utz himself. Its distinctiveness from both liberalism and socialism makes several public stances of SDC, especially when stated by Popes in the public arenas, sound right-wing at times (e.g. the sanctity of private property) and left-wing at others (e.g. strict environmental regulation), thus drawing praise as well as attacks from both political camps.

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