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Catholics for freedom

Quarterly of political and economic culture
director Dario Antiseri

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But leaders for now fail to attend.

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of the “social market economy”

Flavio Felice

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the theoretical perspective
of the social market

Dario Antiseri

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Comitati per le Libertà
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Free school in a free State

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Dario Antiseri

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Catholics, a growing desire for a party. But leaders for now fail to attend

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he political diaspora of Catholics, that twenty years ago followed the collapse of the Christian Democrats, made them ubiquitous and ineffective everywhere.

Perhaps, then, at the end of the 80's, you could not do anything else: giving witness of one's own ideals in any group one was camping. But this strategy, also endorsed by leading figures in the Church hierarchy, proved to be progressively and inevitably losing on all fields. Once trampled the most basic needs of the family, left free schools dying of starvation, swallowed a whole series of atrocities starting with the most indecent and illiberal among the electoral laws, shrugging off a series of scandals, with an obstinate defense of insulting privileges ... and you could never find a politician of the Catholic area with a burst of dignity who were available to resign. Ready to genuflect in front of the master of the moment, the gag spread with honey made silent even the most talkative ones.

Though culpably silent or useless over all, there are, however, leading figures in the Catholic world that started to put into practice their throats in the chorus of singers against Grillo. But do they realize it's them to have created Grillo and the day by day injustices, abuses, wastes, privileges, theft, the chain of ad personam laws, the appointment of incompetent people in institutional strategic seats, and eventually the wrong measures taken by a Parliament appointed by four Caligula? There isn't a politics and an anti-politics, there is only a bad and a good politics. And if Grillo's anti-politics, this is only the immediate and direct consequence of the anti-politics, or better, of that bad politics, whose the parties currently sitting in Parliament have been and still are stubbornly able. It isn't true that there is an escape from politics: there is rather an escape from the politics of such parties. The Minister Andrea Riccardi in a recent interview stated that "...Parties are crucial for democracy." Right. But here the question is inevitable: are the current parties decisive for the life or for the death of our democracy? And isn't the technical government of Monti perhaps an epitaph on the politics of shortsighted parties, incapable of solution for the most pressing problems - and crowded with "clarinets", covering miserable interests with rants about the "common good"? Well, in such a desert, the most puzzling fact is the virtual absence of the Catholic world on the political scene. And all this, despite the repeated calls from the Pope and from Cardinal Bagnasco that the Catholics, especially the youngs, engage their energies in view of a renewed politics. However, it continues to insist that there shouldn't be a party of Catholics.

It is clearly illusory to think of a party capable of uniting all Catholics, at least because there is no longer that "enemy", who managed to hold together the majority of them since the war onwards. In any case, if it is unthinkable a party of all Catholics, it is increasingly necessary a party of liberal Catholics, a Sturzian party of liberal Catholics, united under the banner of the Social Doctrine of the Church. For this, among many Catholics - and I say this with knowledge of the facts - it has aroused not as a pleasant surprise the idea of Riccardi, according to whom "the Catholic party is not a need." He spoke of "condensation" and of "believers who will be a network rooted among people." Riccardi, who - with his experience, his organizational skills and considering how much he managed to achieve through the Community of Sant'Egidio - many people saw and still see since Todi as one of the pillars of the new party! It is really surprising that a learned historian of the facts of the past puts restrictions on the history of the future. We continually refers to Sturzo, but Sturzo created a party, and De Gasperi, with a party of Christian inspiration, saved Italy.

Now we are invited to "concentrate", that is, to continue to behave like "Ascars". Is it only this that the Catholic world is able to offer today to Italy? Of course, in politics you can lose, but it's better to lose with loyal troops than winning thanks to mercenaries, perhaps benefited and however always mocked. The reality is that there is a wide Catholic and healthy world, made up of honest and generous people, politically unrepresented, that shuts, mentioning Galli Della Loggia, in the political life imprisonment of "closed farms." In few words: the troop is ready, and the generals appear to be defectors.

Market social economy

The Left and the humanism of the “social market economy”

Enzo Di Nuoscio

Introduction

Whether the Left wishes to project into the third millennium, its mission to defend the life condition of the most vulnerables lies in the difficulty to give an answer to simple questions like: “who” are now the most needed and how to help them. On the first question the Left should have more courage in identifying the new disadvantaged people of our time. In the latter it should take into consideration the end of a double illusion: the “social democrats”, that saw in the massive intervention of the state in economy the means to guarantee the social rights, and the “liberists”, whom the Left was not indifferent to, that relied on the intrinsic abilities of the market self-regulation to ensure solidarity.

Facing the challenge of these two questions, a good compass to find the answers could be represented by the half ignored field of valuable ideas represented by the tradition of the “social market economy”. It is a line of thought that, since the thirties with the Fribourg School of “liberalism of the rules” (W. Eucken, F. Böhm, H. Grossmann-Dört, C. Dietz, A. Lampe), developed until the seventies, with thinkers such as W. Röpke, A. Rustow, A. Müller-Armack, L. Erhard, to whom may be associated intellectuals like L. Einaudi and F. von Hayek. A large group of economists, jurists, philosophers, many of whom - like Einaudi in Italy - had had a significant political and technical leading role in the economic revival of Germany: Erhard was minister of economy (1949-63), then Christian democrat chancellor (1963-66); Müller-Armack also held charges in the government; and eventually Röpke was an influential consultant adviser of the German government after the war.

The core of the “research program” where these intellectuals worked on can be summarized as follows: the competition can become a powerful factor in the production of knowledge, as a foster for innovation, and of social well-being, and also the most effective guarantee of soli-

darity in favour of the poorest, under the condition that it develops within a sound State of right able to impose rules to the market economy, and that acts “outside the market” to help the most needed. Freedom, solidarity and market constitute what Müller-Armack defines the “magic triangle” of the “social market economy”¹.

1. The market: the most powerful problem-solving device

Being economists and jurists with solid epistemological competences, these authors have shown unequivocally that the market is a form of “spontaneous order”, able to mobilize an amount of knowledge which is highly superior even to those of the most sophisticated “planned order.” Starting from the epistemological consideration that individuals are not only “fallible”, but also “ignorant”, meaning that they ignore a great deal of knowledges, that being linked to “circumstances of time and place,” can be owned only by those individuals who are and find themselves in such circumstances, authors like Hayek and Röpke, have seen in the market that powerful mechanism that enables everyone to take advantage of the largest possible amount of others’ knowledge for the solution of their problems²

The search for profit and for the satisfaction of the preferences makes market a “spontaneous order” that allows the realization of the highest amount of individual plans, compatible and not arranged. Especially in modern highly artificialized societies, where even the creation of the most trivial implementation of the individual project depends on the expertise of others, it is more than ever clear that only that order unintentionally represented by the market may avoid that individuals become victims of

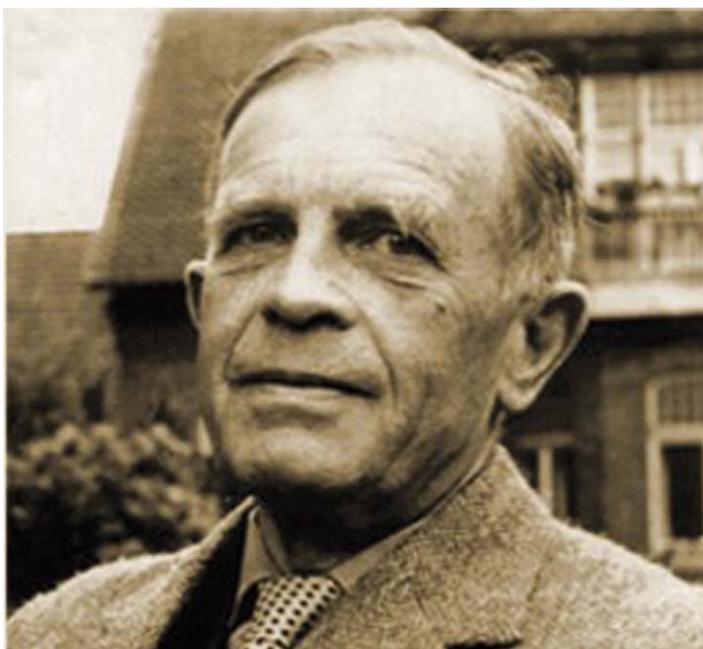
Freedom, solidarity and market constitute what Müller-Armack defines the “magic triangle” of the “social market economy”

their own “ignorance.” Being the most powerful device for the exploration of the unknown and for the production of innovations, the market gives the societies a higher problem solving skill, giving them - as confirmed by the history of the West - a sharp “evolutionary advantage”.

2. The juridical and ethical framework of the market economy: the economic constitutionalism and the “primacy of ethics”

Yet, the market, due to the fact it cannot rule its function at the best, as in particular affirmed Wilhelm Röpke, needs a legal and institutional framework within which to develop an ethical environment which orients the behaviours of the various actors. Relentless critics of statism and planning, the theoreticals of the social market economy attack as liberals any form of laissez-faire, so that, notes Einaudi, for the liberals “it should invent another name” than “liberists”, “as their mindset is far from laissez-faire³.” “Unlike the defenders of classical liberalism - explains Müller-Armack - we know that the mechanisms of competition present defects due to the imperfections of markets, oligopolies and monopolies for which the competitive order requires legal safeguards to ensure that people taking part in the market do not destroy it by pushing in one anti-competitive direction.”⁴

The other side of the market economy must be a State “authoritative and impartial”, “strong” but “not bustling (Röpke), “guardian of the competitive ordering” (Eucken), able to impose a “constitutional order “ made up of rules and independent authorities, that define the space within which the market can deploy their ability to self-regulation. A State able to “defend capitalism against the capitalists who want to shift their losses on the community.”⁵ And yet this “liberal interventionism”, as A. Rustow calls it, is very different from that of the planners, as it respects four mandatory principles: a) prescribes the “rules of the economic game” and not the “processes”, that is, the behaviours of individual actors⁶; b) implement “measures to adapt” of competition, rather than principles of solidarity, and not of a mere “storage” of the historical forms of capitalism; c) establishes only “interventions complying” to the market economy, while avoiding measures “non conform”, such as the distortion of the price system, which “would eventually transfer that disciplining function to the authority first exercised by the market”;⁷ and d) it follows the principle of subsidiarity, respecting the autonomy of individuals and of other public and private “intermediate bodies”



But laws and institutions by themselves are not good enough to regulate the economy of the market, it needs also a framework of shared values that avoid the personal interest distort the competitive dynamics. In contrast with that many liberals sustained, the market economy, Röpke notes, is not a “closed process” but only a “sector” of a larger environment. Competition can work only if this environment provides a “sociological-anthropological frame” made of shared moral qualities, such as “loyalty and decency in business, compliance with rules, professional honour,” the rejection of “corrupt or abuse power for personalistic purposes”,⁸ etc.. . “The true foundation of market economy, Röpke writes in an essay significantly entitled *Beyond the demand and supply*, should be of a moral nature, and then you must look for out of the market and competition, that are far from being able to create it.” It deals with qualities that, despite many limitations, have historically established in the Christian Europe, that can not be created by decree and to which consolidation, however, the State can contribute at least defending the individual freedoms and the autonomy of the “intermediate bodies”, and by promoting a policy of solidarity that avoids social divisions.

3. The liberal way to solidarity: competition policy and the minimum guaranteed revenue

Being liberals strongly sensitive to the improvement of the poors’ living conditions, the theorists of “social mar-

ket economy” indicate two ways through which the state must pursue solidarity: a “competition policy” customer oriented and interventions “out of the market “ to improve the life chances of the disadvantaged. As Eucken and Böhm already explained in the manifesto dell’Ordo-liberalism (1936), through the juridical intervention of the State, competition can be transformed from “aim in itself” to “mean” at the service of the social progress and in particular in favour of the poorest,¹⁰ establishing rules that place “the entrepreneurial search for profit to the direct service of the consumer.”¹¹ It occurs to make the market economy a “democracy of consumers” (Röpke), which fights privileges and the temptation of the individual economic actors to accept only the competition that develops among others.

The core of this “competition policy” is the fight against monopolies and oligopolies, which are source of “exploitation, privileges, industrial feudalism, restriction of supply and production, chronic unemployment, rising costs of life, exacerbation of social conflicts.”¹² Who really cares of individual freedom, progress and solidarity must therefore declare war against monopolies, which, by reducing the power of the consumers’ choice, eliminating the incentive for innovation represented by competition, and by imposing the prices of goods and services, are defined by Einaudi “the number one enemy of a free economy,” source of “social inequality” as they can make profits which are in fact “a robbery committed against the community.” Therefore, the as far as possible elimination of monopolies must be “one of the main purposes of the law of a State, whose leaders care of the well being of the most and do not intend to look after the interests of the least.”¹³ Hence, the liberal State must fight monopolies, oligopolies, the protected annuities, the speculators of all kinds (ie all the enemies of the interests of the weakest), and defend the competition whose proper functioning, says Erhard, is linked to the fairer “socialization - in the best sense of the term - of progress and profit.”¹⁴

But the relationship between the market and solidarity does not end in the fight against monopolies, oligopolies and speculators. The economy of competition, being the most effective mean to produce and diffuse knowledge, and representing the most efficient mechanism for allocating and distributing resources, is also the best system to provide means to those who are not able to compete in order to put them in the best condition for the realization of their own objectives. It should not, therefore, be surprising that the theorists of the “social market economy”, and in particular Röpke, Einaudi and Hayek, in the name

of the “primacy of ethics” on the economy, have proposed a minimum revenue guaranteed, insisting on the need for a “social legislation” based on the “general principle that in a healthy society, man should be able to rely on the minimum needed for life” through an intervention of the State which improves the chances of the poor and that “closes within limits of possible the starting points” of individuals.¹⁵ Such proposal is not only contrary to the logic of competition, but serves precisely to increase their capacity to innovate and create progress and equity, for two specific reasons: a) providing financial support to those who are disadvantaged, the range of companies able to compete will expand and thus to enrich with their knowledge and materials resources the competitive order, which - in this way - will improve their problem solving skills; b) ensuring a minimum revenue to everyone that ethical and social environment will reinforce, which, as we have seen, is a prerequisite of the proper functioning of the market.

4. The Left and the “third way” of the “economic humanism”

The theorists of the social market economy are confronted with the tragic problems of their time (totalitarianism, war and post war reconstruction), but as great intellectuals they formulated analyses and proposals that may be considered a valuable reserve for the problems of the present time. Two, in particular, are the principles that today can be a very valuable theoretical horizon for a Left so still in its ideals of solidarity, as pragmatic and courageous in identifying the most needed subjects and the modalities to help them: a) the Røpepkian idea that the liberal State must establish rules and institutions that defend the “market economy” from degeneration (monopolies, oligopolies, protected annuities, financial speculation, etc..) that from time to time the “historical capitalism “ shows; a principle, this, which today is felt as impellent to fight the increasingly powerful monopolies and the impressive financial hypertrophy of a capitalism that seems to favour the production of titles rather than the

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production of goods and that - as evidenced by the crisis of the recent years - tends inevitably to download its risks on the weakest; b) the idea that, between the planned economy and the laissez-faire liberalism, it should seek a “third way” (Röpke), liberal and sympathetic, therefore alternative to the traditional social democratic statist model. A “third way” inspired by an “economic humanism” that assigns to the State the task of identifying the people who from time to time are not able to compete and help with the competition rules and forms of social protection to ensure “a starting point to all men so that they can develop their skills.”¹⁶

If with a little good will qualms and atavistic prejudices will be overcome, it is not difficult to understand how the principles of “social market economy” permit to defuse not little a double contrast that still crosses horizontally parties and coalitions: that between liberal and socialists, and the other between secularists and Catholics. It is not exaggerating to say that authors like Eucken, Erhard Müller-Armack, Röpke, and the same Einaudi, not only place themselves in perfect harmony with the ideals of liberal-socialism, but give economic and juridical substance to that ethical and political impulse that, with Rosselli, Calogero and the other liberal socialists, had remained on a level of principles’ statement in theorizing a socialism as a “logical development of the principle of freedom”, a “liberalism in action for the poor people”¹⁷. In addition, since similar principles permeate the social doctrine of the Church, the “social market economy” can be a natural ground meeting among the secular, liberal and socialist tradition on one hand and that of liberal and social Catholicism on the other.

¹ A. MÜLLER-ARMACK, *Economia sociale di mercato* (1956), trad. it. in F. FORTE, F. FELICE (cured by), *Il liberalismo delle regole*, Rubbettino, Soveria Mannelli, 2010, p. 91. See also the careful reconstruction of such tradition and of its acquisition in Italy, proposed by F. FELICE in *L'economia sociale di mercato*, Rubbettino, Soveria Mannelli, 2008.

² F. VON HAYEK, *Regole e ordine* (1973) in Legge, legislazione e libertà, tr. it., Il Saggiatore, Milan, 1982, pp. 48 and following

³ L. EINAUDI, *Liberalismo e comunismo* (1941), ora in B. CROCE, L. EINAUDI, *Liberalismo e liberalismo*, Ricciardi, Milan-Naples, 1957, p. 168.

⁴ A. MÜLLER-ARMACK, “The Social Market Economy as an Economic and Social Order”, in *Review of Social Economy*, 1978/36, p. 326.

⁵ W. RÖPKE, *Civitas humana. I problemi fondamentali di una riforma sociale ed economica* (1944), trad. it., Rizzoli, Milan, 1947, pp. 54 and following

⁶ W. EUCKEN, *The Unsuccessful Age or the Pains of Economic Progress*, London, Hodge, 1951, pp. 95 and following.

⁷ W. RÖPKE, *La crisi sociale del nostro tempo* (1942), tr. it., Einaudi, Turin, 1946, p. 199.

⁸ *Op. cit.*, p. 62.

⁹ W. RÖPKE, *Al di là della domanda e dell'offerta* (1958), tr. it., Ed. “via Aperta”, Varese, 1965, p. 187.

¹⁰ F. BÖHM, W. EUCKEN, H. GROSSMANN-DÖRTH, *Il nostro compito. Manifesto dell'Ordoliberalismo* (1936), tr. it. in F. FORTE, F. FELICE (cured by), *Il liberalismo delle regole*, cit., pp. 55 and following.

¹¹ F. BÖHM, *The Non-State (“Natural”) Law Inherent in a Competitive Economy*, in W. Stüzel (ed.), *Standard Text on the Social Market Economy*, New York, Fischer, 1982, p. 109.

¹² RÖPKE, *La crisi sociale del nostro tempo*, cit., pp. 267-8.

¹³ L. EINAUDI, *Lezioni di politica sociale* (1949), Einaudi, Turin, 2002, pp. 20 and following

¹⁴ L. ERHARD, *Benessere per tutti* (1953), trad. it., Garzanti, Milan, 1958, p. 10.

¹⁵ *Op. cit.*, pp. 75-79.

¹⁶ L. EINAUDI, *Lezioni di politica sociale*, cit., p. 79.

¹⁷ C. ROSSELLI, *Socialismo liberale* (1930), trad. it., Edizioni Corriere della Sera, Milan, 2010, p. 116.

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The Social Doctrine of the Church in the theoretical perspective of the social market

Flavio Felice

Introduction

Like with other magisterial documents, *Caritas in Veritate* by Benedict XVI is not meant to be a treatise on economics, but a theological-pastoral document, whose matters are between the social sciences and Christian anthropology, that considers and matches them. The Church's social doctrine is related to the social sciences and aims at connecting them around such anthropology. Through this article we wish to analyse the key concept of the encyclical of Benedict XVI, *Caritas in Veritate*: the economy of gift, pointed out by many commentators as the most original and innovative element of the document, in the perspective to find out the relations with the tradition of the social market economy.

The “ordo-liberal Friburgh program” of W. Eucken, F. Böhm, and H. Grossmann-Dörth after the Second World War, offered a theoretical foundation, essential to the development of the “social market economy”: it deals with market and competition as means to achieve social objectives. These proposals were also shared by A. Müller-Armack, who worked to promote the social market economy, as first by calling it theoretically and then trying to implement it politically in his role as Secretary of the Ministry of the federal economy. Müller-Armack, who coined the term “social market economy”, reduced the core of this concept to an agile wording; in practice, it deals with “connecting, based on the competition economy, the free enterprise with a social progress, precisely secured through the performances of the market economy.”

Erhard, and but before him Eucken, cultivated the belief that an essential contribution to the “social progress” could come from open markets, structured on the model

of free competition and therefore in dynamic growth. The “social issue” finds its first and decisive response in the order of competition – and therefore not against nor for the market, but with the market.

The basics

Actually, Benedict XVI proposes the implementation of the principle of subsidiarity and polyarchy on a supranational scale, in order to meet the new challenges that the global interdependence poses today

The empirical hinges on which Benedict XVI analysis lies, with a certain amount of conformity with the Ordoliberal theory before and after with the social market economy, are the principles of solidarity, subsidiarity and polyarchy. It is a characteristic feature of the Magisterium of Benedict XVI, since *Deus Caritas Est*, to have been showing the complementarity of these principles, emphasizing the impossibility of conceiving subsidiarity

regardless of any equally significant understanding of solidarity, and therefore, of social justice.

The topic of subsidiarity remains central in Benedict XVI's reflection also in the encyclical *Caritas in Veritate*, although he does not relate solely or mainly to the articulation of powers in the State body, whose role should be wisely reconsidered and reassessed also in the light of the current economic and financial crisis and the principle of polyarchy. Actually, Benedict XVI proposes the implementation of the principle of subsidiarity and polyarchy on a supranational scale, in order to meet the new challenges that the global interdependence poses today. The crisis of the national State on one hand and the search for novel and urgent forms of political, economic and cultural participation on the other lead the Pope to suggest “a better balanced role of public powers.”

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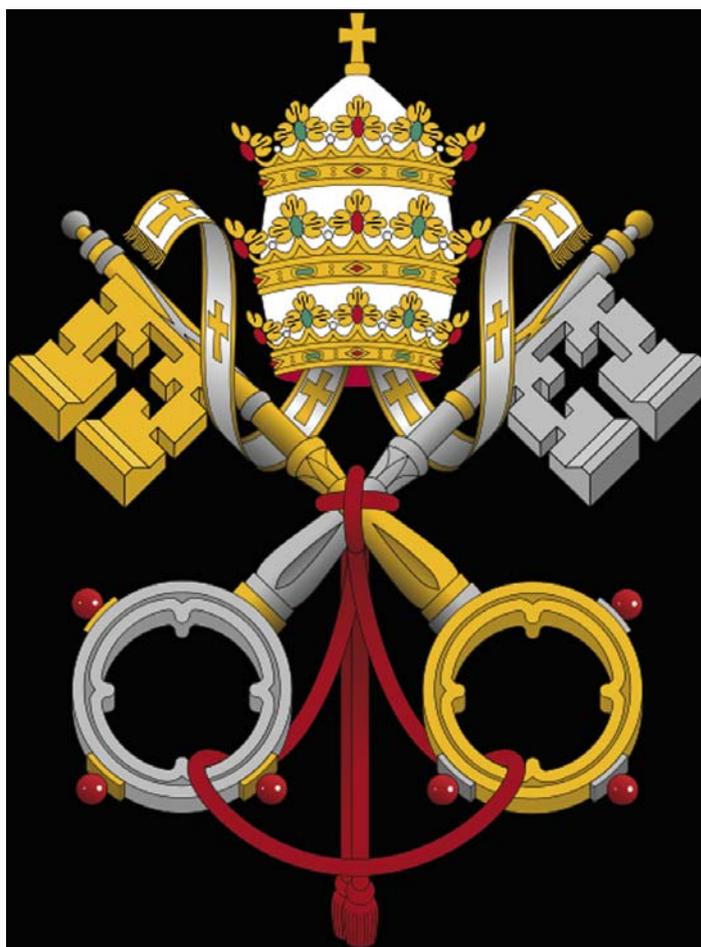
The order of the market in the context of global interdependence

The theme of the market is revived through the affirmation that the exercise of the commutative justice is not separated, but assumes a real meaning in the practice of the virtue of distributive justice. This is the problem faced by Benedict XVI in paragraph 35 of the third chapter on the complementarity of the market compared to other dimensions of social life.

The concept of market presented by Pope Benedict XVI, which in this respect is rather close to the analysis of one of the fathers of the social market, the German economist Wilhelm Röpke, appears as a high form of collaboration among people who do not necessarily share the same purpose: and this is exactly the reason that we appeal to the contract, being also aware of the inadequacy of other historical forms that allow to face and respond to the main problem of the economic order, “the rational allocation of scarce resources for alternative uses”, historical forms not related to the market – but not necessarily incompatible – like for example the strength or its exact opposite: altruism, and tradition. “In short - Röpke writes - the result of the interference of the three methods represents what we call economic spirit of an era. “

The market is based on the contractualistic principle of “reciprocity”, which means that the market condition, or the element that gives its birth, is the voluntary exchange. Two people meet and by exchanging information on their mutual expectations, realize that they can be of help to one another. You can not create the market by law, as well as you can not declare with an edict the emergence of a market. At the best, it can be adjusted, facilitated, hampered, but no one can force anyone else to undertake a transaction against his will: we would be outside the market economy. It follows that a transaction will take place only if two wills meet freely, because each one believes respectively to obtain a benefit from the transfer of money in exchange for a good and, in contrast, the sale of the latter in exchange for money.

In this sense, Röpke warns, the market processes, though



virtuous, should never be confused with the gift, and of course, although vicious, even with the robbery; here is the reason that the category of gift should not be taken as regulatory of the market, a sort of factor or ethical quid, able to balance it. Otherwise, the gift appears as the essential dimension of life that makes authentically human the relations and, as a consequence, authentically human the existence. We know well that human life can not be solved in the market and the experience of the gift allows us to observe directly the bias of the logic of the market; nevertheless, relegating the market relations among the utilitarian relationships other than being a logical fallacy, is increasingly a practical error that in the long run could lead to a political error which would pave the way for utilitarian and constructivist policies, inspired

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to the mere social engineering.

We believe that this is context in which the emphasis placed by Pope Benedict XVI on the importance of distributive justice for the existence of the market economy should be read. By virtue of its exercise, men can count on the extra contractual factors necessary for a contract to be signed, sure that this can realize at the lowest cost and in the safest possible way.

A new order

For these reasons and on the basis of an anthropological perspective of relational kind, the Pope affirms that “the theme of development can be identified with the relational inclusion of all people and peoples within the only community of the human family.” Thus, the economic profile of the magisterial document matches the theme of integrality and indivisibility of freedom, and with it, of the human development, and is drawn by Benedict XVI according to the theory of the impossibility of market to self found: it is here that the reflection of the modern Church's social doctrine crosses a principle of the theoretical perspective of the social market economy. A market for Benedict XVI lives and thrives due to virtues such as honesty, trust, as far as the Smith's “sympathy”, but is not able to create them on its own; and, should it promote them - and it happens it does -, it would do only insofar as those who work there choose to live according to those virtues, in the light of an anthropological perspective that does not necessarily respond to the catallactic logic of the market, but, in so doing, to use a Smithian and Röpkean item, they unintentionally are bound to lubricate the mechanisms of the social body. Benedict XVI writes: “it is interest of the market to promote emancipation, but to do it really, it can not count only on itself, since it is not able to produce by itself something that lies beyond its capacities. It must draw its moral energies from other subjects, capable of generating them”. It is interesting to compare this passage of Caritas in Veritate with the following, taken from the work of Röpke, and by many considered his spiritual testament: Beyond supply and demand. The German economist writes: “market, compe-

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tion, game between supply and demand do not generate these moral reservations, but [...] assume them;” and again, “the very foundation of the market economy must be of a moral nature, and then it must be looked outside market and competition, which are very far from being able to create it. Here is the error of the liberal immanen-tism. On the contrary, market and competition submit this moral content to an unceasing test, or require, and avail of it. “

Thus, the perspective of Benedict XVI, under the economic profile, is indeed a new world order, as well as it was in the thirties up to the mid-forties of the last century for the fathers of the social market economy, the heirs of the so called “ordoliberals”. They were economists and jurists who contributed to the moral and cultural reconstruction of Germany after World War II, whose vision and whose political skill led them to lay the bases for the economic, cultural and institutional foundations of the European Union together with the German Christian Democrats of Konrad Adenauer, the Italian of Alcide De Gasperi, and the French of Robert Schuman . However, in

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the Ordoliberal version and in the reflection of Benedict XVI it deals with an idea of an economic and social order based on the principle of “subsidiarity”, through the happy explicitation by Pope Benedict XVI of the principle of “polyarchy”, if you do not want to fall into the trap of a global neo-Hobbesian Leviathan, whose sovereign prerogatives nowadays appear no more balanced, and therefore limited, by the possibly weak national barriers. These perspectives, that Ordoliberal and that of Benedict XVI, are in line with the lesson of Pius XI, who in 1931 in Quadragesimo anno replied to laissez-faire, to socialism and to the fascist corporatism - but also to the corporatist tendencies of Catholic matrix - with the formulation of the principle of subsidiarity.

Conclusions

To sum up, we dare to suppose that Benedict XVI, albeit indirectly, would be likely to refer to the notion of order and ordering as they emerge from the tradition of the “liberalism of the rules” of the Fribourg Ordoliberal tradition first and the social market economy after. The Fribourg economist Walter Eucken, father of this thought line, wrote in 1943, along with the colleagues von Dietze and Lampe: “The economy must serve the living and the future people, and must help them to implement their most important determinations. Only with the material forces the human life can not be configured in a bearable way and no economy based in an essential way. It needs a legal guaranteed order and a solid moral basis. If it lets men wither internally, if it lets the value of their personality and dignity go into ruin, the imposing buildings constructed with a lifeless apparatus will immediately crash; and again, in 1943 the jurist Franz Böhm echoed: “The successful performance of the method of management based on the pricing policy assumes an economy of trade

and competition sufficiently ordered [...]. The juridical constitution of the economy of trades should therefore be reformed in the direction of Eucken’s proposal, who draws the necessary conclusions from the research results on the market forms.”

It is hardly necessary to point out that since in the Pope John Paul II Centesimus Annus, paragraph 42, “order” and “ordering”, meant as a system of rules, that is, the juridical and institutional framework within which traders operate, appear an important variable for the definition and appreciation of a given market.

Out of any dogmatic logic: the statist-dirigist or anarchic-libertarian, Benedict XVI, in continuity with the teaching of John Paul II, seems to repeat that the “raw market” does not exist. A market is a relational system, whose “civil” characteristic is represented especially by the ability of regulators to identify with a cooperative method (participatory-democratic) the procedures allowing market participants to share the same rules. For the respect of such rules and concretely go on towards the “institutional path of charity” it is necessary, although in the logic expressed by the Church’s social doctrine is not yet sufficient, to establish through a subsidiary way a system of national and supranational political, economic and cultural institutions, which safeguard the certainty and operational transparency, caring of the enlargement of the margins of the integral operators’ freedom, a prerequisite for any form of development.

*The perspective of
Benedict XVI, under the
economic profile, is
indeed a new world order*

Great figures of Catholic liberalism

Antonio Rosmini

Dario Antiseri

Antonio Rosmini Serbati was born in Rovereto, Trentino, in 1797. He studied theology (but attended also courses in medicine, agriculture, and fine arts) at the University of Padua. Ordained priest in 1821, he went back to the region of Trento where he made every effort for the renewal of the pastoral life, that he suddenly had to stop because of the police suspicion. In 1826 he moved to Milan, where became a strongest friend of Manzoni. He was devoted to the study, and of reserved nature: Under Gioberti's insistence, he carried out a diplomatic mission by Pope Pius IX, in order to induce the Pope to join the forces in a war against Austria. Well aware of the difficulties, Rosmini thought more appropriate the suggestion of treating a concordat with the Holy See to establish the basis of a confederation of Italian States under the leadership of the Pope. If things had gone in the right way, then perhaps it would be possible even hope in a military alliance. These suggestions were accepted and Rosmini went to Rome, where he was fully estimated by the Pope. When in Piedmont things turned out bad, and the new ministry of Perrone and Pinelli claimed immediately for the military agreement, he resigned from his diplomatic charge, though by order of the Pope he remained in Rome, where was supposed to be possibly appointed as Secretary of State. Meanwhile, on 15th November, the prime pontifical Minister Pellegrino Rossi (that conservatives criticized to be too liberal and the liberals attacked as too conservative) was murdered on the staircase of the palace of the Chancellery. Even if Rosmini was pointed as the new prime minister, he disagreed to chair a Cabinet "unconstitutional because appointed by a Pope not free." On 24th November, the Pope fled to Gaeta, and, as an express wish of the Pope, Rosmini accompanied him. The idea of Rosmini was that the Pope had to return his country as soon as possible without the help of foreign forces and therefore he began the work of reconquest, by launching a proclamation to the people that should be an invitation to reason and a promise of maintaining the constitutional regime. But then, in Gaeta,

prevailed the policy of Cardinal Antonelli to remove the Constitution and avail of the aid of the foreign armies. "The frankness of Rosmini in condemning those guidelines, which he considered harmful to the interests both of Holy See and Italy, caused him to lose the Curia's favour. So, even annoyed by the Bourbon police, in June 1849 he left the Pope and moved to Stresa" (D. Morando). During the journey, his works *The Constitution according to the Social Justice* and *The Five Wounds of the Church* were included into the Index of Forbidden Books. Attacked by the Jesuits, but comforted by the visits of his friends (including the devoted Manzoni), Rosmini spent his last years in Stresa, where he died in July 1855.

The philosophical production of Rosmini is vast. Here, below, his principal writings: *New essay on the origin of ideas* (1830), *Principles of Moral Science* (1831), *Anthropology* (1838), *the Treaty of moral science* (1839), *Philosophy of Politics* (1839), *Philosophy of law* (1841-1845) *Theodicy* (1845), *Psychology* (1850). Among the posthumous works are to mention: *Theosophy*, *the supernatural anthropology*, *Aristotle exposed and examined*. A man of great moral integrity, and of honest and sincere faith, Rosmini founded in 1828 on the Sacred Mount Calvario, at Domodossola, a new religious congregation he called *Institute of Charity* (which will be approved by the Church only in 1839). In the decade 1830-1840,

Section

Antonio Rosmini

Rosmini founded the women's branch of the Congregation: the Sisters of Providence, known to the wider public with the name of Rosminian masters. The Sisters of Providence were engaged (and still are) in the education of children in nursery schools (which, at that time, applied the method of Ferrante Aporti), elementary schools and orphanages. And one more news: the controversy of the Jesuits against the Rosminians did not end with the death of Rosmini, if we think that even in 1880 were officially condemned forty propositions of Rosmini, mostly taken from posthumous works. Later, with the gradual emergence of cultural pluralism within the Church, the controversy between Thomists and Rosminians slowly faded and The Five Wounds of the Church were removed from the Index. Nowadays, the storm has passed at all. In February 2007, Rosmini was beatified

2. Against naturalism and idealism, Rosmini asserted a spiritualistic conception of the person in which man emerges as the bearer of an ethical-religious value. The person has a moral value and it is from this value that follows the duty of every man to respect the others as people. In this way, from duty comes the right and flips the "lamentable doctrine of human selfishness" according to which "we wished to derive duties from rights rather than rights of the duties." And here's how Rosmini, in *The anthropology in the service of moral science*, defines the person: "[The person], a substantial intelligent individual, because he contains an active ingredient, supreme and incommunicable" (*Anthropology in the service of moral science*, Città nuova, Roma, 1981, no. 832, p. 410). And here we must note that, for Rosmini, it is crucial - just in relation to the person - the issue of ownership. Critical against economy and socialism, Rosmini had very clear the link that unites the property to the freedom of the person. In the *Philosophy of Law* is written: "The property truly expresses the unity of a thing with a person [...]. This



kind of union that is called property therefore always stands between the person and the thing, and contains a domain of that above this. The property is the principle of derivation of the rights and the juridical obligations. The property is a sphere around the person, where the person is the centre: in such sphere no one can enter" (*Philosophy of Right*, 1841-1843, vol. 1, p. 158). Hence, is the imperative to respect the property of others: private property is an instrument of defense of the person from the intrusiveness of the State - a State which, for Rosmini, is designed exactly for the person: "People are the principle and the end of the State. They are the ones who constitute and represent the purpose and the limitations, so that the State and all the State bodies are mere means for the people who actually are the scope." On the other

hand - continues Rosmini -, people are the only ones responsible for what happens in society and, more specifically, in the various social institutions. From Philosophy of Politics: “The reason of all social events lies in man, as the element of society. Everything that was born in the nations on a larger scale and with other proportions, pre-exist in nuce in the minds of the individuals who compose them “(Philosophy of Politics, 1858, IV, p. 295).

3. People and the State: fallible the first, never perfect the second. Here is a famous page from Philosophy of the politics: “Perfectism, that is, the system that believes possible the perfect in the human affairs, and that sacrifices the present goods to the future imagined perfection, is the result of ignorance. It is a bold prejudice, according to which it is judged too favorably about the human nature, and above a mere hypothesis, on a premise that can not be granted, and with total lack of consideration to the natural limits of things “(Philosophy of the politics, cit., p. 104)

Perfectism is the result of ignorance and the result of a “bold prejudice.” The perfectist ignores the ontological principle of the limitation of things. It does not realize that the society is not composed of “angels confirmed in grace,” but rather by “fallible men.” And the human fallibility leaves its trace in all our projects. Consequently, it is urgent not to forget that “every government is composed of people who, as human beings, are all fallible.” But then, excited about the pernicious perfectistic idea are the Utopians - “prophets of boundless happiness” - who, with the promise of heaven on earth, work hard to build for their similars very respectable hells, “[Utopia], far from congratulating men, digs the abyss of misery; far from enobling them, make them ignoble like ‘ugly’; far from pacifying them, introduces the universal war, replacing fact to law; far from equalizing wealths, accumulate them; far from temper the power of governments, makes it absolute; far from opening competition of all to all goods, destroys every competition; far from animating industry, agriculture, the arts, trades, takes away all the stimuli, removing the private and voluntary work; far from exciting geniuses towards great inventions, and souls to the great virtues, compresses and crushes souls, makes it impossible any noble attempt, patience, heroism and indeed the virtue itself is banished, the same faith to virtue is cancelled “(Communism and socialism, in Philosophy of Politics, cit., IV, p. 114-116). And still about the issue of impossibility of perfectism, Rosmini wishes to reiterate that “it would be [...] a pernicious error

to suppose that the evils that accompany the goods can be avoided.” Actually, between intentions and the outcomes of these intentions - between our plans and the results of the attempts of their realization - there is a gap. The social reality is not and will never be in our hands. And this because of that eternal ontological principle, according to which “the existence of a good prevents sometimes that of a greater one, as well as [...] the existence of a good is often related to the existence of some evils, such as the existence of a problem is related to certain goods. “

4. It should be pointed out that, behind anti-perfectism Rosmini pressed his criticism of “subjectivism” of the modern thought, that processed its splendour in the Enlightenment thinkers and then unleashed the great tragedy of the French Revolution. The goddess of reason was to symbolize a man who assumed the place of God and is able to create a perfect society. The judgment of Rosmini on the fatal conceit of the Enlightenment and the tragic results of the French Revolution brings to mind similar considerations by Edmund Burke, and later, Friedrich August von Hayek. There were serious problems in France at that time. It is not a mystery - Rosmini states – that, as always, there was in the population “a restless and impious part, since it was torn by its vices, “: “the so-called philosophers without logic of the VIIIth century, were the captains, who availing of the real need for progress that the civil society wished to have, started to encourage it [...] with the promise to induce to the coveted progress the society could not create, nor give external form, neither running outside. The society trusted the first captains that were offering themselves. Woe! They were sophists, and wicked. Thus the cause of progress bound horribly wrapped in the popular atheist, anarchistic passions; a thousand ideas merged, bumped, chaos

arose and from minds unfortunately passed into the reality of life “(Philosophy of Law, 2, nn . 2091-2089, p. 740-741).

Anti-perfectist, because of what he calls the “infirmities of men,” Rosmini affirmed in Philosophy of politics, that the arrows pointed against critical perfectism are not to be intended to deny the perfectibility of man and society: “man is continuously perfectable as long as he dwells in this life, he is a truly valuable, it is a dogma of Christianity.” The anti-perfectism of Rosmini thus implies a greater commitment. And to that aim, he focused his attention on what he called a “long, public, open discussion,” since it is from this friendly hostility that men can bring out the best of themselves and eliminate the errors of their projects and ideas. In this regard, Rosmini stated: “Individuals who compose a populations are not to be understood, if they do not talk much to each other and they do not communicate for long all the time about their individual feelings, if they do not conflict together with energy; if errors do not come out of minds and manifest fully, fought in all their forms, if imperfect ideas of the individual do not receive perfection from the clash with the ideas of all; [...] if finally by reasoning they don’t become convinced that with lot of things you should already agree without knowing, and the expressions, the varying forms, do not change the last thought, since is the same “(Philosophy of law, 2, n. 2105, p. 746-747).

Also on the basis of his anti-perfectism, Rosmini adressed - in the name of a philosophy that scrutinizes the reality of social life - the abstraction of those naïve and bold rationalists who would deny the history and maybe delete, under the sign of an omnipotent state, the so called “intermediate bodies”, such as family or institutions - which are also the outcome of the historical development - such as property. Family and property are, for Rosmini, the two fundamental laws of civil society. And it is clear to him that constitutions and institutions are developed first as a behaviour - perhaps unconscious - and only later are declared explicitly laws. The season in which legislators appear is the season “already splendid of “social policies “.” In chapter IV of the first book of the Philosophy of Politics: “before this illustrious season, there would be another dark and without glory; but it is that one in fact, did what legislators in the aftermath said, it showed in act what it had to be done, and that was then converted into law: and this is that very first season of the social origins: not the legislators’, but that of’ funders, the one in which

the rule we announced appears not as a theory in the minds of those who speculate, but appears as an inescapable necessity before the feet of those who work and put the foundations of human society, the first foundations of political society. “

5. The human person is for Rosmini the human subsisting right And it is precisely in the name of the person that Rosmini defends the religious freedom: “The use of external strenght to compel others to a religious belief, though true, is an absurd logical and an obvious lesson of right” (Philosophy of Right, no. 186, p. 225). And always in the name of the person - freedom, dignity and responsibility of every man and every woman - he fought against the intrusion of the State, i.e. the statism, in citizens’ lives: “being men considered only for what they are useful to the State, and nothing for themselves, they are lowered to the condition of things and deprived of the nature of private people. Under such a point of view a flock of sheep can be worth more than a bunch of men [...]. Man is not only a citizen: before being a citizen, he is a man, and this is his indefeasible title of novelty, this makes him greater than all the material things constituting the universe “(Philosophy of Politics, cit., p. 495).

Freedom, dignity and nobility of the person are literally trampled upon, among other things, by the claim of the State to establish itself as a master and to eliminate, as a result, the freedom of teaching. It is indeed against such a conception of freedom, that in his essay on the freedom of teaching he states: ‘The fathers have by nature and not by civil law the right to choose teachers and educators for their children just among those people they trust more. This general law contains the following special rights:

1. that to make the children educated at home or outside, in official or unofficial schools, state or non-state, as they best estimate for the good of their children.
2. that to pay properly those people they believe to get greater probity, science and fitness

3. that to associate with other fathers, establishing schools together where to send their children. “(The freedom of teaching, in Writings of method and pedagogy, vol. 2, chap. 6, p. 92).

In line with his awareness on the implicit consequences in the State monopoly of education, Rosmini thought the same about the damage of that we now call welfare state: “The charity of the government is full of the most serious difficulties, and can become, rather than an



advantage, a serious damage, not only to the nation, but to the same poor class that claims for the benefit; in that case, instead of charity, it turns into cruelty. It is often cruelty since it dries the sources of private charity, and citizens may happen to refuse the poor as they think or believe they are catered for by the government, who are actually not, and could not be fully “(Political writings, cure by U. Muratore, Rosminiane editions, Stresa 1997, p. 306)

It is on the basis of the idea of the person and the Christian message that in the political sector Rosmini proposed to restrict - against the “statolatrical” theory of Hegel and those who refer to him - the powers of the State. They, like “the French doctrinaires,” by destroying religion and morality, which are the natural moderators of the civil power, leave the peoples to the mercy of the rulers’ abuse. The Church, wrote Rosmini, is the only remedy against the tyranny of the State. And if the Church is necessary to safeguard the person from the biggest omnivorous State, then the renewal of politics passes through a religious renewal.

6. Hence derives the high interest of Rosmini to remedy to those he considered the biggest evils of the then Church, evils that in *The Five Wounds of the Church* (1848) he identified in the division of Christian people from the clergy, the insufficient education of the clergy, the lack of unity among bishops, the interference of the

secular power in the appointment of bishops, in the absence of a statement in the administration of public goods. The person, then, is the value on which Rosmini turned his thoughts on his considerations of the philosophy of law and the political philosophy. But the recognition of the person as a value is added to a wider recognition that man has different levels of metaphysical being. In other words, against moral subjectivism, Rosmini claimed for a moral objectivism in which the must be finds its criterion in the being. The beings are known in their hierarchy (God, the human person, etc..), and the morality consists of respecting the hierarchy established by God, where some beings are the end and others are the means. In this hierarchy, God is the supreme end, man comes after God, and then are the other beings. Therefore you know the good of a thing when you know its being and its order in the hierarchy of beings. Here comes the Rosminian principle of morality: “will, or love the being everywhere you meet and know, in that order it shows to your intelligence. [...] If I loved things more than people, I would hate the being [...] and would give things a part of things they don’t have, putting them before and over people. “ Respect the being in its order, don’t exchange the order with the means and viceversa; here, therefore, is the principle of morality for Rosmini. As for the Scholastics, the same for Rosmini: *ens et bonum convertuntur*, the good is “not but the being”.

