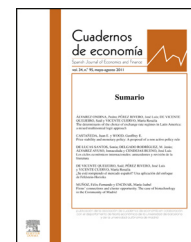




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ARTICLE

The common good and economics

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Abstract This paper analyzes the meaning of the ‘common good’ and its impact on economics. It adopts the ‘classical notion of the common good’ which, conceived by Aristotle and further developed by Thomas Aquinas, has been widely used for centuries. Sections 2 and 3 introduce Aristotle’s view on this notion, followed by Aquinas’ developments. Section 4 addresses the different meanings of common good in the 20th century. Given that the classical version of the common good implies an anthropological position and a theory of the good, Section 5 extracts them from Aristotle’s works, while Section 6 deduces policy implications from the previous definitions. Finally, Section 7 analyzes two current economic theories from the point of view of their relation with the common good: economics of happiness and the capability approach. The final section presents a brief conclusion.

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PALABRAS CLAVE

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Bien común y Economía

Resumen Este documento analiza el significado del “bien común” y su impacto en la Economía. Adopta la “noción clásica del bien común” que, concebida por Aristóteles y desarrollada posteriormente por Tomás de Aquino, ha sido ampliamente utilizada durante siglos. La segunda y tercera secciones introducen la visión aristotélica sobre esta noción, seguida de los desarrollos de Aquino. La cuarta sección aborda los diferentes significados del bien común, pertenecientes al siglo XX. Dado que la versión clásica del bien común implica una posición antropológica y una teoría del bien, la quinta sección extrae ambos conceptos de la obra de Aristóteles, mientras que la sección sexta deduce las implicaciones políticas de las definiciones anteriores. Por último, la séptima sección analiza dos teorías económicas actuales, desde el punto de vista de su relación con el bien común: la economía de la felicidad y el enfoque de las capacidades. La sección final incluye una breve conclusión.

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1. Introduction

As Andrew Yuengert states in his essay “The Common Good for Economists” (2000), “economics has always been oriented towards discussions of the public welfare; arguments for free markets and free trade, and analytical concepts like public goods, Pareto optimality, externalities, and game theory have all been developed with the public welfare and public policy in mind.”

Indeed, Smith, for example, claims that “[t]he wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society” (1976, p. 235 – VI, iii). For Mill, a fair government must look for citizens’ common good (see Brink, 2014). Luigino Bruni has written extensively on 18th-century Neapolitan philosopher and economist Antonio Genovesi, who revisits the classical tradition of the *polis* based on *philia* to posit that the market is built on *philia*. For Genovesi, reciprocity, mutual assistance, and fraternity are typical elements of human sociability, while the market is part of civil society and, as such, requires individuals’ love for the common good and public faith to operate properly (see Bruni, 2012, Chapters 8 and 9).

However, “public interest” and “common good” do not mean the same to Smith, Mill or Genovesi, or to contemporary public welfare and welfare state supporters. Moreover, it seems that what prevails today is an atomistic view of utility-oriented individuals, with very limited room for the common good. As a result, the privatized individual good is dissociated from the public goods supported by a welfare state. Thus, this paper will argue for a specific view of the common good, wherein the personal and common good merge, and it will look at the economic consequences of this view.

Actually, the ‘common good’ has become a buzz word, used in so many different contexts that, far from univocal, yet its meaning proves baffling at best. Hence, this paper adopts the ‘classical notion of the common good’. Conceived by Aristotle and further developed later by St. Thomas Aquinas, this notion has been widely used for centuries.

To explore the specific meaning of the common good in the Aristotelian-Thomistic tradition, Section 2 introduces Aristotle’s view on this notion, followed by Aquinas’ developments in the following section. Section 4 addresses the different meanings of common good in the 20th century. Given that the classical concept of the common good implies an anthropological position and a Theory of the Good, Section 5 extracts them from Aristotle’s works, while Section 6 deduces policy implications from the previous definitions. Finally, Section 7 analyzes two current economic theories from the point of view of their relation with the common good: economics of happiness and the capability approach. Why these two theories? Because, given that they particularly deal with individuals’ ends – happiness and capabilities – they might have close ties with the common good or may benefit for considering it. I think that these currents could positively contribute to building an economy centered in human beings if their definitions of happiness and capabilities are consistent with the search for the common good. The final section presents a brief conclusion.

2. The Aristotelian roots of the concept of common good

In *Politics* I, 1–2, Aristotle presents two strongly metaphysical theses: first, the natural character of the *polis* and, second, the political nature of the human being – *hoti tôn physei he polis esti kai hoti anthrôpos physei politikon zôon* (*Politics* I, 2 1253a 2–3). From a metaphysical point of view, it is obvious that, given its substantial nature, the human being takes precedence over the city, which is an association of human beings. Then, how should the following statement by Aristotle be interpreted? *Kai proteron dê tê physei polis hê oikia kai ekastos hêmôn estin* – ‘and the *polis* is prior by nature to the house and to each one of us’ (1253a 19). Aristotle recognizes the temporal priority of the parts of the *polis* when he explains how a house stems from the union of a man and a woman, a clan stems from the union of many houses, and a *polis* stems from a group of clans. However, he adds: *telos gar haute ekeinôn, he de physis telos estin* – ‘for it [the *polis*] is the end of the [former] and the nature is the end’ (1252b 31–2). Thus, individuals, houses and clans have the *polis* as their final end and, in Aristotle’s system, the final end (‘the reason for the sake of which’) is the first cause of every reality.

For Aristotle, the end, though it may be last chronologically, is first ontologically. If we add the thesis that the end of the human being is *eudaimonia* or *euzên* (happiness as personal fulfillment or flourishing as a result of a good life) to the thesis that the human being is political, then human beings can only achieve their end within the end of the *polis*. The *polis* exists ‘for the sake of a good life’ (*euzên*, 1252b 30); *polis* is and ‘includes’ (*Nicomachean Ethics* – NE – I, 2, 1094b 7) the end of human beings. The happiness of the *polis* (*eudaimonia*) is the same as the happiness of the individual (*Politics* VII, 2, 1324a 5–8), which explains why ‘for even if the good is the same for a city as for an individual, still the good of the city is apparently a greater and more complete good to acquire and preserve’ (NE I, 2, 1094b 8–9; see also NE VIII, 9, 1160a 9–30).

This good of both *polis* and individuals is to achieve a good life that leads to happiness: ‘the best way of life, for individuals severally as well as for states collectively, is the life of goodness’ (*Politics* VII, 1, 1323b 40–41). When this good is complete (*teleion*), it is self-sufficient (*autarkes*). However, Aristotle notes, ‘what we count as self-sufficient is not what suffices for a solitary person by himself, living an isolated life, but what suffices also for parents, children, wife, and, in general, for friends and fellow citizens, since a human being is a naturally political animal’ (NE I, 7, 1097b 9–12).

Aristotle repeats these ideas in *Politics* and in his books on ethics – for example: ‘The end [télos] and purpose of a *polis* is the good life, and the institutions of social life are means to that end. A *polis* is constituted by the association of families and villages in a perfect and self-sufficing existence; and such an existence, on our definition, consists in a life of true felicity and goodness [tò zên eudaimónos kai kalôs]. It is therefore for the sake of good actions [kalôn práxeon], and not for the sake of social life that political associations [politikên koinonían] must be considered to exist’ (*Politics* III, 9, 1280b 29–35 and 1280b 39 – 1281a 4). Thus, ‘the *polis*

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