

Beyond Ideology in Christian Economic Thought: Yves R. Simon and Recent Debates

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Introduction: Debates over Catholic Social Thought

Catholic social doctrine has long been the subject of controversy. The debates can be broadly categorized into two areas. First, there are questions over the foundations of the doctrine. One argument rejects the very notion of an ethical social doctrine because such a doctrine can only be based upon the kind of logical demonstrations foreign to the practical reasoning that governs policy choices.¹ Another argument contends that the doctrine is not specific enough to state a coherent plan for social change.² Another line of attack, dating back to Niebuhr's criticism of *Pacem in Terris*, states that the Church's teaching bypasses the real world of conflict in its discussion of a harmonious ethical universe.³ Finally, some reject Catholic teaching because they believe that morality is as separate from the laws of

¹Shirley Letwin, "The Pope, Liberty and Capitalism: Essays on Centesimus Annus," *The National Review: Special Supplement*, June 24, 1991, p. 7.

²Mary Hobgood, *Catholic Social Teaching and Economic Theory* (Philadelphia, Pennsylvania: Temple University Press, 1991).

³Shirley Letwin and Jacob Neusner lean in this direction in their essays in "The Pope, Liberty and Capitalism: Essays on Centesimus Annus," *The National Review: Special Supplement*, June 24, 1991, pp. 7, 9–10.

economics as it is from the laws of physics.⁴ Hence, it is futile to discuss economics from a moral perspective.

In addition to these fundamental questions over the viability of Catholic social teaching, there are vigorous debates over its content. In particular the related issues of private property and capitalism have been the source of vigorous dispute. On the one hand, Michael Novak believes that the Church's teaching essentially affirms global capitalism and the economic system in the United States.⁵ On the other, there is within American conservatism a trend of longstanding suspicion, even downright hostility, toward the Church's criticism of existing capitalism.⁶ Each side in this dispute selectively quotes the parts of the encyclicals which they see as confirming their respective positions.

The range of responses to the encyclicals clearly reflects ideological commitments. Liberals, conservatives, neo-conservatives, and radicals all have claimed to find support for their beliefs in official Catholic social thought. Moreover, they diminish the force of those points which challenge their respective views. The question which remains is whether or not it is possible to get beyond ideology both in interpreting these texts and, more significantly, in theorizing about economics itself. Normative approaches to economics tend to be captured by the various ideologies. The problem, then, is to develop an ethical approach that both goes beyond ideology and has the capacity to resist ideological capture.

In striving to get beyond ideology, we reject two false paths. The first treats economics as a pure (neutral, objective) science. This path's costs are too high; separating economics from ideology in this way severs it also from moral norms. The second false path divorces Church teaching from specific policy questions. The Church, it is argued, should address only the fundamental moral principles that endure through space and time. Such a position avoids ideology, but it also avoids the real world of political, economic, and moral conflict in which the faithful must live.

⁴Ernest van den Haag, "The Pope, Liberty and Capitalism: Essays on Centesimus Annus," *The National Review: Special Supplement*, June 24, 1991, pp. 14–15.

⁵Michael Novak, "The Pope, Liberty and Capitalism: Essays on Centesimus Annus," *The National Review: Special Supplement*, June 24, 1991, pp. 11–12.

⁶Francis Canavan, "The Popes and the Economy," *First Things* 16 (1991), pp. 35–41.

We argue, contrary to these paths, that the Church usually should avoid specific policy recommendations, but this does not entail avoiding “middle principles” that have a bearing on policy issues. The political philosophy of Yves R. Simon outlines an ethical approach to economics that avoids ideological capture, “objective” economism, and detached moralism. We shall say something, first, about Simon’s view of ideology. Then we shall address his ethical approach to economic justice according to the principles of natural law. Finally, from the perspective thus developed, we will critique current reactions to John Paul II’s encyclical, *Centesimus Annus*.

Simon on Ideology, Natural Law and Virtue Philosophy and Ideology

Simon insists upon a fundamental distinction between ideology and philosophy.⁷ Ideology, Simon contends, is characterized by the way it reduces truth to the utilitarian, the sociological or the evolutionistic (or “timely”). In the simplest terms, what Simon means by this tripartite characterization is that ideology is a body of claims, expressed in universal moral terms, which are useful for a particular group of people in their efforts to attain their social, political or economic goals, at a particular point in time. The quintessential example of ideology for Simon was the justification of slavery espoused by John C. Calhoun in the Nineteenth Century. Calhoun saw the Southern landowners’ way of life threatened by opposition to slavery. In response Calhoun argued that the labor of the slaves was necessary to the maintenance of the landowners. In all societies, he contended, one group depended upon the labor of another. It had always been that way. Therefore, the principle was universal. Here we have an obvious example of the elements of an ideology: a particular group of people, in this case Southern landowners, who had a particular aspiration, namely, to preserve their form of life; they advanced an argument which took on a universal and moral form; yet it fit the requirements of their aspirations at a particular point in time.⁸

⁷Yves R. Simon, *The Tradition of Natural Law*, Revised edition, Introduction by Russell Hittinger (New York: Fordham University Press, 1992), pp. 16–27.

⁸*Ibid.*, pp. 17–18.

For Simon the most important distinction between ideology and philosophy is that ideology is essentially related to the fulfillment of aspirations, while philosophy strives to be free of such aspirations. Ideological approaches to political life do not treat society and its various segments purely as objects to be studied, but also as ends to be obtained. For example, the classical Marxist does not study the owners of the means of production merely to advance the state of knowledge concerning them, but as a class whose power is to be eliminated by revolutionary action. Similarly, the classical liberal economist does not look upon the impacts of government regulation on the economy only in the manner of a physicist observing the properties of freely falling bodies, but as something which is to be limited as far as possible. It is precisely this element of aspiration that the philosopher must seek to avoid. In philosophy, the object of study must not be an end but a “pure object.”⁹ In *An Introduction to Metaphysics of Knowledge* Simon goes so far as to say that the character of the object of knowledge as a pure object is the defining characteristic of cognition.

We are looking at the relation of the object of knowledge to the faculty of knowing. What kind of relation is it? Well, it is a relation of pure qualitative determination, innocent of everything involved in the order of movement, effectuation, or desire. . . . Knowing is not making, creating, or transforming; we could say that in knowing we touch the object, but we never interfere with it. . . . Indeed, to conceive knowledge either as some sort of making or as the result of some sort of desire is to misconstrue its nature. . . .¹⁰

Virtue and Natural Law

In addition to the renunciation of ends chosen *a priori*, the philosopher needs concepts and approaches that go beyond ideology. Drawing on his extensive knowledge of the history of philosophy, Simon found that the concepts of virtue, particularly practical wisdom (*phronesis*), and natural law, when properly understood and properly employed, were perennially viable, indeed necessary. His understanding of virtue and natural law is quite rich and a valuable corrective to much of what

⁹Yves R. Simon, *An Introduction to Metaphysics of Knowledge* (New York: Fordham University Press, 1990), p. 8.

¹⁰*Ibid.*, p. 8.

is wrong on both the left and the right of the contemporary political spectrum.

In order to get a handle on Simon's understanding of these two concepts, let us consider first that, even for one who would take both concepts seriously, the relationship between them is not obvious. More specifically, with reference to the practical moral judgments over which economic policies would be best for a particular society at a given time, it is not immediately clear the extent to which practical wisdom and/or natural law should be appealed to.

Broadly speaking, two approaches suggest themselves. The first perspective emphasizes practical wisdom and holds that when deliberating actual moral practice natural law is epistemologically not significant. This position would not necessarily renounce the proposition that nature has some contribution to make to moral orientation. It would, however, contend that nature orients humanity toward the broadest of ethical principles, such as, do good and avoid evil, and therefore contributes no concrete moral guidelines. At best natural law might have some limited role to play with respect to explaining why certain actions contribute to the moral good. Nevertheless, natural law does not supply either the ends or the means for practical moral decision-making. What natural law theories cannot and do not provide for the realm of action is precisely the role of virtue. Virtue is the set of stable dispositions that directs people to morally good choices. Virtue is not obtained by the mere following of the precepts of deductive reasoning from natural law principles. It is virtue itself which provides the practical moral direction. Thus, virtue is about both the selection of ends and the selection of means. The source of the virtues is not found in nature but in reason drawing upon the tried and tested traditions of a community. If one wishes to know what morally good actions or policies are, the answer is to be found by observing what the good person or the good statesman does. In other words, the answer is found uniquely in the realm of action and experience.

The second of our prototypical approaches would emphasize the role of natural law in determining the moral content of practical moral choices. In its strongest form such an approach would treat the moral universe as a biologist treats the universe of living organisms; all moral actions are identifiable according to species identifiable by readily discernible characteristics. One need only learn the various species and their respective characteristics to recognize those species in the "field" of real moral choices. In this view, moral reasoning has

a deductive quality: actions of species A are immoral; action B is a member of species A; therefore, action B is immoral. When natural law is seen as capable of doing all this in the realm of moral choice, it follows that virtue will not play a decisive role in the process of moral deliberation itself. Rather, virtue is the strength of character permitting the will to pursue those actions which the intellect has discerned to be right. A less rigid form of this view would allow virtue a broader realm of action. Such an approach would concede that natural law is somewhat limited in its capacity to determine practical moral choices; therefore, virtue would be relied upon to choose the means to the ends determined by natural law. In both the more rigid and less rigid forms, natural law is the primary determinant of moral choice with the role of virtue limited to giving “moral support,” so to speak, to the conclusions that follow from natural law.

With these prototypes in mind, we are ready to get a handle on Simon’s view of the relationship between the virtue of practical wisdom and natural law. We will approach the relationship by explaining Simon’s broad understanding of virtue. According to Simon virtue is characterized by three essential traits: objective necessity, vitality, and freedom. In order to understand what is meant by these, it is useful to begin by following Simon and see how he contrasts virtue with habits. Simon argues forcefully and persuasively against the equation of virtue with what is commonly called “habit.” Habits, Simon contends, are acts the necessity of which is subjective and which exclude voluntariness.¹¹ Perhaps the best illustration of this is to consider the habitual smoker or drinker. There is a certain necessity attached to their acts of smoking and drinking, but the origin of the necessity is within the person as affected by previous patterns of action. The necessity to continue chain smoking is not a product of the requirements of the person’s relationships, health, occupation or any other personal good.

A second characteristic of virtue as opposed to habit is that the former is characterized by vitality and the latter by mechanical repetition.¹² Habits are formed by repeated actions and generally absolve us of the necessity to think and judge. Consider the pronunciation of words in one’s native tongue. Regardless of the creative and vital ways

¹¹Yves R. Simon, *The Definition of Moral Virtue* (New York: Fordham University Press, 1986, 1989), pp. 51, 54.

¹²*Ibid.*, p. 60.

in which we might employ such words, no one will want to say that the pronunciation of the words themselves involves anything more than the mechanical repetition characteristic of habit. However, the patterns of behavior of the virtuous person bear little resemblance to such a conditioned pattern of behavior. As will be elaborated more fully later, virtue for Simon does not involve subjectively predetermined behaviors. Virtue is creative, involving a vital involvement with the world around us.¹³ The person of fortitude, for example, is not one whose behaviors are predictable in all circumstances. The person of fortitude is the most likely to come up with fresh, original responses to the most trying circumstances. Consider the behavior of someone such as Dorothy Day. Her life was replete with creative confrontations with injustices. This is a true mark of virtue.

Virtue is further distinguished from habit in that the former involves the highest uses of human freedom, while the latter excludes voluntariness.¹⁴ In order to clarify this point, it is essential to grasp Simon's understanding of freedom. Simon's central theoretical contribution is that human freedom is incorrectly identified with indeterminism. Freedom is, rather, a form of "superdetermination," by which he means that the truly free person is the one who, through the disciplined exercise of her faculties, has "determined" her character to be reliable under even the most trying circumstances.

Few thinkers ever awoke to the theory that freedom is superdetermination rather than indeterminism and that its principle is more highly and more certainly formed than that of determinate causality; freedom proceeds, not from any weakness, any imperfection, any feature of potentiality on the part of the agent but, on the contrary, from a particular excellence in power, from a plenitude of being and an abundance of determination, from an ability to achieve mastery over diverse possibilities, from a strength of constitution which makes it possible to attain one's ends in a variety of ways. In short, freedom is an active and dominating indifference.¹⁵

Since virtue is characterized by objective necessity, vitality and the highest use of human freedom, it would seem that virtue has a

¹³*Ibid.*

¹⁴*Ibid.*, p. 78.

¹⁵Yves R. Simon, *Freedom of Choice*, Foreword by Mortimer J. Adler (New York: Fordham University Press, 1969, 1987, 1992), pp. 152–153.

great deal to do with determining the content of moral action. This is surely the case for Simon, who places particular importance on practical wisdom or prudence. Following Aristotle and Saint Thomas, Simon understands prudence to be, broadly speaking, the virtue that directs us in the choice of which human goods to pursue in particular circumstances.¹⁶ The qualifying phrase, “in particular circumstances,” is crucial because “the specific duty of prudence is to tell me what to do no matter how unprecedented the circumstances, no matter how unique the situation.”¹⁷ In other words, a judgment must be made in particular circumstances as to which goods will be pursued in the midst of any number of contingencies, which cannot be known with certainty. Prudence must take into account the full range of contingencies to the extent practicable. What determines the choice to be made? Simon is clear that the judgment to be made is ultimately determined not by intellectual cognition but by the inclination of the will.¹⁸

This is in no way to imply that moral deliberation is anything other than a reasoned deliberation. It is to say, however, that in practical matters, where there are questions not only about the nature of things but of the use of things, and where such use takes place in the context of contingency, judgment by inclination takes precedence over cognition by way of intellect.¹⁹ This is because the truths involved in practical judgments are truths of direction and not of cognition.²⁰ What Simon argues is that in the realm of human action, when there are many contingencies, the action to be chosen cannot be the result of the kind of thinking taking place outside the realm of action and contingency. The difference between the deliberation involved in making difficult moral choices and that involved in doing philosophy is one of kind. Moreover, it is precisely the role of the virtues, particularly prudence, to provide the direction in action that conceptual thinking cannot provide.

Considering what we have gathered from Simon’s understanding of virtue up to this point, in tandem with the prototypical approaches to virtue and natural law outlined at the outset of this section, it might

¹⁶Yves R. Simon, *The Definition of Moral Virtue*, pp. 96–97.

¹⁷*Ibid.*, p. 96.

¹⁸Yves R. Simon, *Practical Knowledge* (New York: Fordham University Press, 1991), pp. 17–23.

¹⁹*Ibid.*, pp. 61–66.

²⁰*Ibid.*, p. 13.

well appear that Simon strikes a blow at natural law and leans in favor of the first of the perspectives outlined above. Virtue appears to supply the content of moral decision-making, providing the direction for the will which no moral philosophy can give. However, once we gain an understanding of Simon's theory of natural law, we will realize that he sees no incompatibility between virtue and natural law.

In order to grasp Simon's understanding of natural law, it is necessary to unpack some of the implications of the term "nature." First, nature implies teleology, or "direction toward a state of accomplishment."²¹ As a philosopher of the first rank, Simon is aware that teleology is not exactly "in" in the most influential sector of contemporary thought, science. Nonetheless, Simon forcefully defends the notion of teleology implied in the concept of nature.

It would be exceedingly difficult to speak of acorns and oak trees, infants and adults without assuming . . . the proposition that such things as acorns or infants are essentially related to a state of accomplishment to be achieved through progression.²²

Simon is similarly emphatic about the source of the philosophical difficulties at the root of the rejection of teleology: the influence of mathematics on our view of nature. In mathematics, there are no natures or final causes.²³ Whenever we observe mathematical entities such as equations or geometrical entities in the development of their properties, we are aware that there is no progression toward an end involved. In fact, the development of the equation or geometric figure "takes place in our mind."²⁴ This is to say that no final causes are involved. Thus, Simon concludes, "The exclusion of final causes from every science where mathematical forms predominate follows upon the laws of mathematical abstraction and intelligibility."²⁵ Therefore, if we approach the study of human nature and society in a manner similar to the way we consider equations and geometric entities, we will assume that the development of our understanding of moral essences is reducible to what takes place within our minds.

²¹Yves R. Simon, *The Tradition of Natural Law*, pp. 45, 47.

²²*Ibid.*, p. 47.

²³Yves R. Simon, *Practical Knowledge*, p. 122.

²⁴Yves R. Simon, *The Tradition of Natural Law*, p. 48.

²⁵*Ibid.*

In opposition to the mathematical approach, which Simon sees as inconsistent with our experience and actions, Simon adheres to the proposition that teleology is inherent in nature and thus in natural law. However, how are we to square this with what Simon has told us about virtue? If, in matters of practical moral choice, judgment has priority over concept, how can natural law, which emphasizes the universal validity of concepts, be salvaged? Simon finds the answer in the concept of “natural finality.” In order to see how natural finality reconciles natural law with the proposition that judgment has priority over concept in moral choice where contingency is involved, Simon invites us to consider the genesis of our ethical concepts.²⁶ Take, for example, the concepts of economic justice and economic injustice which have been so frequently discussed in recent years. The concept of economic justice is informed by a judgment that certain uses of material goods are morally right, while economic injustice is rooted in a judgment that certain other uses of material goods are wrong. But we need to ask the further question: on what basis are these judgments made? They are judgments about use, that is, practical judgments. Yet, Simon continues:

these practical judgments were born of judgments about natural finalities, in which the law of concept over judgment fully obtains, for it is by the understanding of nature, by an exact expression of what a nature is and of what it tends to be, that we are led to judgments of finality. All we have to say, in terms of use, about the excellence of intellectual life derives from theoretical judgments of finality concerning human nature and its powers and functions. Clearly, these judgments of finality are themselves derived from apprehensions of natures, of essences, of whatnesses and of the corresponding tendencies.²⁷

What Simon implies here is that, even in a realm as highly contingent as the practical choice of economic policies, where judgment has priority over concept, sound judgments ultimately rest on a foundation of natural finalities. To clarify, we can say that, in deciding what tax policy is best at a certain point in time, the choice of policy will not be a deduction from an assertion of natural finality. However, whatever

²⁶Yves R. Simon, *Practical Knowledge*, p. 67.

²⁷*Ibid.*

moral “truth of direction” is embodied in the policy ultimately rests on a truth of natural finality.

It is precisely in these natural finalities that we have the basis for natural law, as Simon understands the term, and that we can grasp the relationship between judgment and natural law. The ground of natural law is nature itself. Nature provides the natural finalities which permit us to formulate propositions. The propositions, of course, are the work of the mind, but this is to be sharply distinguished from the role of the mind as the creator of values. In the former case the final word belongs to nature, in the latter with the mind itself.

[N]atural law, in the very meaning of that expression, exists ontologically before it exists rationally in our minds; it is embodied in things before it is thought out, thought through, understood, intellectually grasped. . . . [I]t is a work of the reason. But notice that it is a reason measured by things, which bows before things. . . . The natural law exists in nature before it exists in our judgment, and it enjoys the latter existence . . . by reason of what the nature of things is.²⁸

In conclusion it is clear that the kind of opposition suggested by the two prototypical views outlined at the outset does not exist for Simon. Rather, virtue and natural law coexist in fundamental unity, the former directing human will to the enactment of the finalities determined by the latter, and yet in a manner that goes beyond merely applying conclusions reached by the latter. In matters where there is contingency, the judgments proceeding from a virtuous disposition will have priority over concepts derived from natural law. On the other hand, virtuous disposition implies the existence of natural finalities the knowledge of which is governed by the priority of concept over judgment. When properly understood, there is no ontological tension between virtue and natural law. Simon neatly sums up the interrelationship between the respective roles of law and judgment as follows:

The genuineness of a rule of action is its conformity to intention, provided, of course, that intention itself is genuine, that is, relative to a proper end. Posit the intention of the proper end and posit, in relation to the means, a judgment in unqualified agreement with the genuine intention. This judgment is the true rule of action. . . . Again, the rightness of desire

²⁸Yves R. Simon, *The Tradition of Natural Law*, p. 137.

is in no case compatible with indifference to the real condition of the factors involved in the bringing about of the intended good. . . . [T]he probable agreement of the practical conclusion with what does exist is something that right desire necessarily demands.²⁹

A good deal of confusion can be avoided if we consider the distinction between two related uses of the term “natural law.” As we have seen, Simon holds that nature has finality and contributes guidance to moral decision-making. Simon is of the opinion that the guidance nature offers can and frequently is known through inclination. For example, a simple, uneducated person may perceive quite clearly that to lie or steal is wrong without being able to explain why in philosophical terms. Even in less obvious cases, Simon thinks that we can correctly come to a conclusion about an ethical matter without being able to give a fully satisfactory explanation.³⁰ Even without an explanation, we would still have in such a case an assertion of natural law in the primary meaning of the term, that is, the law which is embodied in nature, whether it be known through inclination or cognition. Secondly, we have natural law as a system of explanations of the law of nature. This latter meaning is frequently what philosophers refer to when they use the term. But it is important to remember that the existence of natural law in the primary sense is in no way contingent upon the existence of the second. Moreover, natural law in the sense of natural law philosophy is contingent upon the first but never identical with it. This is because natural law as a system of explaining natural finalities is always in an ongoing stage of development and clarification.³¹ Development is possible in two senses. We can move from the wrong conclusion to the correct one. Perhaps our understanding of slavery would be an example of this. Or we can move from grasping by inclination an unexplicated moral truth to understanding that same moral truth according to progressively better explanations. This is important because it implies that rejection of particular natural law formulations in no way implies the rejection of natural law itself.

²⁹Yves R. Simon, *Practical Knowledge*, p. 13.

³⁰*Ibid.*, p. 33.

³¹*Ibid.*, pp. 34–35.

Natural Finalities in Economics

In the preceding section we saw Simon's approach to natural law and virtue. We saw how Simon affirmed the importance of both natural law and virtue without seeing an inherent tension between the two. Natural law in its primary sense refers to finalities (teleology) which exist in nature itself. In this section we wish to discuss natural finalities in economics. Simon does not codify or systematize his ideas on this subject. However, from his discussions of work and his frequent references to problems of economic justice, we can pull together a series of propositions expressing natural economic finalities.³²

First, with respect to that most fundamental economic principle, ownership, Simon belongs to the Thomistic tradition, which asserts that the ownership of property should be private while the use of goods should be common. With respect to the first half of the formulation, Saint Thomas argued that it was proper for people to possess goods as their own for three reasons. First, people are naturally more careful to procure what is for themselves alone as opposed to what is for many; labor done on behalf of the community is likely to be shirked. Secondly, private ownership leads to a better ordering of affairs; if everyone were to be in charge of everything, much confusion would result. Thirdly, there is more civil peace if goods are properly divided among private owners; more discord arises when there is no clear delineation of ownership.³³ However, with respect to the use of goods, Saint Thomas argued that goods should be possessed as common, so that one who has goods in abundance will share them with the needy.³⁴

Two important implications flow from this principle. First, a system of state socialism would be unethical. The state does not have the authority to terminate the private right to own. Secondly, the demand

³²Due to limitations of space and the desire to maintain a focus on the *approach to economic justice*, we present Simon's principles in sketch form. We have discussed these matters at greater length elsewhere. See Thomas R. Rourke and Clarke E. Cochran, "The Common Good and Economic Justice: Reflections on the Thought of Yves R. Simon," *The Review of Politics* 54, No. 2 (Spring 1992), pp. 231–252.

³³William Baumgarth and Richard Regan, *Saint Thomas Aquinas: On Law, Morality, and Politics* (Indianapolis, Indiana: Hackett Publishing, 1988), pp. 178–179.

³⁴*Ibid.*, p. 179.

for the distribution of goods to the needy is not a request of charity but a demand of justice. The economic system is part of society's comprehensive common good and therefore demands real participation on the part of all who are able.³⁵ It is insufficient to argue that a given economic system allows people to compete for the opportunities to support themselves. The principle of common use must be concretized in real policies.

The second principle states that the primary purpose of the production of goods and services is the fulfillment of human needs. Although this may seem obvious at first glance, Simon points out that this imperative is compromised by the profit motive in two ways. First, the profit motive leads to the proliferation of unnecessary goods and the absence of needed goods. Resources and labor are employed to produce luxury goods while many lack decent housing or even any housing at all. The reason is that there is a profit to be made in the luxury goods sector and not in the production of basic goods. Simon is aware that the dominant forms of economic thinking do not recognize the validity of the concept "unnecessary goods." In economics demand exists when there is purchasing power. No distinction can be made in such an approach between the hungry person purchasing a loaf of bread and the compulsive drinker purchasing his seventeenth beer. Simon insists that here is another example of a principle that cannot be consistently employed in daily life. In fact, we do distinguish among claims of human need; we acknowledge that there are many purchases for which there is no genuine need. Our economic thinking should recognize the validity of principles exercised in daily life.³⁶

Need, however, is not the only principle of distributive justice. Merit and free distribution also have important roles. Obviously, there is room for quite a bit of debate as to what constitutes merit. Though Simon does not specify how merit is to be calculated, it would seem that merit would be calculated with respect to contribution to the common good. The notion of free distribution is, according to Simon, widely, even universally practiced. Again, Simon is aware that the concept is not recognized by economists. Nonetheless, it is necessary

³⁵Rourke and Cochran, "The Common Good and Economic Justice."

³⁶Yves R. Simon, *Work, Society and Culture*, ed. Vukan Kuic (New York: Fordham University Press, 1971, 1986), pp. 38–39, 126–142.

because distribution by exchange alone is insufficient to insure an adequate distribution of needed goods.³⁷

Principles two and three have important implications for the American “free market” economy as it confronts “social market” economies in the European nations. Social market economies assume that everyone has an important place in the economy, and government has a responsibility to see that everyone is equipped with the job skills, health care, child care, and other supports and opportunities needed to fulfill that place.³⁸ Such economies are at least as robust as the American individualist notion of the market, and they come closer to fulfilling the kinds of principles developed by Simon.

A fourth principle treats human work. The organization and condition of workers was a constant preoccupation of Simon’s. Simon contended that, since work is a distinctively human act, work should involve the exercise and development of human freedom. Moreover, since human freedom involves the choice of direction, it follows that workers must be allowed to participate in the direction of work. Work cannot be reduced to mere execution, for work too is a participation in the common good. Therefore, the worker must have something to say about the goal and purpose of production as well as how work is to be organized. Simon was under the impression that new institutional forms would be necessary to realize the workers’ proper place in industrial society. He refers to the following kinds of institutions as desirable: mutual assistance societies, consumers’ cooperatives, institutes for popular education, factory committees and autonomous workshops.³⁹ Today, we might appropriately add the importance of education and re-education for more challenging job skills, apprenticeship programs, and (possibly) workfare and guaranteed jobs for welfare recipients.

The activity of work should draw workers into a sense of community which is experienced as such. Simon recognized forty years ago that modern industrial life tends to produce a heavy and unwelcome sense of isolation. Moreover, it tends to deprive the worker of a sense of service, which “gives man a chance to enter into communication

³⁷*Ibid.*, p. 141.

³⁸Lester Thurow, “Communitarian vs. Individualistic Capitalism,” *The Responsive Community* 2 (Fall, 1992): 24–30.

³⁹Yves R. Simon, *Work, Society and Culture*, p. 149.

and communion with his fellow men.”⁴⁰ This stems from the fact that the worker does not normally have contact with the one who consumes what he produces. Simon adds here a unique insight. He says that the “sentiments which cause the most painful restlessness when they are frustrated are not the most selfish ones. Generous sentiments, if denied opportunity, grow rebellious.”⁴¹ Therefore, it is essential that workers experience a sense of service and membership in community through their work.

The fifth principle is that economic relations are to be governed by equality of exchange. Again we have a proposition that seems superficial until its implications are unpacked. We are not accustomed to a great deal of reflection on equality of exchange because of the assumption that the market determines equality of exchange. Simon rejects that assumption and invites us to consider the existence of “one-way exchanges” and “illusory services.”⁴² One-way exchanges occur whenever someone derives income from a change in price without contributing either production or service. Simon is quick to acknowledge that such transactions may be rare in pure form, which is to say that many exchanges contain elements of both income for service and one-way exchange. Speculative economic activities top the list of one-way exchanges for Simon.

Illusory services constitute another category for which there is no place in economic theory. Nevertheless, Simon insists that one cannot consistently deny the existence of such a category. Society does not permit the sale of placebos as a cure for cancer, for example. What is needed is to take the common sense insight and apply it more broadly to our thinking about economic justice. Simon refers to the sales effort as one area worth particular focus.⁴³ We would include advertising as another. In each case what frequently occurs is people deriving income from the attempt to convince people to purchase things they do not need and which frequently they cannot afford. We would hardly say that the person who, through calculated psychological tactics,

⁴⁰Yves R. Simon, *Philosophy of Democratic Government* (Chicago: University of Chicago Press, 1951), p. 310. Revised edition (Notre Dame, Indiana: University of Notre Dame Press, 1993).

⁴¹*Ibid.*, p. 310.

⁴²Yves R. Simon, *Work, Society and Culture*, pp. 37–39, 122–126.

⁴³*Ibid.*, p. 123.

convinced someone to purchase a more expensive car than he or she could afford, which drove that person's family into debt and eventual bankruptcy, had performed a "service" for the purchaser. Similarly, one would have to question, from the standpoint of equality of exchange, the profits advertising firms derive from the attempt to imbue their products with any number of mythical qualities.

Modern forms of "social" and "economic" public regulation of free enterprise are means of preventing or limiting such one-way exchanges and illusory services. Regulations that ensure quality products, that force disclosure of interest rates, or that protect workers and nearby residents from dangerous chemicals in manufacturing processes would be specific examples.

The sixth principle is that the economic organization of society must acknowledge the complementarity of authority and freedom. Ideological thinking on the left and the right has so deformed our understanding of both freedom and authority that we have particular difficulty seeing the validity of this principle. Ideology has accustomed us to setting freedom and authority in opposition. The Left tells us that freedom is a mere cover for the freedom of the owners of wealth; the Right tells us that government has little or no essential role to play in economics.

The problem with freedom has been discussed previously. So long as freedom is reduced to freedom from authority, it is reduced to an ideological shibboleth. However, when we continue to regard freedom as superdetermination, we can begin to shed some genuine light on the issue. Surely, a healthy economic system must allow for initiative and creativity, as conservatives tend to suggest. However, the rich sense of freedom discussed by Simon has interesting implications for the conditions of the worker as well. Specific contemporary examples might be the now-familiar Japanese practices of guaranteeing workers lifetime employment and a rich network of mutually supportive relationships between major corporations and their suppliers.⁴⁴ American discussions of "industrial policy" draw upon this example to some extent.

Work must contribute to the development of free persons. Surely, this does not imply that work will not be experienced as irksome on occasion. However, this irksomeness should not result from the fact

⁴⁴Lester Thurow, "Communitarian vs. Individualistic Capitalism."

that the work is habitually characterized by either of the following: the worker plays no role in determining the end or purpose of the work; the work does not contribute to, or even detracts from, the development of character. In neither case would the worker be free in the sense that Simon understands freedom. Unfortunately, too much of our attention is focused on the issue of wages for workers. Surely, wages are important. But far more attention needs to be paid to the destructive effects of modern working conditions insofar as these frustrate the development of freedom and hence human character.

The concept of authority has been similarly deformed by ideology. This time, we can point the finger somewhat more at the Left. Simon criticizes what he calls “deficiency theories of authority,” which locate the origin of the need for authority in some type of human deficiency.⁴⁵ Moreover, authority has in modern times increasingly been portrayed as disruptive of freedom and in conflict with the search for truth and justice. Simon contends that authority is essentially positive and would be necessary even if human beings were without deficiencies. Authority is needed to make the choice of means to social ends when the means are not unique. For example, authority is necessary to determine the forms which social insurance, unemployment insurance, and income maintenance programs are to take. Beyond this, what Simon calls the most essential function of authority is “the issuance and carrying out of rules expressing the common good considered materially.”⁴⁶ In any community, the pursuit of the common good requires that fundamental choices be made as to how that common good can be concretized. Authority must direct the community to the realization of its capabilities at the individual and collective levels.

We have discussed the role of Simon’s concept of authority with respect to economic life elsewhere.⁴⁷ Let it suffice to say here that authority has a necessary role to play to insure that the economic system is inclusive of all the able-bodied with respect to participation in the production of goods and services and inclusive of all with respect to the distribution of those goods. To leave the issues of production and

⁴⁵Yves R. Simon, *A General Theory of Authority* (Notre Dame, Indiana: University of Notre Dame Press, 1962, 1980, 1990), pp. 13–18.

⁴⁶*Ibid.*, p. 57.

⁴⁷Rourke and Cochran, “The Common Good and Economic Justice.”

distribution only to private hands, particularly in times of widespread unemployment, underemployment, and need, is unethical. The essence of the moral issue here is that the community may not leave to chance what is part of its responsibility.

Finally, Simon affirms the long-held principle of Catholic social thought, the principle of subsidiarity, which is concerned with the proper development of human freedom and responsibility. Subsidiarity asserts that problems of economic life should be solved at the lowest possible level. For example, if a factory is capable of solving its own problems, government should not intervene so as to deprive the factory of its right to do so. Or, if local government can solve a problem, it should not be subsumed by state or federal government. When the opposite holds, when smaller and more localized organizations cannot cope with a problem, then responsibility transfers to the next highest level capable of resolving the problem.

The principle of subsidiarity helps us to clarify our thinking about authority. Free market ideology has conditioned us to think negatively about the role of government in economic affairs. Therefore, when the quite valid point is made about the essential role of authority in economic organization, there will always be those who will insist that such a statement is ideological in nature. Perhaps there is a tendency for liberal society to assume that government involvement in economic organization implies socialism or welfare state liberalism. The principle of subsidiarity shows that such assumptions are not the case. One can defend government's essential role while protecting the essential role of private initiative. Moreover, opponents of government involvement need to take more seriously that the absence of government intervention may be the cause of the absence of initiative they deplore. Capitalism exhibits a tendency toward concentration of ownership when unregulated. Conditions for small business become very precarious. Many people are forced into low level service sector jobs or clerical jobs, as they were in the 1980s, and this is hardly a victory for human freedom and initiative. The moral point here is that insistence on an essential role for public authority with respect to economic life is not at all a call to stifle individual and local-level initiative.

Another example of subsidiarity that has economic implications is the American constitutional principle of federalism. Local zoning codes and building codes are specific examples, but some economists are now proposing that some government activities supportive of

economic development be allocated more systematically among local, state, and national government.⁴⁸

Implications of Simon's Thought

Simon's thought has important implications for the way we appropriate Catholic social teaching. First and foremost, Simon demonstrates convincingly the importance of the struggle, no matter how difficult in practice, to get beyond ideology to the ethical core of various issues. This is not to say that one will expect agreement on which policies will be chosen once the ethical criteria are established; Simon would deny in most cases that there are unique solutions to economic problems. Nevertheless, it is necessary to refute the cynical view that any purported attempt to discuss economic issues from an ethical approach is merely "political." Moreover, Simon argues that it is possible to identify the ethical problems and insists that public policy address them, even if sincere people might disagree over the best means to implement them. Furthermore, with Simon as a guide, we have a basis for identifying what are clearly ideological as opposed to ethical approaches to economic problems.

A second implication of Simon's thought, which is clearly echoed in Catholic social teaching itself, is that it is neither possible nor desirable to separate economics from moral norms. Economic issues have to do with the maintenance and advancement of human life. They affect the kinds of choices people make with their lives, including whether they will live at all. In addition, economic issues are central to the common life of any political community. To argue that morality is separate from economics is tantamount to arguing that morality is separable from shared life, which would clearly be a contradiction in terms.

A third implication of Simon's thought is that it refutes the assertion that a discussion of natural finalities in the context of natural order culpably bypasses the conflicts of the real world. From Simon's standpoint this would be an unnecessary and even frightening diminution of human reason. The beauty of Simon's approach is that it preserves the role of reason and natural law, never slighting the importance and

⁴⁸Alice M. Rivlin, "Making Responsibilities Clearer: A New Federal/Local Division of Labor and Resources," *The Responsive Community* 2 (Fall, 1992), pp. 17-23.

difficulties of judgments to be made in the myriad of contingencies involved in the real world of economics. In fact, precisely because Simon sees the difference between that use of reason permitting us to assert natural finalities and that use forcing us to make practical judgments, he insists upon the limits of natural law philosophy in the formulation of real policies. As a philosophy natural law cannot go beyond the explanation of finalities existing in nature. That is why those who wish the Church to be more specific in its statements err. There is nothing more destructive to the natural law approach than when its practitioners attempt to make natural law prove more than it can. Such an approach would undermine natural law by transforming it into an ideology, something which Simon himself feared.⁴⁹

With respect to debates over the relationship between Catholic social teaching and capitalism, a grasp of Simon should lead one to the conclusion that a great deal of the argument here is ideological in nature. Simon was quite clear about the limitations of natural law with respect to the issue of property.

Circumstances are conceivable in which doing without private property is the thing good and desirable and right, for the obvious reason that the common forms of civilization which make private property desirable are not realized. Wherever the normal conditions of civilized existence are realized it is right by nature . . . that there be some sort of private ownership. Do not try to obtain more precision . . . by way of logical connection. It will not work. . . . The issue is not one of logic but of prudential determination.⁵⁰

A properly ethical approach to economic justice, therefore, cannot really conclude that American capitalism, the global free market, or any other contingent arrangement is the one best following from ethical principles, because such statements confuse contingent judgments with natural finalities. The cause of ethics in economics is poorly served by statements identifying the Church's teaching with contingent arrangements.

Although natural law cannot tell us which means is best to a given end, this does not make natural law irrelevant to discussions of economic policy. Even the recognition of valid finalities can help

⁴⁹Yves R. Simon, *The Tradition of Natural Law*, p. 16.

⁵⁰*Ibid.*, p. 154.

to point us in the right direction. With respect to free distribution and aid to those unable to support themselves for instance, Simon is quite clear that such help should be institutionalized as opposed to being left to purely private initiative.⁵¹ Many people might at first glance suspect that such a conclusion cannot be made from natural law, that Simon has gone out on a limb. It is clear, however, that when the political community chooses to leave something to private initiative, it refuses to accept responsibility for it. Natural law, as Simon argues, does assert a realm of responsibility for political authority with respect to the production and distribution of wealth.

Ideology Right and Left

The 1980s witnessed the conscious effort by some Catholic writers and business persons to “relegitimate” capitalism within the Church.⁵² “Relegitimation” seemed needed because a constant theme within the encyclical tradition has been criticism of the liberal individualism and materialism of which capitalism is a part. Papal encyclicals, therefore, had to be confronted. This happened in two ways. First, the unbridled liberalism and capitalism criticized by the popes was distinguished from actual late twentieth-century capitalism, especially that practiced in the United States. Secondly, a new theory of capitalism drawing on roots deeper than its historical liberal origins was constructed in order to show capitalism’s essential conformity with traditional Catholic social theory. The publication of *Centesimus Annus* in 1991 provided some neo-conservatives with ammunition in both respects. They read in it a distinct softening of the papal position on capitalism. Some indeed found it putting the Vatican wholeheartly in the capitalist camp. John Paul II’s supposed rejection of a Catholic “third way” between capitalism and communism could only mean, in the context of the collapse of communism, a decision for free market economics.⁵³

⁵¹*Ibid.*, pp. 165–166.

⁵²Michael L. Budde, *The Two Churches: Catholicism and Capitalism in the World System* (Durham, North Carolina: Duke University Press, 1992), and “The Religious Relegitimation of Capitalism,” paper presented at the 1992 Annual Meeting of The American Political Science Association, Chicago.

⁵³William McGurn, “A Challenge to the American Catholic Establishment,” in *A New Worldly Order: John Paul II and Human Freedom: A Centesimus Annus Reader*, George Weigel, ed. (Washington, D.C.: Ethics and Public Policy Center, 1991), pp. 111–117.

Two elements of the attempt to rehabilitate capitalism within the Church illustrate well the direction of conservative thinking and its limits. A key theme, most fully articulated by Michael Novak, is that capitalism both depends upon and is an expression of fundamental Christian virtues. Capitalism grows and produces its abundance with a moral-cultural system fundamentally Christian. Capitalism needs and reinforces order and stability, social cooperation, willingness to defer gratification, hard work, and careful stewardship of resources. Where these are present, capitalism creates unparalleled economic progress for whole societies. It is a social good. Where these are not present, economic development is unlikely to occur.⁵⁴ Although there is a truth to this argument, it overlooks something else at least equally profound in the Christian tradition. Novak's argument subtly suggests that successful entrepreneurs, wealth creators for society, possess (by definition, must possess) the Christian virtues. Non-entrepreneurs and unsuccessful persons, particularly the poor, therefore, must lack these virtues.

A second key theme in the conservative rehabilitation of capitalism is that Catholic thought, particularly in papal encyclicals before *Centesimus Annus* and in statements of the American bishops, has focused too heavily on distribution of wealth, ignoring the prior necessity of wealth creation. Capitalism does better attacking poverty than other economic systems because it knows the secret of creating the wealth that is necessary to provide a decent standard of living for all. Again, there is some truth to this argument. Nevertheless, capitalism as production of wealth still is subject to the criticism that it must do more than produce riches; it must also (either by itself or in conjunction with political or social mechanisms) distribute resources in such a way as to provide a sufficiency for all persons, both domestically and globally. Otherwise, it remains subject to the justice-critique from the Left and from official Church statements. Yet pure free market theory accepts whatever distribution happens to result from free capitalist transactions. Moreover, actual resource distributions in capitalist nations are not noticeably more just, by standards independent of capitalist theory, than those in other systems.

⁵⁴Michael Novak, *The Spirit of Democratic Capitalism* (New York: Simon and Schuster, 1982).

Finally, capitalism continues to be characterized by profound moral ambiguities, particularly its instrumentalization of most areas of life and its destruction of rich social, religious, and political traditions.⁵⁵ When university presidents begin to import into campus life the business concepts of “customer service” and “total quality management,” it is not difficult to hear echoes of Marx and Engel’s charge that capitalism reduces all of life to a naked cash nexus.

Since the Left’s reaction to official Church teaching mirrors the Right’s, that reaction can be considered more briefly. “Capitalism” is also the liberal or radical Catholic’s key word. Commentators on the Left do not look to papal and episcopal documents for praise of socialism in its various forms, clearly a futile endeavor, though some go so far as to find a “modified socialism” in recent encyclicals.⁵⁶ Rather, they look for criticisms of capitalism and make sure to highlight them. They trumpet phrases and passages of anti-capitalist bent, particularly those critical of private property, markets, and unlimited acquisition.⁵⁷

Liberal response to *Centesimus Annus*, then, is just as predictable as responses on the right. The Left points out the many passages that continue to be critical of capitalism, that focus on global justice in distribution, and that mandate a strong juridical framework within which the Pope believes a limited capitalism or a “business economy” must be contained. In short, they emphasize the great continuity between *Centesimus Annus* and its predecessors.⁵⁸

In words critical of the neo-conservative Catholic writers, David L. Schindler points out the fundamental danger of ideological capture in

⁵⁵David L. Schindler, “The Church’s Worldly Mission: Neoconservatism and American Culture,” *Communio* 18 (1991), pp. 365–397. For a more in-depth criticism of neoconservative political economy from a perspective informed by Simon, see Thomas R. Rourke, *Yves R. Simon and Contemporary Catholic Neoconservatism*. Dissertation: Texas Tech University, 1994.

⁵⁶George E. McCarthy and Royal W. Rhodes, *Eclipse of Justice: Ethics, Economics and the Lost Traditions of American Catholicism* (Maryknoll, New York: Orbis Books, 1992), pp. 175, 181, 183. John J. Mitchell, Jr., “Embracing a Socialist Vision: The Evolution of Catholic Social Thought, Leo XIII to John Paul II,” *Journal of Church and State* 27 (1985), pp. 465–481.

⁵⁷See, for example, McCarthy and Rhodes, *Eclipse of Justice*, p. 164, and Charles K. Wilber, “Incentives and the Organization of Work: Moral Hazards and Trust,” in John A. Coleman, S.J., ed. *One Hundred Years of Catholic Social Thought: Celebration and Challenge* (Maryknoll, New York: Orbis Books, 1991), pp. 212–223.

⁵⁸See J. Brian Hehir, “Reordering the World,” in George Weigel, ed. *New Worldly Order*, pp. 85–89, and Charles K. Wilber, “Argument that Pope ‘Baptized’ Capitalism Holds no Water,” *National Catholic Reporter*, May 24, 1991, pp. 8, 10.

either direction. Commenting on the work of Novak and Weigel, he writes:

The new spirituality which these men are calling for . . . appears already to have its own *a priori* form built into it: a form which is given in and by these assumptions of the modern Western world. The risk, then, is that these latter assumptions will already be functioning normatively when one turns to the gospel-and this is something quite different from having one's assumptions *first judged by the gospel*.⁵⁹

From the perspective of Simon's natural law philosophy, the danger is almost precisely the same. Instead of probing the fundamental principles of natural law for critical perspectives on contemporary economic reality, the ideologue reads fundamental principles from the standpoint of transient economic theories. One of the great values of Yves R. Simon's political philosophy is that it points toward sound theoretical ways of understanding these matters and of tying them to the specific conflicts of economic life in the late twentieth-century.

⁵⁹David L. Schindler, "Church's Worldly Mission," p. 381. Emphasis in original.