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# The Influence of Thomistic Thought in Contemporary Business Ethics

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## Abstract

The chapter opens with a short passage that bridges from the time period covered by the previous chapters in this section, twelfth to early seventeenth centuries, to the period considered here, the twentieth century. Between the seventeenth and nineteenth centuries, the relation between business/economics and ethics fundamentally weakens, so that the way Thomist thinkers deal with questions in these fields in the twentieth century is often more fragmented than in the past. Similarly, economists and business experts themselves rarely make reference to philosophical ethics and almost never to Thomism. On the other hand, Thomism receives a major boost at the end of the nineteenth century, thanks to Pope Leo XIII, who also launches what becomes a new body of thought known as Catholic social teaching (CST), and thus, CST is much influenced by Thomism, although on some key points of importance to business ethics, there has been some divergence between Thomism and CST. Three areas of some divergence are discussed here. Key concepts within the Thomist/CST body of thought that are of importance for business ethics include: the concept of what is good, the nature and dignity of the human person, the common good, and human virtue. A more extensive account is given of two book-length treatments of economics and business, since although these kinds of texts are few in this period, they continue the Thomistic tradition of a systematic reflection on commerce and business, and other areas of business ethics where Thomistic thought has been influential are discussed. An assessment of the influence on business ethics of Thomism and CST is made. While they are currently ignored to a great extent by the mainstream of business ethics, there is

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potential for a “breakthrough” in the future. This is due to the kind of problems that business ethics is currently experiencing and to what Thomism and CST can offer to remedy these problems.

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## Introduction

The previous chapters in this section regarding “Scholastic Thought and Business Ethics” demonstrate how scholastic thinkers, over about a 400-year period, developed very detailed analyses of key economic and business problems from an ethical point of view. By the time we arrive in the twentieth century, a lot of water has gone under the economic bridge; economic thought has become far more sophisticated, while the relation between economic thought and ethics has been fundamentally weakened and, at least for most leading economists, entirely broken. Whereas law, which developed as a separate field of study long before economics, always included within it serious reflection on the philosophy of law (jurisprudence), the philosophical reflection of early economists, including Adam Smith, never develops into a consistent tradition of reflection on the philosophy and ethics of economics. Thomism too, even among philosophers and ethicists, has been through a long period of marginalization, swept aside firstly during the Reformation, which included a strong antiphilosophical element as part of its elevation of the importance of the Bible, and then, for philosophical reasons, in the Enlightenment. Any ethical and philosophical overarching system of thought, such as that of Aquinas, breaks down in the face of these onslaughts, just as science and technology are developing integrated models of the world, increasing the marginalization of philosophical ethics and theology. Alasdair MacIntyre [27] has thus characterized the contemporary period as one of “living in the ruins” of any kind of ethical synthesis. One of the main concerns of this chapter, therefore, is to highlight the ways in which twentieth-century thinkers have tried to recover or renew the links between the most important strand in scholastic thought, Thomism, and the thought and practice of economics and business. One of the consequences of this situation is that we find far fewer systematic treatises on economic and business questions from the point of view of Thomism in the twentieth century than in the past; one of the few to have been attempted is the *Wirtschaftsethik* of Arthur Fridolin Utz. Since, thanks to its metaphysics, Thomist thinkers have always tried to produce an integrated system of thought, the attempt by Utz to produce an integrated socio-economic ethics for the twentieth century that takes into account twentieth-century economic thought and practice is particularly significant for this chapter and therefore will be considered in some detail.

Against this rather bleak backdrop the nineteenth-century Pope, Leo XIII (elected 1878) produced two “encyclicals” (authoritative statements, often quite long and detailed, made by a Pope) that make a crucial change in the situation, at least as regards the members of the Catholic Church. One year after his election, he published the encyclical *Aeterni Patris*, where he presented the thought of St. Thomas Aquinas as the basic source for theology and for the training

of priests.<sup>1</sup> Leo argued that the thought of St. Thomas on key issues such as the genuine meaning of freedom, on the sources of authority and law, on just forms of government, and on the importance of mutual love for social life, were a vital resource in dealing with the challenges of the day. Then in 1891, he published another encyclical on the condition of the working classes, entitled *Rerum Novarum*. Since Leo himself was deeply influenced by Thomism and convinced of the value of a Thomist ethic for the modern world, the main philosophical influence on this document is that of Thomism. As we will see later, *Rerum Novarum* launched a whole new area of reflection and action on the part of members of the Catholic Church with regard to “earthly realities,” including economics and business, which came to be known as the “Catholic social tradition.” Like Leo himself, this tradition is deeply influenced by Thomism.

Interest in these developments was not only limited to the Catholic Church, however. In October 1891, shortly after the publication of *Rerum Novarum*, John Keane, the recently appointed Rector of the new Catholic University of America, wrote an article for the *Quarterly Journal of Economics*, the oldest economic journal still in publication, under the title “The Catholic Church and Economics” [25]. Although the article denounces the way that economic thought has developed, separated “from what the civilized world understands by ethics” ([25], p. 29), it is nevertheless striking that such a prestigious economic journal, where many foundational articles in economics have been published in the twentieth century, should have accepted such an article. In many ways, this example is symptomatic of the relations between business ethics and both Thomism and the Catholic social tradition; in some ways, the fields of economics and business resist discussions about ethics, and yet, again and again, through different phases of the twentieth century, and in different ways, we will see them interacting, sometimes quite strikingly. It is not altogether surprising, therefore, that in looking ahead to the prospects for the future, we can identify some positive tendencies that may suggest that the currently marginal position of Thomism and the Catholic tradition in business ethics could develop into a more solid relationship.

Within the Catholic social tradition, there are a few other important terms to note, most of which also have the acronym in English of “CST.” The term “Catholic social teaching” usually refers to the encyclicals and other official documents of the Papacy, but it may also include documents produced by individual bishops or conferences of bishops, since all bishops are considered as official “teachers” in the Catholic Church. The term “Catholic social thought” usually includes Catholic social teaching but extends beyond this to include reflections produced by scholars and others on social questions (sometimes the nonofficial part of Catholic social thought is referred to as “Catholic Non-Official Social Teaching” (CNOST), as in Boswell et al. [12]). Catholic social movements have been crucial in carrying the social teaching and social thought out into the workplace and the wider society and for channeling practical experience and innovations on the practical level back to the teachers and scholars and thus promoting the ongoing development of this body of thought and practice. These movements have included Christian trades unions, the Young Christian Worker’s movement, the international movement of Christian

businesspeople (UNIAPAC), as well as more modern movements such as Communion and Liberation (with its special section for entrepreneurs known as the “Compagnia delle Opere”), and the “Economy of Communion” group of businesses that are linked to the Focolare movement.

In this chapter, for the sake of both brevity and clarity, the primary reference will be to Catholic social teaching, and the acronym “CST” will be used for this.

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## Twentieth-Century Developments in Thomism

Thanks to the impulse it had been given by Leo XIII, at the beginning of the twentieth century, Thomism was riding high in the Catholic Church. Some scholars (e.g., [13]) have suggested that, apart from its evangelical and pastoral merits, the Thomistic renewal was part of a move by the Church Magisterium from a defensive stance vis-à-vis modernity and liberalism toward constructive engagement with it. At the same time, however, this engagement with modernity should not be seen as an uncritical recognition of its value (nor of its economic and business elements that are of relevance to us here). Rather, the tension between Liberalism and Church teaching remains, even if the terms in which it is couched become less strident. A potential tension between accepting what is good and maintaining a critical edge toward modernity and postmodernity is an ongoing part of the interaction between Thomism and Catholic social teaching with modern sociopolitical and economic systems.

Thomism itself is not monolithic, with different schools of thought having developed within it following *Aeterni Patris*, often with very strong disagreements between them. These internal struggles within Thomism itself (mostly among Thomist philosophers) have given rise to various “hyphenated Thomisms”: “Neo-Thomism,” the most important strand within which came to be known as “Existential Thomism,” associated with the names of Etienne Gilson and Jacques Maritain; “Transcendental Thomism,” the leading thinkers within which have included Karl Rahner and Bernard Lonergan; and, later, “Personalist Thomism,” as developed by Jacques Maritain and Karol Wojtyła (later Pope John Paul II) and their followers.<sup>2</sup> As can be seen by the fact that Jacques Maritain figures strongly in both, Neo-Thomism and Personalist Thomism are close to each other, and both differ on key points from Transcendental Thomism.<sup>3</sup> From the point of view of business ethics, the most important schools have been Neo-Thomism, for the first half of the twentieth century, especially in its Existential Thomist form, followed by Personalist Thomist in the latter part of the century.

In the area of Thomism more directly connected to business ethics, moral theology and philosophy, and more especially in the English-speaking world in the latter part of the twentieth century, there has been renewed interest in a Thomistic virtue-based ethics, pioneered by Elizabeth Anscombe and Peter Geach, and then picked up by other figures such as Alasdair MacIntyre. Of these thinkers, MacIntyre has had the biggest influence in the field of business, even though he has written little that deals directly with business ethics [19]. Apart from the general

importance of his thought, which applies to other great thinkers of this period like Anscombe, his significance for business ethics may be in part due to the fact that he uses the figure of the “manager” as symbolic of modern culture in a hypothetical reconstruction of the characters in a modern version of the medieval mystery play [27]. Interestingly, MacIntyre too is largely regarded as being “antimodern,” though Dobson contests the label often given to him of “antibusiness” since “modernity has corrupted business” ([19], p. 128); for Dobson, it is a “critique of modernity which lies at the heart of MacIntyre’s work, that provides the key to a full understanding of his position on business” ([19], p. 125). One of the key ideas in MacIntyre’s thinking is that of a “practice,” where internal goods are promoted in the carrying out of the activities that make up the practice, including the development of human capacities (virtues) in the process. MacIntyre contrasts this type of activity with the way business is conceived in much of the business literature, that is, as means for producing external (economic) goods, with the production of the internal goods of the virtues being at most incidental to the process. Indeed, this represents one of the great ethical challenges to business at the beginning of the twenty-first century; we become more and more efficient at producing economic goods, but we become less and less clear as to *why* we are doing it. Production becomes an end in itself, at least at the social level; only individuals may give whatever individual meaning they desire to their lives and apply the use of the economic goods they have earned or acquired to creating this meaning. The problems are clear: firstly, we spend most of our waking hours working, and if no meaning can be given to this, and we are not developing through our work activity or such development is only incidental, what meaning can we really give to our lives if we can only dedicate ourselves to that meaning in the few hours of “free time” that we have? Secondly, what sense does it have to talk about individual meaning? Language, the primary means by which we express meaning, is necessarily social and arises from a shared way of life. But MacIntyre is right to locate these problems in modern thought, not primarily in business, even if business may be one of the main mechanisms by which that modern thought impacts on our society today.

References in this chapter to CST will be made to the 2004 *Compendium of the Social Doctrine of the Church*, indicating the number of the paragraph referenced.

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## **Thomistic Thought and Catholic Social Teaching: Similarities and Differences**

As already noted, as a form of moral philosophy and theology, Catholic social teaching is heavily influenced by Thomism. Compared to Thomist thought, CST is less systematic, but in terms of application to current questions of relevance to business ethics, it is more developed than Thomism. This section, therefore, will present key themes that are common to Catholic social teaching and to Thomism, distinguishing between them where appropriate.

## Key Common Concepts in CST and Thomism

### Concept of the Good

For St. Thomas, the first concept from which his whole system of thought derives is that of existence. God is existence in a complete sense, whereas other beings participate in God's existence and only exist incompletely. Beings as we know them in this world are always changing – hopefully, mostly developing in a positive way, but they may also be damaging themselves or being exploited or abused by others. They change because they are not fully developed or fully existing; they are always beings *in potentia*, with the potential to change and develop further. Developing as yet unrealized capacities, which exist so far only potentially in the person him or herself – or, we might say, becoming more “alive” – is what is fundamentally good, and other meanings of good are derived from this meaning. This good is developed through action, since it is through action toward good ends that we turn potential into actual capacity – that we realize our potential more completely, exist more fully, and therefore create that which is good. The capabilities approach of Martha Nussbaum [32], building as it does on an Aristotelian philosophy, is close to this position, as is, to a lesser extent, the work on capabilities of Amartya Sen [39]. A Thomistic ethic, therefore, such as a business ethics based on Thomism or CST, starts from the idea that doing what is good is doing what brings about more human development, greater realization of potential, most of the time in a community of action where the good is developed together and, to some degree at least, only held in common (goods like culture, language, or a sense of justice are only held among a particular group of people or they are not held at all; it makes no sense to speak about an individual language, not shared with anyone else, or an individual sense of justice).

### Common Good

One of the key Thomist thinkers on the common good in the twentieth century has been Jacques Maritain. Starting from the personalist insight that each human being, though a unified whole, has both an individual and a “personal” (i.e., intrinsically relational) dimension, Maritain can show that we truly do hold goods *in common*, which is possible because of our intrinsic relatedness to others, allowing us to pursue objectives in common and thus to create really shared goods between us. It is through this development of shared goods that we arrive at the articulated idea of the common good, with its various components, outlined below. The common good is there to support our development as persons, since our spiritual or relational dimension extends beyond the physical, and we are all ends in ourselves. At the same time, as individuated beings and members of the species *Homo sapiens sapiens*, our individual good is part of the good of the whole, and the whole as such can ask sacrifices of us (as when soldiers lay down their lives for their countries). Therefore, Maritain can argue that the relation between the good of each person and the good of all persons (the common good) is one of “mutual implication and reciprocal subordination” ([29], p. 46).

“The” common good is the result of the common goods that we develop with each other at various levels and in various groups. It can be “sedimented out,” so to speak,

in tangible ways, as in the development of various kinds of infrastructure (transport, communications, energy supply), and has a very extensive “instrumental” or “tool-like” dimension, such as in policies, rules, and customs, all of which allow the development of persons in the context of various types and level of community. According to one of the most authoritative statements in Catholic thought in the twentieth century, the common good is “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and easily” ([16], n. 164, quoting *Gaudium et Spes*, 26). Bringing the idea into business ethics, De George [18], following indications in *Gaudium et spes*, identifies five components of “the” common good: (1) “public goods” (parks, roads, armies, and so on, but on the relation between public and common goods, see [2]); (2) common goods that do not necessarily require government provision, such as air or water; (3) immaterial goods, such as relations, conditions, systems, and structures existing in a human community; (4) moral values and virtues, and all that enhances human life and flourishing, such as solidarity, freedom, peace, justice, respect for human life, and so on; and (5) goods and services produced and traded in the marketplace (private goods), insofar as they are part of our overall well-being.

Another way in which the common good is incorporated into business ethics is through “grounding” or “founding” stakeholder theory and corporate social responsibility ([3, 5–7]). Goodpaster et al. [22] have shown that stakeholder theory, for instance, provides a useful analytical tool, helping us to identify who are the relevant parties to be involved in business decision-making, but that it contains no ethical principle itself which would allow it to decide how to make that decision. Various possibilities have been suggested: Freeman and Gilbert [21] suggest using a Kantian principle, but they themselves recognize that this has practical problems; Sacconi [37] suggests using a social contract model, but this suffers from a weak sanctions system (the “reputational mechanism”) and, more importantly, tends to create a “crowding out” effect whereby intrinsic motivation to do the good is replaced by extrinsic (avoiding penalties and gaining rewards). The common good, however, can provide a foundation for decision-making that respects stakeholders as ends in themselves, allows a decision to be synthesized (thus going further than Freeman and Gilbert [21], who claim to base their approach on a Kantian ethic), and, because it is made in the interest of all stakeholders, since it is based on their *common* good, avoids the perverse side effects generated by the social contract approach.

A key place within the common good concept needs to be given to the environment, seen as both an ecosystem on which life depends and as a gift from God, and is referred to in the *Compendium* explicitly as a “common good” ([16], n. 466). Creation is a gift to be treated with responsibility and respect, “destined for all.” The “different categories of beings, whether living or inanimate” cannot be used “with impunity” just for economic ends ([16], n. 466). At the same time, as a gift given by the creator to human beings, responsible human intervention in nature is “positive” ([16], n. 473). Where scientific data on human intervention is limited or contradictory, CST recommends the “precautionary principle” meaning “certain guidelines aimed at managing the situation of uncertainty” and which “encourage every effort for acquiring more thorough knowledge,” as well as, given the

uncertainty involved, transparent decision-making procedures ([16], n. 469). There is both a sense that the environment is a good in itself, to be preserved and developed, with special mention of the value of biodiversity ([16], n. 466), and that the environment needs to be protected for the good of human beings, including indigenous peoples ([16], n. 471) and future generations ([16], n. 467). The principle of the universal destination of goods provides “a fundamental moral and cultural orientation” with regard to the tragic interconnections between poverty and environmental degradation, especially where “hunger and poverty make it virtually impossible to avoid an intense and excessive exploitation of the environment” ([16], n. 482).

Closely related to the question of the common good as it relates to the environment is that of globalization. Strikingly, the *Compendium* presents globalization as one of the three “great challenges facing humanity today,” along with “the truth itself of the being who is man” and “the understanding and management of pluralism and differences at every level” ([16], n. 16). If globalization is to be a true extension of the common good to the global level, it must be a “globalization in solidarity” or, in other words, “a globalization without marginalization” ([16], n. 363). A whole chapter of the *Compendium* is dedicated thus to the “international community,” whose organizations “exist solely for the common good” and “for the purpose of achieving a greater degree of international ordering” ([16], n. 442); more on the question of “order” is given below. Among the many aspects of economic life that are treated with regard to globalization (including work, unions, civil society, and economic/financial systems), perhaps the question of agriculture and the production of food merits special attention, linking this question to the environmental one as well ([16], n. 299).

### **Nature and Dignity of the Human Person**

The fundamental starting point for modern CST is the centrality of the human person for the consideration of any social question. Insofar as this relates to the recognition of freedom of conscience and belief, this represents the reinterpretation and incorporation into Christian teaching of an idea that came to maturity among Enlightenment thinkers (building on early more explicitly Christian thinking) and which it took some time for Church authorities to accept. At the same time, the nature and dignity of the human person grounded on the biblical affirmation that each person is made “in the image and likeness of God,” with an even greater sign of their dignity in the passion, death, and resurrection of the Son of God for each human being individually as well as for humanity as a whole, is standard teaching.

In the *Compendium*, the third and last chapter of Part I is dedicated to the human person and human rights. It begins with reference to the human person as “the living image of God himself” ([16], n. 105), and that social life should have the human person as its “subject, foundation and goal” ([16], n. 106), creating a parallel with the Church herself “since she is neither outside nor over and above socially united men [and women], but exists exclusively in them and, therefore, for them” ([16], n. 106). Social relations create “some of the best possibilities for ennobling the human person” but may also involve the “most loathsome rejections of human



dignity” ([16], n. 107). Being in God’s image indicates a natural openness toward God in the human being, and, since God is Trinity, three persons in one Godhead, a natural relational or social dimension ([16], nn.109, 110). Since both men and women are made in the one image of God, they are equal in dignity and are called to help each other. They are also called to have dominion over the earth, expressed through the image of naming all creatures: “in giving things their names, man must recognize them for what they are and establish with each of them a relationship of responsibility” ([16], n. 113). Sin, however, disrupts these natural relationships, creating alienation, that is, separation from God, from each other and even conflict within oneself. This then leads to mutual accusation, to hate, to killing, and to all kinds of wounds in the social fabric, such that we may recognize that sin has personal and social dimensions. Some sins directly attack the social order, especially those against justice or against human rights, generating “structures of sin,” starting from personal transgressions against the good and amplifying the effects of personal sins so that these effects “grow stronger, spread and become sources of other sins, conditioning human conduct” ([16], n. 119). These effects go “well beyond the actions and brief life span of the individual and interfere also in the process of the development of peoples, the delay and slow pace of which must be judged in this light.” The *Compendium* picks out two of the most important categories of social sins in our day: “the all-consuming desire for profit” and “the thirst for power, with the intention of imposing one’s will upon others” ([16], n. 119). At the same time, there is no cause for despair; through the Incarnation and Redemption wrought for us by Jesus Christ, the grace needed to overcome both sin and its effects is available to us: “the new reality that Jesus Christ gives us is not grafted onto human nature nor is it added from outside: it is rather that reality of communion with the Trinitarian God to which men and women have always been oriented in the depths of their being, thanks to their creaturely likeness to God” ([16], n. 122).

Beyond the biblical texts, looking more philosophically, the human person is neither an absolute individual nor a mere part of a bigger social body. The human person has an individual dimension and a relational (spiritual) dimension, even though, as the *Compendium* affirms as the first of the “many aspects” of the human person that it considers, the human being is a union of these aspects, that is, a union of body and soul ([16], n. 127). Human beings have an individual, corporeal dimension that links them to the material world and a spiritual dimension that confers a unique dignity and a profound openness to relating to others and to God, making our relationality as much a part of our being as our individuality. It is on this basis that the CST can insist on the “social nature” of the human being, a relating to others that is part of our nature and being. Another key aspect of the human person is his or her freedom, which is built on our nature and the nature of the world around us, and needs to be exercised in accord with the order in nature. Human rights are recognized as “one of the most significant attempts to respond effectively to the inescapable demands of human dignity” ([16], n.152), since the “roots of human rights are to be found in the dignity that belongs to each human being” ([16], n. 153).

Duties are “inextricably connected to the topic of rights” since “in human society to one man’s right there corresponds a duty in all other persons: the duty, namely, of acknowledging and respecting the right in question.” Those who claim recognition of their rights while neglecting their duties towards others “build with one hand and destroy with the other” ([16], n. 156).

## **Virtue**

The idea of virtue, or of virtue ethics (as opposed to Kantian or utilitarian ethics), has gained ground in the business ethics literature during the latter half of the twentieth century and this has continued on into the beginning of the twenty-first. The role of the Thomism in this is recognizable, even if the main point of reference for most virtue ethics in business is Aristotle rather than St. Thomas. Interestingly, this idea has not been nearly so prominent in the tradition of Catholic social teaching before John Paul II, compared to some other themes that have been incorporated into business ethics (such as the questions of the common good, just wages, and human work).

One of the issues that has tended to separate the way in which virtue ethics has developed in the business ethics field, compared to its Thomistic version, is the separation of principles from virtues. Solomon, therefore, can say that the virtue-based approach to ethics is opposed to “that 200 or so year obsession in ethics that takes everything of significance to be a matter of *rational principles* . . . Aristotle is quite clear that it is the cultivation of character that counts, long before we begin to ‘rationalize’ our actions” ([40], p. 323, italics original; see also [30]). Solomon argues, however, that this means that virtue ethics needs a “corrective,” coming from the “language of rights” and a “sense of utility” ([40], p. 324). Melé [30], however, starting from Aristotle, but especially also from St. Thomas, argues that “it does not seem incoherent to introduce principles into virtue ethics, if these serve as guidelines for acting virtuously” and quotes St. Thomas in saying “precepts are given about acts of virtue” ([30], p. 228). For St. Thomas and the tradition of Catholic social teaching, virtues are oriented toward the promotion of the common good of a complete (political) community and intermediately to the common good of the incomplete communities in which we take part (families, local communities, and organizations including businesses, sports clubs, and so on). Both the common good and the exercise of virtue are guided by the fulfillment of our nature, that is, the good action is what helps human beings, in communion with creation as a whole, to develop. St. Thomas and the tradition of Catholic social teaching use the idea of “natural law” to explain this; our actions are made good by doing what realizes the potential of our being, in communion with others, which is like saying that it is guided by the “law” of our nature. For St. Thomas and the tradition of CST, therefore, there is no incompatibility between principles and virtues, but rather the two support each other. Melé [30] demonstrates how two principles from the tradition of CST, the “personalist” and “common good” principles, can be integrated into a virtue ethics of business to make it more complete. The superiority of the Aristotelian-Thomistic virtue approach to decision-making over other approaches such as emotional intelligence, in the sense of incorporating passions

or emotions, along with the will, into an integrated decision-making approach guided by the intellect, and thus avoiding dry rationalism, impulsive and relativist voluntarism, or pure hedonism, has also been pointed out [9].

## Differences Between Thomism and CST

### Person and the Common Good

One of the ways in which CST and Thomistic morality are both linked and differentiated from each other regards the two basic concepts to which they make reference: the common good and the human person. It is not surprising that a solid theory of human action should be based both on a particular model of the human being (or human nature) and on how human beings cooperate toward, and are supported by, common structures and shared goods. But thinkers often diverge regarding how the common good and the person, especially human freedom, relate to each other. While Thomists can take varying positions on the relation between the two, in much of CST, it is the dignity and freedom of the human person that is more emphasized (a “turn to the subject”), though that person is seen to have a “social dimension” which necessarily links the exercise of freedom and the promotion of human dignity to the common good. The German Jesuit school, represented by Nell-Breuning, Gundlach, and especially Heinrich Pesch and his “solidarist” economics (for a good synthesis, see [46]), gives a greater role to human freedom, while German Dominican thinkers of the same period, especially Eberhard Welty, would see the common good as the controlling concept; each person finds their fulfillment in this life on the basis of that common good, and in the life to come, God is the “common good” in which all find their everlasting life and goodness [33]. In the *Compendium*, while the third chapter is dedicated to “The Human Person and Human Rights,” the common good is only the first of the seven principles enunciated in Chap. 4 entitled “Principles of the Church’s Social Doctrine.” To some extent, this difference is explained by the different periods of history in which these two bodies of thought originally developed.

### Private Property

Another key issue of relevance to business ethics where a distinction can be made between Thomism and CST is on the question of private property. In the discussion of the thought of Arthur Fridolin Utz, below, we see a classic presentation of the Thomist view of the justification of private property, qualifying this right in a more precise way than one finds in the CST. Especially in *Rerum novarum*, the presentation of the right to private property gives the impression of being more absolute than Thomists would have put it, although the impression given by later encyclicals is that there is a move toward a more nuanced position. But there are clear indications that at least in the early stages of the development of CST there was a difference from Thomism; if not, it is difficult to explain why one of the leading Thomist thinkers of the early twentieth century, the Hungarian Dominican

and Angelicum professor, Alexander Horváth, was censured by the Holy Office for his 1929 book *Eigentumsrecht nach dem Hl. Thomas von Aquin*, including as it did a classic presentation of the Thomistic position on the justification of private property.

### **Natural Moral Law**

A third and final area where Thomism and CST can be distinguished regards the role of natural law. For Thomists, natural law is a foundational concept and is very present in their moral theology and philosophy. Natural law is also foundational for CST, but it is referenced much less than it is by Thomists. This can partly be explained by the twentieth-century general distrust, especially in the social sciences, of any kind of language that seems to fall into the “naturalistic fallacy” as G.E. Moore calls it in his 1903 *Principia Ethica*. Moore argues that one cannot logically move from a factual premise to a moral conclusion, but since he does not argue that one cannot move from a moral premise to a moral conclusion, the so-called fallacy collapses if the argument is expanded to include moral, and not only factual, premises [14, 45]. Ridge [36] points out that Moore himself later accepted that his arguments in his 1903 book to sustain the position that goodness was not a natural category were not sustainable, and there have been many refutations of the so-called fallacy by others [34], including, interestingly, evolutionary biologists [17, 45]. Moral philosophers may still disagree with each other as to how nature and morality relate, but they cannot maintain that it is illogical or inadmissible to start a moral argument from premises that include, among others, statements about nature. As a slogan, however, the term “naturalistic fallacy” has been very successful in blocking the use of the idea of natural law in moral discourse, and the effect of this on CST can be seen. Still, the differences between Thomism and CST regarding natural law are more to do with presentation than substance, and the concept of natural law remains fundamental for it, since not to do so creates an even more difficult problem: with what other criteria does one determine what is just (i.e., in what other way does one recognize what is due to all members of society)? Modern social and ethical theories make reference to various methods of arriving at consensus, referring to the fundamental model of society as a social contract, but there are clear problems with basing our evaluation of what is just on what is the supposed consensus in society. We know from history that the consensus can be unjust (twentieth-century history is full of such examples), apart from the serious problems involved in determining when a consensus has been reached and how to ensure full and real participation in the decision-making process. The great systematic Thomist ethicist, Arthur Fridolin Utz, for instance, saw the importance of natural law as enabling “a pluralist society to achieve successful dialogue and consensus on core values” ([15], p. 344). It is possible that with 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, the possibility of seeing nature, including human nature, as a guide for human action in general could be more widely recognized.

## Influence of Thomism and CST on Business Ethics

It is notable that encyclopedias of applied ethics or ethics and philosophy will include entries regarding Thomistic thinkers on politics, social ethics, just war theory, and the common good, but that this will be the first handbook which includes a discussion of the relation between Thomism and business ethics.

There is some difference of opinion as to how much Catholic social teaching, and Thomism by implication, has influenced business ethics [20, 28, 31]. Fleckenstein [20] is perplexed as to why “business students and businesspersons are not more influenced” by such an “extremely rich” tradition as Catholic social teaching. She suggests some possible reasons: excessive idealism, resentment of Church authoritarianism, the insistence on rights that preclude mutual agreement, and the underlying secular pluralism of the United States, though her discussion is not limited to the USA. McCann [31] was hopeful that the 1991 encyclical of Pope John Paul II, *Centesimus annus*, could do for late-twentieth-century society “what Leo XIII did for the blue collar working class.” Marens, instead, argues that sociocultural changes over the twentieth century have made it harder for CST to influence society; CST has lost “not relevance, but opportunity” ([28], p. 286). He gives other historical examples to support his case that influence can only be had where there is an openness on the part of society and especially societal leaders to listen to what is being said and to act on it. At the same time, Velasquez and Cavanaugh [42] open their paper on “Religion and Business” with an impressive account of the interest generated across US society, and especially in the business press, during the process that resulted in the pastoral letter entitled “Economic Justice for All,” at the end of which they can say “[t]he letter will likely have a lasting impact” ([42], p. 124).

More generally, it needs to be said that without a philosophical reconstruction of the “mainstream” way of understanding business and management, Thomism and CST will continue to have difficulty in engaging with them properly. This is because, for Thomism, business ethics is not just one subject to be studied alongside the rest but provides the underlying principles for guiding business activity at its more technical level. This is the idea of Utz in grounding business ethics in the wider definition of an ethical economic order, and his thought has been expounded more fully here than that of others here for this reason. Techniques are always used toward achieving certain goals, and one of the objects of the discipline of ethics is to ascertain what those goals are or should be. 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 the fact that they use their techniques to achieve these goals is not a question on which they reflect. In such situations, unless these taken-for-granted assumptions happen to be amenable to an Aristotelian-Thomistic ethic, a well-founded, open dialogue with Thomism and CST is not possible. Since utilitarian philosophical assumptions are largely to be found at the basis of most mainstream economic and business theory up to now, a philosophy that is incompatible with Thomism and CST, this block against an open dialogue remains. Thinkers have advanced

proposals for rethinking the fundamental purposes and goals of business within the Thomistic tradition, but these approaches remain marginal to the business disciplines as a whole, including business ethics, and thus, the dialogue remains blocked on this, foundational, level.

The influence of this body of thought also depends on the critiques it receives from elsewhere. Sacconi [38], for instance, has criticized the use of Maritain's concept of the common good as an ethical grounding for corporate social responsibility because he claims it is too "demanding" on a metaphysical level, that is, it requires metaphysical assumptions that most are not willing to make. There is some merit to this argument, though it can be countered in a number of ways. Firstly, one could note that much empirical research on the border between psychology and economics confirms the approach to the common good adopted by Maritain, so that one can arrive at similar conclusions taking a phenomenological approach, with its much more limited metaphysical presuppositions. Secondly, some thinkers have tried to avoid the teleology implicit in virtue ethics by linking it to other, similar bodies of thought. Bertland [11], for instance, tries to base a virtue ethic on the capabilities approach of Nussbaum and Sen, while Velasquez and Brady [44] make the bold attempt to found business ethics, including the virtues, on natural law.

### **Arthur Fridolin Utz: A Key Thomist Thinker on Economic and Business Ethics**

A. F. Utz was one of the major Thomist thinkers in the area of social and economic ethics in the twentieth century. He is one of the few thinkers in this period who was able to continue the tradition of an integrated treatise on economic and business questions from a Thomist position. As a result, his thought merits a more extended treatment than that of others mentioned here. In his *Wirtschaftsethik*, Utz aims to produce a systematic economic ethics, building both from empirical observation and from an ontological analysis of man, of his nature and his ends. In the preface he says: "The moral philosopher thus begins with an empirical analysis. In a second step, he tries to assess how the goal of an action fits within the framework of the overall sense of human life; here he passes beyond the limits of the empirical and pushes towards the essential goals of man. Only in this way does the definition of an action stand squarely on real ground."

One of the fundamental elements of the approach adopted by Utz is the need to abstract from current, historical economic arrangements in order to be able to make a proper evaluation of what the key elements of an ethical economic order should be. As he says in the preface, "there is no realistic ethics without abstraction." Too often, he laments, thinkers take their own historical circumstances as read and reflect on the ethical dimension of such circumstances. He admits that it is not at all easy to make the abstraction required (and we always risk contaminating it with elements that are historically conditioned through insufficient detachment from our concrete circumstances), but he insists that some kind of abstraction is unavoidable, and the question thus becomes how well we are able to do it not whether to do it or

not. All great moral theories have to abstract at some point; Rousseau needed the idea of the social contract, and Rawls has the idea of the “original position,” both of which are abstractions on the basis of which influential moral theories have been developed.

If we start from a nonindividualistic, that is, social, view of the human being, however, the first concern for economic ethics is “to determine what is the common good to be achieved through economic actions” ([41], Sect. 2.2). From this then flows the need to consider the ethics of an economic order or system, “understood as an ordering of actions that are, on principle, not arbitrarily unified, thus not of a contractual nature, but that are oriented to a common good as established by a social ethics” ([41], Sect. 2.2).

Utz maintains that an argument needs to be made on three levels in order to arrive at an ethically sound ordering of the economy. The first level is the most general and abstract, that of the supreme norms of economic ethics. These norms come from the nature of man and can be called the “metaphysics of the economy” ([41], Sect 1.2.5). The defects that are part of concrete human nature are not considered at this level. Here we find the imperative that requires that the common good be placed before the private good in economic action. This is recognized, for instance, in most national constitutions that allow the state to expropriate an individual’s private property – compulsory purchase (UK) or eminent domain (US) – with proper compensation, if the needs of the society as a whole require it.

On the second level, the actual mode of behavior and inclinations of man in relation to economic goods are considered. At this level, we can begin to see what aspects of economic order are needed so that economic actions can realize in at least an approximate way the supreme norms of social justice. So at this level we can ask ourselves: what organizational principle of economic planning is necessary given the natural, or quasi-natural, behavior of the members of that society in relation to natural resources and the general good? We will find the justification of private property at this level of analysis, and, at the end of the analysis itself, we will be able to propose the key elements of a socially just economic order.

On the third level, we find considerations of the various practical elements of a real economy in relation to ethics (price formation, relations between workers and employers, questions of money and credit, and so on). Most books on economic or business ethics focus on this level. But if we do not make the two prior steps in the analysis, we risk requiring too much on an ethical level from the businessperson. The latter cannot be held responsible for problems that arise from the organization of the economic system as a whole; these are in the realm of the politician. If, for instance, the economic system is so constructed that the manager is expected to be primarily concerned about profit, then he cannot be blamed (or at least he is only partly responsible) if he behaves that way. The economic order or system should create the possibility for the profit motive to be harmonized with, or at least to not contradict, the supreme norms of economic action.

Economic rationality has to aim to include social needs in some way or another, or else we end up either with an unstable system or the “economization” of society

and the exclusion from it of higher values. The first step, according to Utz, is to recognize that we are not here dealing with rational economic principles, such as efficiency, that need to be oriented toward the realization of a-rational values (such as those deriving from religious revelation alone), but that the values too can be rationally discussed. His argument arrives ultimately at the position that all political systems have to orient their economies to the satisfaction of needs and the creation of values that can be rationally determined, even if they are not produced in the same way as economic values are. Utz argues as always that these ultimate values come from natural law, such as self-preservation, self-fulfillment/perfection, generation and education of children, acquisition of knowledge, and knowledge of God. A Kantian approach here is not able to help, since it is based on duty and the free exercise of will, rather than on being.

Private property is considered by Utz to be the heart of the problem of the economic order. It relates to the second level of a natural law analysis. For Thomas, at the first level of analysis, we find natural law in the strict sense, “that which is knowable directly from the ends of nature, without rational inference” and is therefore accessible to everyone, from the most simple and uneducated to the greatest scholar. The second level “does not derive from nature in itself but from a rational reflection of man towards a useful configuration of human life” ([41], Sect. 6.1.3.2). This distinction was known to the scholastics as “primary” and “secondary” natural law: “secondary natural law is changeable, contrary to that which is primary, due to the changeable objective, concrete conditions” ([41], Sect. 6.1.3.2). The right to private property belongs to this second level of natural law, since it connects with the need to support individual initiative in the economy, which, as we have seen, we only find in a second moment of our analysis. The primary level of natural law leads us, as already said, to expect that the common good comes before individual good. Thomas also sees this difference as part of the fall of man from his ideal state ([41], Sect. 6.1.3.2).

With regard to the impact on the economic order of the justification of private property, a key issue is whether private property is an individual right, which only in a second moment gives rise to social obligations, or whether it needs to be seen from the beginning in the light of the social nature of the person. Most modern systems of justification of private property start from a subjective, individualistic view of the human person, and thus, private property is justified on the basis of serving the realization of the individual. The social aspect of the economy creates problems for this position, since paying taxes or any other kind of social obligation cannot be satisfactorily justified against this ethical foundation. If, however, private property is justified in terms of a secondary natural law where at the primary level the requirements of the common good are taken to be prior to those of the individual, the justification for a “social mortgage” on private property arises naturally. This has important implications for the creation of an ethically grounded economic order. In order to arrive at the definition of such an order, Utz reasons in three stages:

Step 1: This is on the first, or metaphysical level of analysis, where economic ethics must take the axiological ends of man as the starting point. The aim of the



economy is the material well-being of the members of society, measured according to the essential final ends of man, taking into account the limited nature of resources and a sustainable relation with the environment. Particular attention to the environment is of the highest order among ethical requirements, since all societies have to consider their well-being in relation to others and to the future. The aim of the economy given here requires us to include factors that an analysis based only on pure economic efficiency alone would exclude, such as the need for all to have access to work, and for man's needs that go beyond those arising from work. It is necessary to be aware of anthropologically founded ethical norms, on the basis of which technoeconomic decisions can be made. Economic science, if based on a global orientation such as this one, cannot regard indifferently "more as better"; the end of the economy is not to produce as many consumable goods as possible, while ignoring the consequences of this for the quality of life for the whole of society.

Step 2: Here we move to the second level, where we look at the human being in more concrete terms. At this level, our focus is on the harmonization of individual economic actions with the requirements of the common good. Utz begins by noting that it would be logical for man to put the common good before his own personal good, but that in practice, at least in the economic sphere, we do not find that this is so. Still, the basic principle of step 1 is still valid – ultimately all individual economic actions have to be harmonized with the final ends of man in society. At the same time, concrete men and women are not motivated to participate in the economy by the idea of promoting the common good, and this is partly due to the inability of each one (in a large society) to foresee or know what that common good could be (whereas it may be possible to see it on the level, say, of the family). We can develop useful indicators of the pursuit of the common good in society, but these operate a posteriori, measuring a situation already created by economic actors. So concrete human beings invert the precedence that we have mentioned in step 1: they seek their own personal good first when acting economically. We must found any realistic economic ethic on this "regulating principle" of the economy. The only economy that can be considered to correspond to the nature of man as we experience it practically is one that gives practical priority to initiatives stimulated by the search for individual good. The economic decisions of the members of society have to be harmonized thus, through the economic system, with the common good, since that harmony cannot be found at the first stage of the economic system (in the motivational structure of human beings themselves). We should also note at this level that concrete economic decisions should avoid the waste of resources as much as possible, and thus we must ask ourselves: what are the conditions that lead to the most parsimonious use of natural resources? This condition can only be satisfied in an economic system that legitimizes private property.

Step 3: What are the elements required of the economic system by the common good? Utz says that "an economy oriented towards the common good implies: 1. the capacity to acquire goods on the part of all members of society; 2. the possibility to take part in the economic process for all members of society who have the ability

and the will to do so, either (a) as entrepreneurs, or, (b) as employees” ([41], Sect. 7.8.6). The first condition is satisfied by what we may call the “second distribution of income,” covering all those who do not participate directly in the economic process (the sick, the elderly, and so on). This “second distribution” must be considered as part of the essential definition of a market economy. The second condition implies the widest possible participation in entrepreneurial activities and the offer of work to all those who are able and willing, that is, full employment. In a national economy, stability of prices can be maintained, though this becomes problematic once the economy is seen in an international/global context. Similarly, in an economy where competition is ordered toward maintaining full employment and the stability of prices, growth is necessarily ordered toward these ends and can no longer be growth at any cost. Utz thus arrives at his ethicoeconomic 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.*” He argues strongly that “this definition is the only real one. The shorter one given by economists is instead unreal because it does not correspond to the integral economic ends of man” ([41], Sect. 7.8.6).

## Other Thomistic Thinkers on Economic and Business Ethics

Other thinkers who also have produced important general discussions of Thomism in regard to the social political order would include Johannes Messner (see [44]), Thomas Gilby *Between Community and Society* [47], and, much later, Jonathan Boswell in *Community and Economy* [48].

Alford and Naughton in *Managing as if Faith Mattered: Christian Social Principles in the Modern Organization* aim to provide a textbook for an introduction to management course or a business ethics course in Catholic universities, as well as being useful for practicing business people [1]. The aim of the book is to provide an introduction to CST, and the wider Catholic/Christian social tradition, as it relates to business and in a way that makes sense to business people, that is, not by beginning from the principles of CST but from the existential experience of managers who are trying to live as Christians in their workplace. The book is structured around the idea of “engaging” the tradition of Christian social thought with business theory and practice, on the model of the gears engaging in a gearbox and allowing the power from an engine to be transmitted to the wheels of a car. Energy and power is released when people who work in business are able to “engage” or connect their lives of faith with their work lives, instead of living the damaging and weakening experience of a “divided life.” This is the opening idea of the first chapter of the first part of the book “Establishing the Engagement,” which discusses the obstacles to connecting faith and work and then considers three main models for doing so (as mentioned above): an implicit model, based on shared understandings of the good (relying on the natural law); an explicit model, where a business is explicitly founded on Christian principles – we are less accustomed to

this in practice, but we are used to the idea of Catholic schools, hospitals, and civil society organizations, which are also forms of “enterprise” in a wider sense; and a prophetic model, where the level of injustice in a situation is so great that the only way to “engage” it is to denounce it (this is a true form of engagement; the Old Testament prophets were not condemning the people of Israel, but were sent by God to wake them up from their desertion of their true calling and to bring them back to a right relation with God). Two chapters then follow, the first on the structural level of a business, and focused around the question “what is business for?,” and the second on the level of the human person, and focused on the questions of human development and the virtues in business. As part of the structural chapter, it is argued that we need to analyze the goods that a business creates and manage them all in an appropriate way; this means including the management of the production of common goods and excellent or intrinsic goods, those which relate to the development of the human person, both as an individual and as part of the “community of work” which is the business. As part of this analysis, the shareholder model of the firm is found wanting, since it negates the creation of excellent goods within the firm’s production process and treats the business as no more than a machine for making money. The stakeholder theory is also subjected to a qualified critique, since it cannot account for common or shared goods, which are also created during the operation of the business.

Part two, “Making the Engagement,” takes a number of activities that form part of the everyday work of a business and “engages” them with CST on the basis of the general models established in the book’s first part. These are job design (organization of the work process); forms of property ownership in the business; and new product development and pay systems. In each case, the authors attempt to expand the currently dominant vision to include the excellent and common goods that the firm develops during its operation so as to provide a more complete and realistic way of managing these activities.

Alongside book-length presentations, and partly because a dialogue on a truly Thomist/CST business ethics would require other business ethicists to make profound adjustments to their *weltanschauung*, Thomists and scholars of CST have tried to stimulate dialogue on the questions of business ethics in other ways. Many thinkers have made attempts to evaluate elements of business theory from the perspective of Thomism and CST or to evaluate concepts or approaches in business on this basis. This more fragmented dialogue has been carried forward in journals such as *Business Ethics Quarterly* and the *Journal of Business Ethics* by thinkers such as Antonio Argandoña, Albino Barrera, Richard DeGeorge, Wolfgang Grassl, André Habisch, Dennis McCann, Domenec Melé, Patrick Murphy, Michael Naughton, Alejo Sison, Manuel Velasquez, and Jim Wishloff. The *Journal of Business Ethics* in particular has had special issues, such as on the pastoral letter “Economic Justice for All” produced by the US bishops’ conference and an upcoming special number on Caritas in Veritate and business ethics, and also on themes such as “Virtues and Business Ethics.” Recently, a 2010 special issue of the *Journal of Management Development* was dedicated to “Practical Wisdom in the Christian Tradition” as part of a series on various religious traditions and their

contributions to management and business ethics. Some of these contributions, such as Albino Barrera [10], “Social Principles as a Framework for Ethical Analysis” or Domenec Melé [30], “Integrating Personalism into Virtue-Based Business Ethics: The Personalist and the Common Good Principles,” both in the *Journal of Business Ethics*, or Jim Wishloff [46], “Solidarist Economics” in the *Review of Business* try, in an article-length presentation, to give an integrated approach to business ethics based on Thomist philosophy or CST, but again, like the book-length presentations, so far they have not generated a critical mass that would allow this position to enter the mainstream alongside utilitarianism, Kantianism, and social contract approaches. It remains to be seen whether the most recent of these, among them a 2011 article by Wolfgang Grassl and André Habisch in the *Journal of Business Ethics*, “Ethics and Economics: Towards a New Humanistic Synthesis for Business,” which draws extensively on the most recent encyclical, will meet with a similar reaction [24]. On this point, however, we should keep in mind the important insight of Marens that whether a particular point of view is accepted or not depends not only on how well it is formulated but also on the receptivity to it on the part of society as a whole.

More specific issues like the evaluations of concepts and practices within business and economics, such as self-interest, marketing strategies, or the understanding of work, are complemented by articles that aim to bring concepts from Thomism and CST into the vocabulary of business ethics. Thus, for instance, the interesting 1997 article of Manuel Velasquez and F. Neil Brady on “Natural Law and Business Ethics” or another in 1992 by Velasquez alone in the same journal on “International Business, Morality and the Common Good [43].” There are also articles that attempt to review the value of CST as a whole for business ethics in the light of current developments, as does Dennis McCann in his 1997 “Catholic Social Teaching in an Era of Economic Globalization: A Resource for Business Ethics.” McCann here also shows the impact that CST has had on crucial moments of US economic history, such as after the First World War (primarily through the 1919 Bishop’s Program for Social Reconstruction) and at the time of the New Deal. There are also articles that aim to ground concepts within business ethics on the idea of the common good, or on CST, such as Argandoña [7] “The Stakeholder Theory and the Common Good” or Alford [4] “Does Corporate Social Responsibility need Christian Social Thought?” This can often have a certain level of success, in the sense that any attempts in business to go beyond a focus on moneymaking pose the question of the fundamental assumptions on which business theory is based (since they imply a revision of the answer to the question: what is business for?) and for which other theories may be less able to provide the grounding needed. The recent idea of Porter and Kramer [35] called “shared value” represents a further possible point of convergence between management theory and Thomism/CST.

Business ethics textbooks increasingly include a discussion of the virtue approach to ethics. *Business Ethics: Policies and Persons*, a widely used text in MBA courses now in its fourth edition, edited by Ken Goodpaster et al. [23], includes a column for a “virtues-based outlook” as part of its “Case Analysis

Template” (CAT scan), alongside other columns on “interest-based,” “rights-based,” and “duty-based” outlooks. However, the text and the graphical representation of the CAT scan give the impression that these are four alternative ways of thinking about business ethics, with various advantages and disadvantages. Another term, the *moral point of view* (italics original), is introduced which “governs and disciplines what we take to be the central virtues . . . a mental and emotional standpoint from which all persons have a special dignity or worth,” and the case instructor should see the “ultimate purpose of the analysis” as “*to seek the insight of the moral point of view* in the case situation” ([23], p. 10, italics original). From the Thomistic point of view, it is odd to put the virtues in a column alongside partial views of ethics, such as an interest-based one, and then add the idea of the moral point of view as synthesizing them all, and as the “ultimate purpose of the analysis.” So, virtue ethics is present in the book but not in a way that is compatible with a Thomistic or CST view of virtues.

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## Conclusion

### **Future Prospects for the Interrelation Between Thomism, CST, and Business Ethics**

Currently, there may be said to be both positive and negative signs as to the future possibilities for Thomism and CST to be incorporated more fully into business ethics. On the one hand, the collapse in many quarters of an ideology of “scientism” that excluded on principle any input from a faith tradition has created new openings for religious voices to be heard in the marketplace of ideas. At the same time, the postmodern position is hardly sympathetic to CST and certainly not to Thomism, seeing these two bodies of thought as carrying forward the project of a “universal rationality” which postmodernism negates. Other faith traditions, where the philosophical component to their thought and teaching on social questions is much less extensive and rigorous, may well find a better hearing in this context.

Its philosophical rigor, however, coupled with the interesting empirical results that are emerging from the disciplinary boundary between psychology and economics, such as in the field of behavioral economics, gives Thomism and CST a different, and probably more profound, way of contributing to business ethics than some other religious traditions could. The current problems in the field of business ethics are well known: a cacophony of voices; business theory that incorporates presuppositions into it (often without being aware of them) that make it resistant to ethics; minimal if any impact on the real world of business. David Lutz [26] argues that we cannot overcome these problems without a philosophy of business that starts from a philosophy of human action wherein the virtues, and especially prudence, play a central role, along with the promotion of the common good. Much of the literature discussed here makes a contribution toward doing this, as does the interesting work of others not mentioned in detail, such as Pérez López [8]. Thomism and CST are especially

suiting to the task of providing the basis for this philosophy, as the discussion above of the ethical grounding of CSR indicates. The next best alternative, the social contract position as developed especially by Lorenzo Sacconi, creates perverse side effects that weaken the ethical basis of business action, and these effects can, at least potentially, be avoided with a business philosophy based on Thomism. Much work still needs to be done, including on the objections raised by people like Sacconi, probably both in terms of defending it and using complementary approaches to arrive at a similar position (for instance, a phenomenological approach that incorporates the insights of behavioral economics). Nevertheless, the opening up to religious positions in general coupled with the philosophical strength of Thomism and CST, in the presence of the current disarray in business ethics, could create a set of propitious conditions for a major breakthrough of the Thomist position into business ethics in the not-too-distant future.

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## Cross-References

- ▶ [Aristotelian Business Ethics: Core Concepts and Theoretical Foundations](#)
- ▶ [Business Ethics in the School of Salamanca](#)
- ▶ [Christian Metaphysics and Business Ethics: A Systematic Approach](#)
- ▶ [Economic and Business Ethics in Select Italian Scholastics \(ca. 1200–1450\)](#)
- ▶ [Scholastic Thought and Business Ethics: An Overview](#)
- ▶ [Virtue as a Model of Business Ethics](#)

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## Notes

1. Papal encyclicals (literally meaning “letters”) are always officially published in Latin and are known by their opening words. So the encyclical on the thought of St. Thomas opened with the words “Aeterni patris,” and hence, the encyclical is known by that name and the date of its publication.
2. There have also been other developments, such as the interest that has developed among analytical philosophers in the second half of the twentieth century in the logic of St. Thomas.
3. On this point, see the undated interview with John Knasas at: <http://www.innerexplorations.com/philtex/John.htm>

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