

Laudato Si' and Inclusive Solidarity: the Ideology of the Market and the Reality of Inequality

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I. Introduction

Inclusive solidarity is a leitmotif of *Laudato Si'*. Both in this document and in *Evangelii Gaudium*, Pope Francis expresses deep concern about an economy of exclusion—whereby great plenty co-exists alongside great poverty and deprivation, and people seem numb to moral dimensions of these disparities.² In *Laudato Si'*, he ties the plight of the poor and excluded to the plight of the earth through the principle of integral ecology—the notion that human beings are intimately connected to each other and to the natural world. Accordingly, he argues that there are not separate social and environmental crises, but merely different aspects of a single crisis stemming from the same roots.

Inclusive solidarity—the notion that all are responsible for all³—is indeed the correct response to this interconnected global crisis. And in an increasingly interdependent world where economic, social, and environmental problems do not respect national borders, this solidarity must have an ever more global dimension. Without such solidarity, globalization becomes—in the words of Pope Francis—a “globalization of indifference.” *Laudato Si'* offers an expansive vision of solidarity that extends across space, to envelop the poor and excluded; across time, to encompass future generations; and even across species, given the deep interconnections between human beings and nature and the fact that all creatures have their own inherent value. We are called upon to respect the rights of today’s poor, tomorrow’s poor, and the environment.

Yet in the current global economy, inclusive solidarity faces major impediments. One of the great and perhaps underappreciated strengths of *Laudato Si'* is that it diagnoses these impediments with great depth and subtlety.

In what follows, I will argue that Pope Francis’s diagnosis of the human roots of the crisis—a cult of human power rooted in individualism and the technocratic paradigm—can be traced to the abandonment of the common good as the locus for political and economic deliberation. In turn, this loss created the space for the rise of market ideology, which nurtured the rise of social norms antithetical to solidarity. At the same time, market ideology unmoored from the common good is a driving force behind inequality and exclusion—and this further undermines the common good.

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² References to either *Laudato Si'* (LS) or *Evangelii Gaudium* (EG) from 2013 will be made in the text by paragraph number. All other references will be footnoted.

³ See Pope John Paul II, *Sollicitudo Rei Socialis* 38 (1987).

Finally, I will give some thought as to how a renewed orientation toward the common good brought about by the habituation of inclusive solidarity might be achieved.

II. The diagnosis of *Laudato Si'*

For Pope Francis, whether we talk about social marginalization or environmental degradation, the roots are the same—they lie in the technocratic paradigm twinned with a culture of disconnected individualism.

The technocratic paradigm, so dominant in our global economy today, invites people to think of all economic intervention solely in terms of utility, productivity, and efficiency—negating any inherent dignity or value either in the human person or in creation. In doing so, it brackets the questions that used to task philosophers—questions related to the ultimate purpose or end of human life. Instead of deliberating on the ends, it focuses narrowly on the means—or more accurately, it turns the means into the ends. Immediately, the ethical horizon is narrowed.

Laudato Si' stresses that this technocratic paradigm dominates both politics and economics. It leads politicians to discount deeper questions related to collective purpose. It leads economists to brush aside ethical and other “normative” concerns on the basis that their discipline is value-neutral. This in turn justifies a narrow focus on economic growth, paying no heed to the limits of, or fallout from, such a strategy. And the technocratic paradigm leads businesses and financiers to believe that the only value worth considering is financial value, reducing their goal to the one-dimensional maximization of profits.

By disconnecting human activity from questions of ends or purpose, the technocratic paradigm exalts human power. It becomes an inherently confrontational vision, looking upon creation merely as an external object to be manipulated and controlled, driven by the ruthless logic of “possession, mastery and transformation” (LS 106). This leads to what Pope Francis terms “modern anthropocentrism”, predicated on a Promethean vision of mastery. It leads *Laudato Si'* to conclude that “immense technological development has not been accompanied by a development in human responsibility, values and conscience” (LS 105).

When the technocratic paradigm is attached to this cult of unlimited human power, the result is a “relativism which sees everything as irrelevant unless it serves one’s own immediate interests” (LS 122). This mentality gives absolute priority to immediate convenience, driving people to treat their fellow human beings—and indeed all of creation—as mere objects to be taken advantage of. It elevates self-centeredness and self-absorption as the yardsticks of human interaction. It leads to a “self-centered culture of instant gratification”, which *Laudato Si'* sees as the root cause of so many social problems (LS 162).

This relativism has many practical manifestations in today’s world. *Laudato Si'* lists some of them: forced labor, modern forms of slavery, abortion, the sexual exploitation of children, the abandonment of the elderly, human trafficking, the sale of organs, organized crime, the drug

trade, and commerce in blood diamonds and endangered species. These might seem like extreme cases, but this same mindset is active in more mundane situations too. We see it, for example, in the “disordered desire to consume more than what is really necessary” (LS 123). We see it in the mindset of those who put their full faith in “invisible forces of the market”, regarding any harm done to society and to nature as acceptable collateral damage (LS 123). And we see it in the mindset of powerful multinational companies that treat the environment in developing countries in a way they would never treat their own homes (LS 51).

All of this leads to Pope Francis’ signature diagnosis—the throwaway culture, in which both people and things are used to satisfy gratification and discarded when they serve no further use. The throwaway culture gives rise to the ultimate economy of exclusion, in which “those excluded are no longer society’s underside or its fringes or its disenfranchised—they are no longer even a part of it. The excluded are not the ‘exploited’ but the outcast, the ‘leftovers’” (EG 53). They are merely an “afterthought...treated merely as collateral damage” and “frequently remain at the bottom of the pile” (LS 49). As Gustavo Gutiérrez put it, channeling Hannah Arendt, the excluded do not even have the right to have rights.⁴ The throwaway culture drives a dagger through the heart of solidarity.

III. The loss of the common good

The question remains: where does the mentality driving the economy of exclusion come from? *Laudato Si’* hints at the answer when it denounces what it refers to as the “myths of a modernity grounded in a utilitarian mindset”—which it lists as individualism, unlimited progress, competition, consumerism, and the unregulated market (LS 210).

The emphasis on modernity directs us to the sweeping changes that took place with the Enlightenment. Before the Enlightenment, most political philosophies were predicated on the notion that human beings were oriented toward some conception of the good life, defined not merely by material standards but in the sense of holistic human flourishing. Aristotle, for example, held that human beings sought after *eudaimonia*, identified with a life lived in accord with what is intrinsically worthwhile—including purpose, meaningful relationships, and contribution to the community. And a necessary condition for attaining *eudaimonia*—or complete human flourishing—was exercising the virtues in accord with excellence. Moral development is essential to this process, which is really about transitioning from “man-as-he-happens-to-be” to “man-as-he-could-be-if-he-realized-his-essential-nature”.⁵ And therein lies the true source of happiness.

In this virtue ethics tradition, human beings are social animals who can really only flourish and find fulfillment in the social context. Accordingly, people attain the good life by contributing to, and benefitting from, the good of the community—which Aristotle identified as the highest

⁴ See Kaitlin Campbell, “Gustavo Gutiérrez awarded President’s Medal at Fordham,” *Commonweal*, May 7, 2015.

⁵ Alasdair MacIntyre, *After Virtue*, (London: Gerald Duckworth and Co. Ltd, 1981).

good. Hence the focus of deliberation was always on the common good, understood as the good arising from a shared social life that is not divisible into the sum of individual goods. The common good is, in the words of theologian David Hollenbach, “the good realized in the mutual relationships in and through which human beings achieve their well-being”.⁶

And indeed, modern evidence seems to affirm the essential validity of this ancient idea, tying human flourishing to such factors as the quality of relationships and sense of purpose.⁷ For example, analyses of subjective wellbeing show that money does not buy happiness beyond a certain point, affirming the Aristotelian idea that wealth is not an end in itself. This literature endorses the fundamentally relational nature of the human person, showing that social engagement and support are primary determinants of well-being.⁸ Likewise, the “positive psychology” movement links flourishing to such factors as quality relationships, engagement in the sense of matching highest strengths to highest challenges, meaning and purpose, and accomplishments and achievements.⁹ In other words, the life of an individual only really makes sense in the context of its relationship to the broader community.

An even deeper insight is that as social animals, human beings are endowed with strong pro-social inclinations such as altruism and fairness. Once again, studies point to strong social norms of reciprocity, whereby people reward trust and kindness and punish cheating and callousness—even at a personal cost to themselves. They find that human beings are wired to seek cooperation for mutual benefit—this can often entail an element of sacrifice for the common good, trusting that such a gesture will be rewarded.¹⁰ In this way, social capital is generated and nurtured. Biologists tell us that these instincts come down to us as an inheritance of evolution, in the sense that groups exceling at cooperating and upholding moral norms gained an advantage over other groups.¹¹ The implication is that we are not only social animals, but also moral animals.

Yet this ancient understanding of human purpose directed to the common good broke down with the Enlightenment. The community was no longer seen as a body composed of connected parts that worked in harmony toward a greater good. Instead, people were regarded as radically disconnected from each other. The idea of the common good withered away, leaving only individuals with individual purposes directed by human power.

⁶ David Hollenbach, *The Common Good and Christian Social Ethics*, (New York: Cambridge University Press, 2002).

⁷ For a review, see Anthony Annett, “Human Flourishing, the Common Good, and Catholic Social Teaching,” in *World Happiness Report 2016: Special Rome Edition (Vol. II)*, ed. Jeffrey Sachs, Leonardo Becchetti, and Anthony Annett (New York: UN Sustainable Development Solutions Network, 2016).

⁸ See John Helliwell, Haifang Huang, and Shun Wang, “The Distribution of World Happiness,” in *World Happiness Report 2016 Update (Vol. I)*, ed. John Helliwell, Richard Layard, and Jeffrey Sachs (New York: UN Sustainable Development Solutions Network, 2016).

⁹ Martin Seligman, *Flourish: A Visionary New Understanding of Happiness and Well-Being* (New York: Atria, 2012).

¹⁰ See Luigino Bruni, *The Wound and the Blessing*, (New York: New City Press, 2012).

¹¹ E.O. Wilson, *The Meaning of Human Existence*, (New York: Norton, 2014).

Breaking it down further, the Enlightenment was built upon two pillars.¹² The first is the emphasis on using science to gain knowledge and control over the natural world—and in doing so, achieve progress and better the lives of people. The second is the shift to the autonomous individual, where individual freedom is exalted for its own sake rather than directed toward the common good. These positions, for example, can be found in the thought of Rene Descartes. So when *Laudato Si'* takes aim at the anthropocentrism that flows from the technocratic paradigm, or at the ethos of individualism, it is really taking aim at a mindset honed by the Enlightenment.

This mindset has dominated western political philosophy over the past few centuries. And as the twentieth century progressed, the process of globalization was also accompanied by a form of intellectual globalization, as these very western concepts of the person and society became ingrained around the globe.

We should not paint with too broad a brush, however. There are important differences between the various Enlightenment-derived theories of justice—especially between the framework predicated on the supremacy of individual rights and freedoms, and the utilitarian framework predicated on the maximizing the greatest happiness of the greatest number. And even within the rights-based framework, there are profound differences between libertarianism on the one hand, and Rawlsian-style egalitarianism on the other.

These differences are evident when it comes to the common good. Some of these strands completely negate it, while others mirror aspects of it. I would argue that libertarianism stands furthest from the common good. Libertarianism exalts a purely quantitative and negative form of freedom—freedom from coercion in defense of the right to self-ownership. It denies the validity of the common good in its entirety—because the very idea of the “common” implies coercion of at least some people, while insisting on the “good” robs freedom of its essence.

On the other pole of rights-based framework, Rawlsian egalitarianism—while still rooted in the individualistic mindset—does at least mirror certain aspects of the common good. This approach endorses a more positive notion of freedom based on the possession of “primary goods”, identified with “rights, liberties and opportunities, income and wealth, and the social bases for self-respect.”¹³ John Rawls called this a “thin theory of the good,” based on the principle that people prefer more primary goods to less. It permits a role for the public authorities to make sure that basic social and economic needs are met. But beyond this, it denies that people can agree on any conception of the common good.

While libertarianism and Rawlsian egalitarianism typically characterize the right/ left poles in modern democracies, they nonetheless share a common root. As stressed by Michael Sandel, they both express the idea that the “right is prior to the good”, meaning not only that individual

¹² Ian Shapiro, *The Moral Foundations of Politics*, (New Haven: Yale University Press, 2003).

¹³ John Rawls, *A Theory of Justice*, (Cambridge: Belknap Press, 1971).

rights should not be subordinated to the common good, but also that the very principles of justice animating these rights should not presuppose any particular conception of the good life.¹⁴

Utilitarianism doesn't fare much better. While it leans teleological, it has little in common with the older tradition. For one thing, it replaces *eudaimonia* with a hedonistic account of happiness. And there is no common good, merely the summation of the good of each individual. Even though utilitarianism puts greater weight on the general welfare over individual rights, it nonetheless argues that the imposition of a particular conception of the good life would hurt overall welfare. In the words of John Stuart Mill, freedom implies "pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to attain it."¹⁵

This all leads to the concept of an "unencumbered self"—defined by Michael Sandel as a "self understood as prior to and independent of its purposes and ends."¹⁶ Such a person has no social or communal ties that are not voluntarily chosen, and is not bound up in any conception of the common good. In the words of Alasdair MacIntyre, it is analogous to being "shipwrecked on an uninhabited island with a group of other individuals, each of whom is a stranger to me and to all the others."¹⁷ Gone is the idea of being co-joined in common purpose.

This is the anthropology that underlies the human roots of the interconnected social and environmental crises, as diagnosed by *Laudato Si'*. The unencumbered self, disconnected from the common good, is simply not inclined toward inclusive solidarity, even if deeper human nature might suggest otherwise. And utilitarianism in particular is a perfect embodiment of the technocratic paradigm—weighing up the costs and benefits of different options, agnostic on the value of individual preferences and judgments, and allowing no room for ethical formation.

IV. The rise of market ideology

This worldview perhaps reached its apotheosis in the emergence of neoclassical economics in the nineteenth century, which adopted elements of both the utilitarian and libertarian paradigms. In doing so, it internalized a series of assumptions that hinder human flourishing.

To start with, neoclassical economics is founded on an ethic of egoism, assuming that individuals are motivated by self-interest rather than any altruistic or pro-social tendencies. From this position, individuals are then assumed to maximize the satisfaction of subjective material preferences. These preferences are "material" in the sense that satisfaction comes simply from consumer goods and services. No value is ascribed to the quality of human relationships, to meaning or purpose in life, or to any development in a non-material dimension. And preferences are "subjective" in the sense that they are not open to scrutiny—any questions regarding their

¹⁴ Michael Sandel, *Public Philosophy: Essays on Morality in Politics*, (Cambridge: Harvard University Press, 2005).

¹⁵ John Stuart Mill, *On Liberty*, (London: Longman, Roberts & Green, 1869).

¹⁶ Sandel, *Public Philosophy: Essays on Morality in Politics*.

¹⁷ MacIntyre, *After Virtue*.

value or worth is prohibited under the assumption that people's desires are sacrosanct. Accordingly, and at odds with the virtue traditions, there is no role for self-improvement and ethical formation. Human flourishing, in its traditional sense, no longer has any meaning.

It is these assumptions that underpin the supposed virtues of free markets in neoclassical economics. Consumers maximize utility, firms maximize profits, and the market is praiseworthy to the extent that it exhausts all voluntary trades that can satisfy preferences. This sets the standard of Pareto efficiency, the point from which it is no longer possible to make a person better off without making someone else worse off. A principal claim of neoclassical economics is that competitive and unfettered markets with complete information can lead to Pareto efficient outcomes—this is the ultimate marrying of a quantitative notion of freedom with a utilitarian metric. Yet this standard of Pareto efficiency presents a highly impoverished view of human well-being, compatible with immense inequality and exclusion. As Amartya Sen put it, “a society or an economy can be Pareto optimal and still be perfectly disgusting.”¹⁸

In sum, market ideology relies on assumptions that are unrealistic in pursuit of a goal that is unappealing. It assumes that self-interest is transformed into social virtue and that competition transcends cooperation.

When we break it down like this, Pope Francis's critique of market ideology starts to make eminent sense. His criticism centers not so much on the market itself—which in its essence is merely a means for people to exchange for mutual benefit—but on this ideological baggage that weighs it down.¹⁹ Thus he condemns not the market but a “deified market” (LS 56) or a “magical conception of the market” (LS 190). He rejects the assumption that self-interest serves the common good, seeing instead a “seedbed for collective selfishness” (LS 204). And he explicitly rejects the claims of market ideology: “In this context, some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile, the excluded are still waiting” (EG 54).

From this perspective, the market economy might be able to generate wealth and economic growth, but it is also synonymous with an economy of exclusion and marginalization. In contrast with the much-touted “invisible hand”, Pope Francis instead identifies an “invisible thread” linking all forms of exclusion—in the form of a system that “has imposed the mentality of profit at any price, with no concern for social exclusion or the destruction of nature.”²⁰

¹⁸ Amartya Sen, *Collective Choice and Social Welfare* (San Francisco: Holden-Day, 1970), 22.

¹⁹ For a comparison between market ideology and Catholic social teaching, see Anthony Annett, “The Economic Vision of Pope Francis,” in Vincent Miller, ed. *The Theological and Ecological Vision of Laudato Si': Everything is Connected*, (New York: Bloomsbury/T&T Clark, 2017).

²⁰ Pope Francis, Speech at World Meeting of Popular Movements, Bolivia, July 9, 2015.

The problem with market ideology, though, is not just that it falls short of its promises. The problem is that it can actually encourage the inculcation of harmful habits. Human beings are inherently purpose-driven, and in the absence of a purpose rooted in the common good, this space can be all-too-easily filled by the “purpose” signaled by market ideology—a consumerist mentality without an acquisitive ceiling. In essence, the “good society” is replaced by a “goods society”²¹ and its animating “virtues” are the dilapidated values of market ideology, which end up cannibalizing social norms and devouring social capital. In the words of Pope Francis, “once greed for money presides over the entire socioeconomic system, it ruins society, it condemns and enslaves men and women, it destroys human fraternity, it sets people against one another and, as we clearly see, it even puts at risk our common home.”²²

The problem is that social norms are highly malleable. Putting it simply, if the message sent by society is that traits such as selfishness, greed, and materialism are to be valued, then people will take the cue and start valuing them. For example, evidence suggests that economists and students of economics tend to be more selfish and less pro-social.²³ Evidence also suggests that the intrinsic desire to uphold pro-social norms can easily be undermined by the encroachment of market values. For example, Michael Sandel argues that the increasing tendency toward commodification corrupts norms by treating a good or a social practice with a lower mode of valuation than is appropriate.²⁴ And Samuel Bowles has shown persuasively that ubiquitous reliance on economic incentives, predicted on self-interested behavior, can actually crowd out pro-social behavior.²⁵ As Lynn Stout puts it, “Emphasizing material incentives, it turns out, does more than just change incentives. At a very deep level, it changes people. By treating people as if they should care only about their own material rewards, we ensure that they do.”²⁶

Market ideology therefore encourages a bifurcated life, in which natural sociability gives way to cold and calculating self-interest as soon as a person steps into the economic realm. This drives a dagger through the heart of the Aristotelian conception of a full life well lived. The bifurcated life suggested by market ideology also gives rise to the idea that altruism is something to be strictly rationed, on the presumption that virtue is in short supply. This peculiar idea is prevalent in economics—pushed by such people as Dennis Robertson, Kenneth Arrow, and Larry

²¹ Brad S. Gregory, *The Unintended Reformation: How a Religious Revolution Secularized Society*, (Cambridge: Belknap Press, 2012).

²² Pope Francis, Bolivia speech.

²³ Amitai Etzioni, “The Moral Effects of Economic Teaching,” *Sociological Forum* 30, no 1. (2015): 228-233.

²⁴ Michael Sandel, *What Money Can't Buy: the Moral Limits of Markets*, (New York: Farrar, Straus and Giroux, 2013).

²⁵ Samuel Bowles, *The Moral Economy: Why Good Incentives are no Substitute for Good Citizens*, (New Haven: Yale University Press, 2016).

²⁶ Lynn Stout, *Cultivating Conscience: How Good Laws Make Good People*, (Princeton: Princeton University Press, 2011).

Summers²⁷—and yet is antithetical to the Aristotelian view that virtue is like a muscle, requiring habitual exercise.

One implication of this bifurcated life is that ethics are presumed to have no role in economic or commercial life—as long as actors operate within the law, they free to pursue their self-interest and seek their own personal satisfaction. This aligns perfectly with the technocratic paradigm. And it is the standard by which many economists assess the behavior that caused the global financial crisis. Yet this is the narrowest of standards, incapable of reflecting on the role played by defective values. Luigi Zingales, for example, argues that the drop in ethical standards in the world of business and finance can be traced to the values inculcated by business schools.²⁸ The full implications of this mentality were seen in a recent experiment showing that bankers were more likely to act dishonestly when thinking of their jobs rather than other social roles.²⁹

The bottom line is that while *homo economicus*—the rational self-interested subject of neoclassical economics—might be alien to human nature, he can nonetheless feed parasitically off of it. Such a being is incapable of peering beyond his narrowly materialistic ethical horizon to deliberate on the kind of good society predicated on mutual flourishing. His moral sentiments become numbed. This mentality, I believe, lies behind the observation of Pope Francis that “Almost without being aware of it, we end up being incapable of feeling compassion at the outcry of the poor, weeping for other people’s pain, and feeling a need to help them, as though all this were someone else’s responsibility and not our own...the culture of prosperity deadens us” (EG 54).

V. The role of inequality

A side effect of market ideology is, of course, an economy of exclusion and inequality. For Pope Francis, the ideology of markets is intrinsically bound up with the reality of inequality. He stresses that the world’s problems can only be solved by “rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality” (EG 202).

Yet the debate about inequality tends to be trapped within the technocratic and individualistic paradigms. Libertarians argue that efforts to curb inequality constitute an unjust assault on individual freedom. Perhaps less appreciated, Rawlsian egalitarians also have had little to say about inequality, being more concerned with poverty than the gap between rich and poor. And neoclassical economists have traditionally viewed inequality through the exclusive lens of efficiency and economic growth, arguing that efforts to reduce inequality could backfire by undermining incentives to work, save, and invest.

²⁷ Michael Sandel, “Market Reasoning as Moral Reasoning: Why Economists Should Re-engage with Political Philosophy,” *Journal of Economic Perspectives* 27, no 4. (2013): 121-140.

²⁸ Luigi Zingales, “Do Business Schools Incubate Criminals?,” *Bloomberg*, July 16, 2012.

²⁹ Alain Cohn, Ernst Fehr and Michel Andre Marechal, “Business Culture and Dishonesty in the Banking Industry,” *Nature* 516 (2014): 86-89.

But from the perspective of the common good tradition, the damage posed by excess inequality is broader and deeper than its effects on economic growth or the quantity of individual freedom. In this tradition, the danger is that it can undermine civic virtue and corrupt social norms by severing the sense of shared purpose necessary for the realization of the common good. So while market ideology might inculcate social norms that directly undermine the common good, the harm is magnified by an indirect effect stemming from inequality.

This insight goes all the way back to Plato, who called inequality “the greatest of all plagues”, because the rich felt free to eschew the norms of social cooperation.³⁰ Likewise, Aristotle held that the ability of the political community to promote the common good would be impeded by large gaps between rich and poor—because the poor are too poor to embrace civic duty, while the rich are more attached to their wealth than to civil obligations. The founding fathers of the United States fretted over similar concerns.³¹

In reflecting on how excess inequality can corrupt moral norms, the insights of Adam Smith prove especially useful. Smith saw morality as driven by “fellow-feeling”—the innate tendency to form an empathic connection with our fellow human beings by imaginatively placing ourselves in their shoes. And happiness flows from giving and receiving this “sympathy.” Yet Smith argues that this impulse can misfire in the sense that we are more inclined to sympathize with the rich than the poor. In his words, this “disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition” is “the great and most universal cause of the corruption of our moral sentiments.”³² Thus, as noted by Dennis Rasmussen, Smith’s framework suggests that inequality has the potential to undermine virtue among rich and poor alike. Why? Because the rich can gain social approval without needing to act morally, and others seek to emulate the unworthy rich—undermining moral norms more generally.³³ In turn, this corruption in moral sentiments reduces happiness and wellbeing—because it leads people to obsess over wealth, and it deprives the poor of crucial bonds of sympathy.

Given the link to virtue, Smith’s perspective coheres in some respects with the insights of Catholic social teaching. The Church fathers, for example, felt strongly that the greed animating an idolatry of wealth hurts the rich as well as the poor. Recently, some Catholic ethicists have focused explicitly on inequality, drawing a link between the distribution of income and the

³⁰ David Lay Williams, “Tackling Poverty Isn’t Enough. Inequality is a Serious Problem Too,” *The Washington Post*, September 13, 2016.

³¹ See, for example, Sean Wilentz, *The Politicians and the Egalitarians: the Hidden History of American Politics*, (New York: W.W. Norton and Company, 2016) and Luke Mayville, *John Adams and the Fear of American Oligarchy*, (Princeton: Princeton University Press, 2016).

³² Adam Smith, *The Theory of Moral Sentiments*, (London: A. Millar, 1790).

³³ Dennis Rasmussen, “Adam Smith on What is Wrong with Economic Inequality,” *American Political Science Review*, 110 no. 2. (2016): 342-352.

degradation of virtues like justice, solidarity, and humility.³⁴ This is due to such factors as the segregation associated with inequality, whereby the rich and poor live non-overlapping lives, and the tendency for the rich to enjoy outsized economic and political power.

What does the evidence say? It suggests that this hypothesis does indeed have merit—both at the macro level in terms of inhibiting civic deliberation over the common good and at the micro level in terms of undermining morality and pro-social norms.

Starting with the macro level, it is pretty clear that modern forms of oligarchy prove antithetical to the common good. In Latin America, one of the world's most unequal regions, the pattern tends to be one of oligarchic dominance interspersed by disruptive populist backlashes—and both sides of the see-saw harm the common good.³⁵ This is why Pope Francis is correct to argue that inequality spawns violence—because it reflects the fact that, with no clear orientation to the common good, “the socioeconomic system is unjust at its root” (EG 59).

And as inequality rises, this is becoming an issue even among the richer economies. Branko Milanovic, one of the leading researchers of global inequality, argues that—in recent years as during the Gilded Age—inequality has been pushed up by the confluence of globalization and technology, but it is reinforced by policies that favor elite interests.³⁶ As the wealthy gain more power, and as their circles of solidarity and ethical horizons narrow, they can—and do—bend politics to their will. Examples of sought-after policies include cuts in upper-income and capital taxes, curbs on the bargaining power of labor, greater tolerance for monopoly power, looser standards of corporate governance, and more limited oversight of the financial sector. And these pro-rich policies can in themselves alter social norms—for example, lower top marginal tax rates made it more socially acceptable for the wealthy to push for pay increases beyond what was once considered prudent.³⁷

This distancing of the rich from the common good is further enhanced by globalization, which undermines civic duty, pushes the social classes further apart, and empowers corporations at the expense of governments. It is further enhanced by the financialization of the economy—both in terms of an increasing disconnect between the world of high finance and the world of real economic activity, and the increasing encroachment of market values across all aspects of the social life. At the other end of the scale, the poor—with a waning sense of belonging or connection to wider society—can easily get trapped in a cycle of exclusion and marginalization.

Given these trends, it is not surprising that IMF researchers found, in a landmark cross-country study, that excess inequality harms the economy and that strong and sustainable economic

³⁴ Kate Ward, “Can Economies Help Us to be Good? Economic Inequality and Virtue,” paper presented at Fordham University Good Economies conference, April 22, 2016.

³⁵ See Jeffrey Sachs, “Social Conflict and Populist Policies in Latin America,” NBER Working Paper, 2897 (1989).

³⁶ Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization*, (Cambridge: Belknap Press, 2016).

³⁷ See Thomas Piketty, *Capital in the Twenty-First Century*, (Cambridge: Belknap Press, 2014).

growth trickles up, rather than down.³⁸ This coheres with the views of Pope Francis. This is hardly surprising when inequality induces the wealthy to prefer short-run private gain over a longer-term commitment to the common good.

Yet the damage done by inequality runs deeper. There is ample evidence that it undermines social cohesion. In a landmark analysis, Richard Wilkinson and Kate Pickett demonstrated that inequality reduced empathy and trust across the board. Their analysis linked a skewed income distribution to a litany of social ills—including poor physical and mental health, drug abuse, weak educational attainment, violence and imprisonment, obesity, the prevalence of teenage pregnancies, and poor child well-being.³⁹ And recent empirical evidence suggests that inequality is the driving force behind the general lowering of trust and social capital in the United States and in other advanced economies.⁴⁰ In the words of Pope Francis, it is synonymous with “the silent rupture of the bonds of integration and social cohesion” (LS 46).

At the more micro level, evidence also suggests that inequality harms morality. Psychological studies, for example, have shown that higher social class predicts unethical and anti-social behavior. Across a variety of different experiments, richer people displayed less empathy, proved to be less generous, and were more likely to lie or cheat. To explain these stark findings, the researchers suggested that the combination of increased resources and a degree of independence from others led the wealthy to view self-interest and greed as virtuous.⁴¹

The Smithian analysis suggests that happiness as well as morality is undermined by inequality, and this is indeed what we find. The world’s happiest countries—the countries that score highest on measures of subjective well-being in the *World Happiness Report*—tend to be the most equal countries, typically in Northern Europe.⁴² And studies show that people are less satisfied with life in societies characterized by large gaps between rich and poor.⁴³ This coheres not only with Smith’s view on deformed moral sentiments, but also with the weight of evidence from psychology, evolutionary biology, and neuroscience suggesting that human beings are hardwired for fairness, cooperation, and reciprocity.

The bottom line is that inequality causes the sense of an all-encompassing common good, of being co-joined to a common purpose, to evaporate. This makes it much harder to reach consensus on collective problems. It makes it much harder to achieve authentic human

³⁸ Era Dabla Norris, Kalpana Kochhar, Nujin Suphaphiphat, Frantisek Ricka and Evridiki Tsounta, “Causes and Consequences of Income Inequality: a Global Perspective,” IMF Staff Discussion Note 15/13 (2015).

³⁹ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, (London: Allen Lane, 2009).

⁴⁰ Eric D. Gould and Alexander Hijzen, “Growing Apart, Losing Trust? The Impact of Inequality on Social Capital,” IMF Working Paper 16/176 (2016).

⁴¹ Paul Piff and other, “Higher Social Class Predicts Increased Unethical Behavior,” *Proceedings of the National Academy of Sciences of the United States of America* 109, no. 11 (2012): 4086-4091.

⁴² Helliwell, Huang, and Wang, “The Distribution of World Happiness,”

⁴³ Richard V. Burkhauser, Jan-Emmanuel De Neve, and Nattavudh Powdthavee, “Top Incomes and Human Well-being Around the World,” CEP Discussion Paper 1400, (2016).

flourishing. Instead, inequality reinforces a social norm centered less on inclusive solidarity and more acquisitive self-interest. It stimulates social interaction based less on cooperation and more on competition for status and wealth. The reality of inequality both feeds and is fed by the ideology of egoism, consumerism, and instant gratification.

This is surely why historian Tony Judt is right to say that “inequality is corrosive...it rots societies from within...it illustrates and exacerbates the loss of social cohesion...[it is] the pathology of the age and the greatest threat to the health of any democracy.”⁴⁴ And it is why Pope Francis is right to call inequality “the root of social ills” (EG 202) and to urge people to “say NO to an economy of exclusion and inequality, where money rules, rather than serves. That economy kills. That economy excludes. That economy destroys Mother Earth”.⁴⁵

VI. Toward an ethic of inclusive solidarity

So far, I have argued that inclusive solidarity is hindered by the ideology of the market in tandem with the reality of inequality. In this final section, I would like to address the question of how these impediments can be overcome so that the virtue of solidarity can be properly habituated.

Laudato Si’ has some powerful insights about this. It calls for a different type of progress, one that is “healthier, more human, more social, more integral” (LS 112), escaping the confines of the technocratic paradigm and the bondage of individualism. Concretely, Laudato Si’ is calling for integral and sustainable human development. Integral development is a well-established idea in Catholic social teaching centered on the development of the whole person and each person. In that sense, it links back to the old Aristotelian idea of holistic human flourishing rooted in the common good. Pope Francis expressed this idea in terms of the ability to “live well”, so that all people are able to “find meaning, a destiny, and to live with dignity.”⁴⁶ And he tied it in particular to dignified work, which he regards as “part of the meaning of life on this earth, a path to growth, human development and personal fulfillment” (LS 128). Sustainable development in turn is a holistic agenda that melds poverty reduction, social inclusion, and a sustainable use of the earth’s resources.⁴⁷ This is why Laudato Si’ calls for “an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature” (LS 139).

Realizing this vision of integral and sustainable human development will require a renewed orientation toward the common good. And this ties naturally back to solidarity, which Pope John Paul II insisted was a “a firm and persevering determination to commit oneself to the common good.”⁴⁸ In the words of Pope Francis, the common good entails “a summons to solidarity and a preferential option for the poorest of our brothers and sisters” (LS 158) and solidarity in turn “must be lived as the decision to restore to the poor what belongs to them” (EG 189). Solidarity

⁴⁴ Tony Judt, *Ill Fares the Land*, (New York: Penguin, 2010).

⁴⁵ Pope Francis, Bolivia speech.

⁴⁶ Pope Francis, Bolivia speech.

⁴⁷ See Jeffrey Sachs, *The Age of Sustainable Development*, (New York: Columbia University Press, 2015)

⁴⁸ Pope John Paul II, *Sollicitudo Rei Socialis* 38 (1987).

is a reflection that we are interdependent rather than independent, and as such, it is the glue that holds the common good together. It is the polar opposite of self-interest.

But how can this inclusive solidarity—across space, across time, and even across species—become more ingrained? *Laudato Si'* gives a twofold answer to this question—one from policy and one from individual and institutional conversion.

The policy agenda promoted by *Laudato Si'* overlaps strongly with the sustainable development agenda endorsed by world leaders in 2015—both in terms of the 17 Sustainable Development goals that are supposed to serve as the linchpin for policy between now and 2030, and the commitments under the Paris Agreement to move to zero carbon emissions in the second half of the century. These commitments, if taken seriously, would embody an orientation toward the common good animated by inclusive solidarity.

But this is easier said than done. As we move from aspiration to implementation, it becomes clear that a re-orientation of policy priorities also requires a reorientation of attitudes. If, as I have been arguing, the problems spring from misguided mindsets, flawed values, and corrupted norms of behavior, then the needed change is deeper and more transformative. *Laudato Si'* states this well: “Many things have to change course, but it is we human beings above all who need to change. We lack an awareness of our common origin, of our mutual belonging, and of a future to be shared with everyone. This basic awareness would enable the development of new convictions, attitudes and forms of life” (LS 202). *Laudato Si'* therefore calls for a “cultural revolution” that transforms our notion of progress and the values on which it is based (LS 114).

I would argue that this kind of transformation calls for a reconstituted virtue ethics predicated on the development of both personal and social virtues—to transform not only people, but institutions too. It starts from the premise—common across many different ethical and religious traditions—that each person possesses innate human dignity, which is the source of the summons to development. In turn, this gives rise to a profound reciprocity between human flourishing and the common good. When people are able to develop across all fronts without impediment, this builds up social capital. And this social capital in turn facilitates human flourishing, setting in motion a true “virtuous” cycle. Developing these requisite personal and social virtues—including the virtue of solidarity—will require leadership, education, role models, positive reinforcement, a vigorous civil society, and quality public discourse.

In this context, the world’s major religions have always been fruitful seedbeds for nurturing the personal and social virtues needed to support the common good. Despite large differences in beliefs and practices, they all affirm the essentials of virtue ethics—a call to personal development that unfolds from human dignity, combined with the essential claim that each person is called to contribute to—and be supported by—the common good. This is pellucid in Catholic social teaching. But it also emerges in the other religious traditions, both eastern and western. Confucianism, for instance, calls for human flourishing by developing the virtue of

ren—typically translated as benevolence—which has a public as well as a private dimension. And Amartya Sen has argued persuasively that the Buddhist notion of enlightenment is a matter not only of self-cultivation but also of communicative interaction, and that a tradition of public deliberation arose independently out of this ethos.⁴⁹

Yet all of this presents difficulties for the modern mindset. In perhaps the most trenchant critique of the Enlightenment project, the philosopher Alasdair MacIntyre argued that it contained within it an inbuilt coding error, a bug in the system. This is because, in its different manifestations, the Enlightenment project views human nature as it is, rather than as it could be—rejecting the need to “correct, improve, and educate” human nature through the exercise of the virtues.⁵⁰ According to this view, there is a fundamental incompatibility between the older virtue traditions and the modern Enlightenment-era paradigm.

But cavalierly rejecting the Enlightenment paradigm would be foolhardy. After all, this shapes our modern world, for good or for ill. And a lot of it is for good. Its scientific and technological advances have brought enormous improvements in human health and well-being. As Laudato Si’ notes, the point is not to reject technological progress, but to better align it with moral progress. At the same time, the turn to the individual paved the way for the slow-but-steady advance of human rights, forcing the adherents of the older communitarian traditions to admit that they sometimes suppressed the dignity of the individual in favor of the collective.

Rejecting the modern market economy, as some are prone to do, would be equally unwise. The market can be a locus for genuine cooperation and reciprocity, meeting real human needs and strengthening social capital.⁵¹ But it needs to be humanized and civilized, seasoned more by solidarity and less by self-interest, oriented more toward human flourishing than consumerism and the possession of wealth. As Aristotle would have put it, it needs to be moored less in *chrematistike*—pursuit of wealth for its own sake—and more in *oikonomia*—the root source of the word “economics”, but actually referring to the ethical norms that ought to govern private and public household management.⁵²

How then, can this kind of re-orientation take place within the modern paradigm, in a way that blends the best of the ancient virtue tradition with the best of the Enlightenment? There is no simple answer to that question, although there are promising avenues of exploration. One such avenue, is to accept the centrality of freedom, but re-attach this freedom to the common good by basing it in human dignity and linking it to responsibility. This is the goal of ethicists like Claus Dierksmeier, who argues for a conceptual shift from *quantitative* to *qualitative* forms of

⁴⁹ Amartya Sen, “The Contemporary Relevance of Buddha,” *Ethics and International Affairs* 28, no.1. (2014): 15-27.

⁵⁰ MacIntyre, *After Virtue*.

⁵¹ See Luigino Bruni and Stefano Zamagni, *Civil Economy: Efficiency, Equity, Public Happiness*, (Bern: Peter Lang AG, 2007).

⁵² Claus Dierksmeier and Michel Pirson, “*Oikonomia* Versus *Chrematistike*: Learning from Aristotle About the Future Orientation of Business Management,” *Journal of Business Ethics*, 88 (2009): 417-430.

freedom.⁵³ *Quantitative freedom* is identified with the largest possible extension of individual choice. This notion of freedom distances itself from normative questions pertaining to the good society. It is the self-interested freedom that animates market ideology. And it is the kind of freedom that finds a comfortable home within the technocratic paradigm.

If *quantitative freedom* is about “the more, the better”, then *qualitative freedom* is its opposite—“the better, the more.” This suggests that deliberation should concern itself not only with the amount of freedom, but also with the use of that freedom. The core idea is that freedom comes with a responsibility to protect and promote the freedom of others. *Qualitative freedom*, therefore, links personal freedom to universal freedom—as Dierksmeier put it, “endorsing an obligation to empower everyone to lead a life in social, economic, cultural, and political autonomy, including the poor within our societies, the destitute of foreign nations, and future generations.”⁵⁴ This stems from both pragmatic reasons—as disconnecting individual from universal freedom is bound to backfire—and also from principled reasons, stemming from the dignity of each person as affirmed by the major ethical and religious traditions. This notion of freedom is therefore inherently contextual and participatory, requiring moral deliberation. It is a notion of freedom that is compatible with inclusive solidarity.

This approach to freedom is closely related to a separate attempt within the liberal paradigm to open the door to the common good—the capabilities approach developed by Amartya Sen and Martha Nussbaum. Capability in this context refers to the ability of each individual to do or be what they value doing or being. For Sen, the Rawlsian conception of primary goods is incomplete, as what really matters is the conversion of primary goods into the person’s ability to promote her own ends.⁵⁵ With its emphasis on agency and self-actualization, this is closer to the older idea of human flourishing than other variants of the modern paradigm. Yet this identification is not automatic. Self-actualization can be misdirected toward selfish ends, cut off from the common good.⁵⁶ Capabilities can be deployed toward pursuing a life that fails to support the well-being of others. This tension is certainly evident in the thought of Nussbaum. Nussbaum originally conceived of capability in terms of a “thick vague theory of the good”, on the grounds that it is possible to affirm core elements of human life that all would agree are worthwhile.⁵⁷ In more recent work, however, she has edged away from this Aristotelian framing and more toward capability as an expanded and deepened notion of Rawls’s primary goods, directed toward each person’s own conception of the good.⁵⁸

⁵³ Claus Dierksmeier, *Reframing Economic Ethics: the Philosophical Foundations of Humanistic Management*, (London: Palgrave Macmillan, 2016).

⁵⁴ Dierksmeier, *Reframing Economic Ethics*, p. 84.

⁵⁵ Amartya Sen, *Development as Freedom*, (New York: Anchor Books, 1999).

⁵⁶ Amitai Etzioni, “Happiness is the Wrong Metric,” mimeo, George Washington University (2016).

⁵⁷ Martha Nussbaum, “Aristotelian Social Democracy,” in *Liberalism and the Good*, eds. R.B. Douglas, G.M. Mara, and H.S. Richardson (London: Routledge, 1990).

⁵⁸ Martha Nussbaum, “Capabilities as Fundamental Entitlements,” *Feminist Economics* 9, no. 2-3 (2003): 33-59.

But the capability approach is certainly flexible enough to accommodate an Aristotelian mooring, so that capabilities are directed toward common ends as part of living the good life in community.⁵⁹ This is also consistent with the idea that human flourishing is compatible with an approach based on individual rights—but these rights cannot be interpreted individualistically and must instead be attached to communal obligation. This relates back to the idea that integral human development is not just about the *whole* person, but *each* person—and that these concepts cannot be delinked.

These are some of the avenues through which the virtue ethics tradition can find a comfortable niche within the modern paradigm, although there is still a lot of work to be done here. These approaches can help ground policy in an ethic that is more attuned to the requirements of integral and sustainable development.

But what about the interplay between policy and virtue? To put it bluntly, can good policies shape good people? This is somewhat related to the old idea, formalized by Thomas Aquinas, that the ultimate aim of the law is not simply to enforce compliance but to help make people virtuous—in others, to provoke an intrinsic rather than an extrinsic response.⁶⁰ In the context of the modern economy, Lynn Stout has made a related argument, suggesting that law and regulation can promote pro-social norms by signaling what conduct is appropriate, influencing the behavior of those with whom we interact, and educating us on how personal choices affect others.⁶¹

Within this framework, it is entirely feasible that economic policies could—if tailored appropriately—give virtue a nudge. Within the technocratic/ market ideological paradigm, of course, economic policies are assumed to affect behavior solely by changing incentives. Yet as Samuel Bowles has argued, good incentives might be poor substitutes for good citizens.⁶² This is the familiar story of *homo economicus* decapitating the social and moral animal inclined toward intrinsic motivation. Yet Bowles argues that it is indeed possible to design policies that tap into a person's better instincts, aligning incentives with intrinsic motivation—what is required is an appeal to “Aristotle's legislator.”

This obviously has many dimensions. It can, for example, be used to inculcate good environmental habits—the “ecological citizenship” called for by *Laudato Si'* (LS 211). It can help nudge business toward accepting a broader responsibility to the common good that goes beyond the maximization of shareholder value. And it has special resonance when it comes to inequality. I have argued that inequality magnifies the harm to the common good stemming from market ideology by undermining pro-social norms. Yet inequality is amenable to policy fixes, at

⁵⁹ Severine Daneulin, “Recovering Nussbaum's Aristotelian Roots,” *Revista Cultura Economica* 29, no. 81-82 (2011): 31-37.

⁶⁰ See Rebecca Konyndyk DeYoung, Colleen McCloskey, and Christina Van Dyke, *Aquinas's Ethics: Metaphysical Foundations, Moral Theory, and Theological Context*, (Notre Dame: University of Notre Dame Press, 2009).

⁶¹ Stout, *Cultivating Conscience*.

⁶² Bowles, *The Moral Economy*.

least to some extent. It is certainly conceivable that just as rising inequality seems to reinforce negative norms, falling inequality could form better citizens—and more moral people. For example, if cutting top marginal tax rates helped generate a social norm based on greater risk-taking and the pursuit of outsized personal reward, then raising top marginal taxes might inculcate norms based more on prudence and fairness. But reducing the harm to the common good stemming from inequality means dealing not only with the tax-benefit system, but also with more structural issues related to corporate concentration and governance, as well as the design of the financial system. Overall, prioritizing a reduction in inequality certainly makes perfect sense for “Aristotle’s legislator”.

VII. Conclusion

Shortly after the release of *Laudato Si’*, Pope Francis delivered an extraordinary speech at the World Meeting of Popular Movements.⁶³ In that speech, he called for structural change across the global economy to end the economy of exclusion. Yet, he concluded, “the future of humanity does not lie solely in the hands of great leaders, the great powers and the elites. It is fundamentally in the hands of peoples and in their ability to organize.” The pope is calling for a bottom-up approach to build an economy of inclusion through genuine participation and participatory democracy. This is the antithesis of the throwaway culture, whereby people become the agents of their own development, and whereby those affected by policies in turn can affect policies.

For this vision to be realized, however, the global economy needs a re-orientation away from market ideology and toward the common good. This requires a reconstituted virtue ethics tradition predicated on human flourishing, but one that is nonetheless compatible with the modern paradigm. This is possible if we focus on linking human dignity to the common good. It is possible if we properly interpret key concepts such as *freedom* and *rights*—a qualitative approach to freedom tied to responsibility; and social and economic rights underpinned by a reciprocal obligation between the individual and the community.

Such a framing can provide fertile ground for inclusive solidarity. It can help bring about integral and sustainable human development. It can help form better individuals and better institutions. At the very least, it can—in the words of Pope Francis—help replace a globalization of exclusion and indifference with a globalization of hope.⁶⁴

⁶³ Pope Francis, Bolivia speech.

⁶⁴ Pope Francis, Bolivia speech.