

The 'Logic of the Gift':

Can it find a place within normal economic activity?

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Caritas in Veritate explicitly promotes 'free-giving' but this means more than the Church continuing to exhort personal generosity. The Encyclical talks of the 'logic of the gift' and that entails more than encouraging individuals to cultivate the personal virtue of being generous givers. A 'logic' of action (minimally) involves three elements: firstly, people who are deemed capable of acting in the way specified; secondly, social structures that foster this kind of action; and, thirdly, results for the social order congruent with these types of action. In modernity, the 'logic' of neo-liberalism holds that individuals consistently pursue their self-interest, that social institutions are founded on and induce competition, with the result being 'the greatest good of the greatest number' in the social order. In advancing a different 'logic of action', it follows that *Caritas in Veritate* cannot simply be read as a contribution to 'virtue ethics' because it engages with the social at a more macro-level and begins to articulate a distinctive conception of the social order based upon the Common Good

Because this vision is new it challenges all readers of the Encyclical. Its connections are often implicit, its conceptualization remains unfinished business but its agenda is ambitious – no less than the creation of a 'civilization of love' #33. In what follows I can only offer my own interpretative understanding. This is based on unpacking the following statement in the light of other parts of the Encyclical and recent contributions to Social Teaching. Paragraph 36 states that:

'the principle of gratuitousness and the logic of the gift as an expression of fraternity must find their place within normal economic activity'

The three aspects of a 'logic of action' introduced above will be used as a framework within which to tease out what the 'logic of the gift' implies with regard to each:-

- (1) What is entailed by deeming that people have the capacity to act according to 'the principle of gratuitousness'?
- (2) What needs to be the case for social institutions to foster the 'expression of fraternity' within the social order?
- (3) What are the obstacles to 'free-giving' finding its 'place within normal economic activity' and can they be overcome?

In trying to answer these questions it will be maintained that on all three points, the 'logic of the gift' stands opposed to the 'logic of competition', just as the Common Good is at variance with the Total Good of Utilitarianism¹ and Liberal socio-economic philosophy, and just as the social order of late modernity is what the nascent vision seeks to supersede.

(1) Acting according to 'the principle of gratuitousness'

In late modernity both the life sciences and the social sciences have given short shrift to the human capacity for 'free giving': in biology the 'selfish gene' has been more prominent; in socio-biology altruism has been reduced to conferring evolutionary advantage on 'inclusive kin'; but it is economics and sociology that have contributed most to an *individualist* conception of the human person in society. These are not simply academic models², but have practical impacts on public thinking: on economic and fiscal policy, on social welfare, on legal entitlements, on definitions of the family, terms of employment, the powers of local authorities and so forth. They also have popular impact because academic thought migrates into the everyday thinking of ordinary people. Obviously, members of society have the capacity to think and act *individualistically* – we have only too much evidence of it – but the exercise of this tendency can be socially accentuated or attenuated. What *Caritas in Veritate* upholds is that we have other capacities, and not idealised ones because they are both exercised and valued by people in late modernity, despite not being encouraged by it.

Importantly, there is our human capacity to act as *relational beings rather than individualists*. As is affirmed in *Spe Salve*, our social constitution is that of *relational subjects*: 'Life in its true sense ... is a relationship' # 27. It is this 'relational conception' that can incorporate 'gratuitousness' *without* it being predicated upon heroic acts of self-sacrifice. It is our *relationality* that is opposed to any notion of self-sufficient individualism and the 'models of man' that embody it. The most generic of these will briefly be examined below before turning to the Church's contrary 'model' of *Homo Relatus* (the Relational Subject) and our real capacity for 'free giving'.

Today, the dominant model of the human being is *Homo economicus*, the model most explicit in mainstream economics and Rational Choice Theory, who contributes nothing to the 'common good', unless by accident, and is unmoved by 'his' social *relations*.³ This atomistic individual is devoted to and never diverted from the pursuit of his own 'preference schedule'. 'His' preferences themselves are not necessarily either selfish or mercenary but, nevertheless, their attainment leaves him better-off in his own preferred terms. 'Economic

¹ Stefano Zamagi, uses the following metaphor to differentiate between the Total Good and the Common Good: 'The total of an addition remains positive even if some of its entries cancel one another out. Indeed, if the objective is the maximization of the total good, it may be convenient to nullify the good (or welfare) of some, if the gains of others more than offset the losses of the former. In a multiplication, this is clearly not possible because even if only one entry is zero, so is the result of the product.' In his 'The proximate and remote causes of a crisis foretold: A view from Catholic Social Thought', in José T. Raga and Mary Ann Glendon (eds.), *Crisis in the Global Economy: Re-Planning the Journey*, Vatican City, 2011., pp. 322-3.

² Their use in mainstream economics and econometrics has been far from innocent. See Tony Lawson, *Economics and Reality*, Routledge, London, 1997.

³ Margaret S. Archer, 2000, 'Home economicus, homo sociologicus and homo sentiens', in M. S. Archer and Jonathan Q. Tritter, *Rational Choice Theory: Resisting Colonization*, London Routledge.

man' is thus someone whose human constitution owes nothing to society, sustains no social bonds and is thus a self-sufficient 'outsider' who simply operates in a social environment. *Homo economicus* is a model which has stripped down the human being until he or she has one property alone, that of instrumental rationality, namely the capacity to maximise his preferences and so to maximise his or her utility.

Far from being confined to economic behaviour, this model has been extended to account for why we have children, visit our aged parents, belong to one religious denomination rather than another, and how we select our spouses.⁴ It is a model of 'man' who contributes nothing to social solidarity and is also puzzled by it. If all were like him, there would be no voluntary collective behaviour leading to the creation of public goods (such as litter free public spaces) let alone the large network of voluntary associations. Neither would there be any collective acts of solidarity and free-giving (the normal response to humanitarian crises and natural disasters). These *human* actions and responses are beyond the repertoire of *homo economicus*.

Homo economicus is an impoverished notion of the human being, which cannot cope with our capacity to transcend instrumental rationality and to devote ourselves to concerns that are not a means to anything beyond them, but are *commitments that are constitutive of who we are* - be they our children, Church, career, community or cause. These *relations* are the basis of our personal identities⁵ and none of them can be reduced to instrumental means-ends relationships, assumed to leave us 'better off' relative to some notion of future 'utility'. Significantly, it makes no sense to ask why we give presents to those we care about.

Homo sociologicus (better known as Organization Man) originated from Hobbes' social contract theory. This model comes into play when people have to recognize their interdependence with others and the need to co-operate, rather than engaging in self-defeating antagonism. It entails assuming a role – whether that of employee or a claimant of benefits – and all roles have norms and normative expectations associated with them. These norms govern not only, for example, hours of work, but also entail detailed expectations about appropriate behaviour on the job. Role occupants are assumed to live up to these expectations because of the sanctions related to role-breaking, again harking back to the Hobbesian notion that co-ordinated action has to be regulated and orchestrated from above, if it is not to collapse into aggression over conflicting individual interests. Occupants of roles do not even have to subscribe to the normative expectations involved, so long as they obediently fulfil the role requirements.

In his obedience to the formal requirements of role definitions (i.e. the strict delimitation of where responsibilities begin and end) *homo sociologicus* models a 'man' who is hostile to genuine co-operation. One of the main problems of this view is that the more an institution succeeds in turning its personnel into 'Organization Men' the more they become subservient 'dopes', without the initiative to act when the small-print runs out. De-humanization accompanies organizational ineptitude, especially when unforeseen contingencies arise – which in a classroom, for instance, is nearly all the time.⁶

The rejection of *homo sociologicus* is implicit in the Church's advocacy of the principle of Subsidiarity.⁷ Subsidiarity rejects the 'top-down' regulation of all co-operative

⁴ Gary Becker, 1996, *Accounting for Tastes*, Harvard University Press, Cambridge, Mass.,

⁵ Margaret S. Archer, 'Persons and Ultimate Concerns: Who We Are is What We Care About', 2006, in E. Malinvaud and M. A. Glendon, *Conceptualization of the Person in Social Sciences*, Proceedings of the Eleventh Plenary Session of the Pontifical Academy of Social Sciences, Vatican City.

⁶ In Britain, towards the end of May 2010, a boy died of asthma in a school corridor having been sent to stand there when he experienced breathing difficulties. Seven members of staff were placed under investigation.

⁷ See Russell Hittinger, 'The Coherence of the Four Basic Principles of Catholic Social Doctrine – An Interpretation', in Margaret S. Archer and Pierpaolo Donati (eds.), 2008, *Pursuing the Common Good: How*

human activities. Hence, the best-known aspect of this teaching – that a ‘higher’ agency should not usurp control of activities that can be performed by a ‘lower’ one. In other words, the State should not strip the family of functions that families can perform better than bureaucracies; rather, it should assist them (by the *subsidiium*) in carrying out their duties. This is the negative side of the principle of *subsidiarity*. However, the positive side is even more important, because without it there would be nothing in whose name to resist centralized state intervention. In the Church’s conception, human beings are ‘gifted servants’. They are people with gifts or talents (*munera*), willing to serve others in need, from fellowship with them. In this, they should be encouraged by ‘higher’ authorities rather than being regulated or incorporated into State apparatuses. At the level of individual free-giving, it is salutary to note that when blood donors were financially rewarded in the U.S., both the numbers of donors and the quality of the blood given declined.

Homo Inconstantus is the newest version of individualism and repays brief attention because those advancing it have explicitly given up on the macro-social order being amenable to collective guidance. Late Modernity is characterised as the ‘runaway society’, the ‘juggernaut’ out of control, a cluster of globally dangerous and uncontrolled ‘side effects’. Corresponding to this is a “categorical shift” in the relation between the individual and society.⁸ The notion of *Risk Society* emphasised the contemporary *disintegration* of entrenched structures from which people had been ‘liberated’ and, in consequence, were propelled towards ‘individualization’.

With globalization, the argument goes, people were increasingly freed from the traditional restraints of ‘common values’ and the burden of conformity was replaced by the imperative to design a ‘self-culture’ and express it in ‘a life of one’s own.’ The frail unity of shared life experiences which had lasted until the 1950s shattered. Thereafter, individuals became ‘disembedded’ from the old ties of kinship, neighbourhood, regional culture and geographical location. Gone were the old industrial ‘zombie categories’, such as social classes or housewives, which encouraged their members to coalesce in solidarity.⁹ Not only are individuals *compelled* to develop elective ‘do-it-yourself biographies’ (that can be continually revised) but they are also charged with regularly updating their own self-determined choreography of life. In a nutshell, ‘individualization is becoming *the social structure of second modern society itself*.’¹⁰

One common denominator of the three ‘models of man’ briefly reviewed is that all are foreigners to the notion of the *dignity* of every human being, the basis of CST. No such claim has ever been made for *homo economicus*, since where is the dignity in systematically following one’s self interest (preference schedule)? To David Hume,¹¹ our ‘passions’ are given and rule, reason held to be incapable of deeming their objectives to be unworthy. Thus, the most that this ‘being’ could be accorded is practical worth on utilitarian grounds.¹² *Homo sociologicus* has no greater claim to dignity. If ‘he’ occupies his role competently, in accordance with the rule book, ‘he’ too may have practical worth – as a functionary. Moral

Solidarity and Subsidiarity can work together, Proceedings of the 14th Plenary Session of the Pontifical Academy of Sciences, Vatican City Press.

⁸ Ulrich Beck, 1992 [1986] *Risk Society: Towards a New Modernity*, London, Sage, p. 127.

⁹ Ulrich Beck and Elizabeth Beck-Gernsheim, *Individualization*, Sage, London, 2002, p. 31.

¹⁰ Authors’ ‘Preface’, *Individualization*, *Ibid.*, p. xxii.

¹¹ ‘Reason alone can never be a motive to any action of the will.... reason is and ought only to be the slave of the passions and can never pretend to any other office than to serve and obey them’, David Hume, *Treatise on Human Nature*, Oxford University Press, [1740], 1978, Book II, Part III, Section 3.

¹² Importantly, Adam Smith held that instrumental rationality had to be supplemented by moral sentiments of empathetic benevolence before this ‘being’ could be regarded as fully human. Adam Smith, 1984 [1759], *The Theory of Moral Sentiments*, Indianapolis, Liberty Fund.

worth cannot be assigned to someone whose only claim is 'to be doing his job' or 'following orders', as is now explicitly rejected in law as a defence for actions such as war crimes: some jobs just should not be done. The 'serially re-invented man' of late modernity has forfeited in advance any possibility of laying claim to human dignity since he lacks the necessary continuity (as a self rather than an organism) even to lodge it.

There is another equally important common denominator of these three models that has predisposed Social Teaching to endorse a different strand of thought, stretching from Aristotle to Aquinas, which conceptualizes human beings in *relational* rather than *individualistic* terms and has wider reaching implications than interpersonal 'good neighbourliness'. Martin Buber made an important distinction between *Ich-Es* ('I-It') relationships and their opposite, '*Ich-Du*' ('I-You') relations.¹³ It can be said that if the Church has never condoned the treatment of human relations in terms of 'I – It') and has approved the 'I – You' form, she now seeks to exceed both in beginning to explore and endorse relationality as the source of the We and of 'We-ness'. The '*Ich-Es*' concept of the relation is intrinsic to the individualism of the three 'models of man' examined above. Individualism necessarily objectifies the other. In the '*Ich-Es*' relationship an individual relates to the world in terms of itself, with the other(s) serving as means to furthering the self's interests.¹⁴ This involves the objectification of both people and things, as objects to be used in subordination to the individual's aims. It is evident in the single minded pursuit by *homo economicus*' of his preference schedule with the aim of increasing his own 'utility'; in *homo sociologicus* whom behaves dutifully by treating others according to the rule book but has no duty to treat them (subordinates, clients, cases or customers) as anything beyond occupants of other roles; and in *homo inconstantus* whose epheral desires prompt how anyone or anything is treated according to 'his' serial reinventions of 'himself'. In all of these, the place of 'free-giving' is usurped by that of 'self-serving'.

In the 'I-You' relation, the two meet one another as persons, with the *Du* regarded as a 'Thou', encountered with gratitude and deserving respect and consideration. It should be clear that this kind of relationship is precluded by the individualism of the three models above. Moreover, Buber himself held that the materialism of modernity promoted objectification and was progressively reducing 'I – You' relationships between human beings. Free-giving is integral to the *Ich-Du* relationship, as the due response to the other's needs and the recognition of the other as a person. Not only are such relationships seen as threatened (one sign of this being the commercialization and depersonalization of the gift itself) but also the acts of empathy required are hard to stretch beyond interpersonal encounters, to all those global unknown others with whom we are increasingly connected.

Caritas in Veritate calls for 'a deeper critical evaluation of the category of relation' #53. This is not only because of its negativity towards the above models, but

¹³ Buber, Martin, *Ich und Du*, Schocken Verlag, Berlin, 1923 [first translated into English in 1937].

¹⁴ In fact, in an *Ich-Es* relationship the beings involved do not actually meet as people. Instead, the "I" confronts an idea, or concept, of the being in its presence and treats that being as an object. All such objects are considered to be merely mental representations, created and sustained by the individual mind. This is based partly on Kant's theory of phenomena, because these 'objects' reside in the agent's mind, existing only as thoughts. Therefore, the *Ich-Es* relationship is in fact a relationship with oneself and it is not a dialogue or an exchange with the other.

is consistent with the fact that the *summum bonum* of CST is the Common Good as *the supreme relational good*. The Common Good is generated from social relationships, emerges from them and is not an aggregate of individual contributions (neither a good orchestra nor football team are reducible to the sum of talented players). These are relational goods and as such are indivisible, intangible and activity-dependent. No-one can take away their share of the orchestra, they simply depart. When a pop group disbands, members divide up their material goods but relational goods cease to be produced because the relationships generating them ceases with the group, whatever individual members go on to do. In short, relational goods cannot be parcelled out amongst those who together produced them when the motor (their togetherness) has been cut.

Relational goods cannot be bought (or earned) on the market; their existence depends upon actions and commitments to which a cash value cannot be attached, making them unlike the exchange of equivalents. Neither can they be legislated into existence because commitment and concern cannot be coerced (players of all kinds can be encouraged to play their best, but good play defies bureaucratic regulation). Since relational goods are objective, they are also not open to serial redefinition according to someone's entirely subjective and kaleidoscopic view-point. In short, this is where free-giving comes into play. And free-giving involves persons minting their own currencies appropriate to fostering their relationship(s).

The next few paragraphs should be read as an attempt to flesh out a 'deeper critical evaluation of the category of the relation' and its inherent connection with 'the principle of gratuitousness'. The account I will offer is a Realist one based upon the notion of relational emergence: relational goods are irreducible to the contributions of individual actors, but yet have the causal powers to act back upon them and to influence the social order beyond them.

These are goods generated from the *relations between* subjects, ones that remain continuously activity-dependent and concept-dependent upon those involved but cannot be reduced to individual terms because ontologically they have an objective existence. Significantly, reductionist philosophers of social science have often treated our relations as individual predicates,¹⁵ which is a contradiction in terms because one property of a relational good is that it cannot be divided and parcelled out among its generators. When a couple separates or divorces, the parties can and usually do divide up their worldly goods – including their children – but ontologically their relational goods cease to exist with the separation of the two people responsible for generating them.

Relational goods have causal properties and powers that *internally* influence their own makers (this is one way through which their reality is established). They are also known – under their own descriptions – by the parties involved. That is, by those diachronically responsible for their emergence and synchronically for their reproduction, elaboration or destruction. The fact that they can only be known under subjects' own descriptions certainly implies that relational subjects can be wrong about their relationships, as about anything

¹⁵ To J.W.N. Watkins, acceptable individual predicates can include 'statements of about the dispositions, beliefs, resources and *interrelations of individuals*'. 'Methodological Individualism and Social Tendencies' in May Brodbeck (ed.), 1971, *Readings in the Philosophy of the Social Sciences*, Macmillan, New York, p. 270-1.

else. Nonetheless, their fallibility does not prevent them from *reflexively orienting* their own actions *towards* relational goods – and relational evils.

The starting premise is that ‘relational goods’ are desirable and desired by all (normal) people to some degree. (Of course, this does not preclude them from also seeking non-relational goods, such as health or wealth, insofar as these can be obtained non-relationally.) Friendship is regarded as the paradigm of ‘relational goods’ and is one that people desire nearly universally. Friendship varies in both degree and definition. Some talk uni-dimensionally about ‘my Bridge friend/partner’ and perhaps share little else together beyond regularly playing this particular card game. Among their other friends may be ones with whom their sharing is more extensive. Yet, regardless of matters of degree, these relationships can prompt the same reflexive thought that ‘I mustn’t let X down’ or that ‘X will enjoy hearing this’, which are what we can call a ‘free-giving’ intentions. Emergent properties such as reciprocity, reliability and consideration have come into play, prompting and guiding the actions of those in relation.

In other words, friendship relations are deontic: creating obligations (to bid at Bridge according to conventions agreed upon by the partners), rights and duties, authorizations and embargos. They are causally influential: friendship can banish or mitigate feelings of loneliness, give the confidence or incentive to do something or go somewhere that a subject would not contemplate undertaking alone – and it can be divisive in prompting jealousy amongst others, for relational evils are closely connected.

One feature that friendship possesses, like all ‘relational goods’ and, indeed, other kinds of goods, is that subjects can and often do orient their actions towards it or in the light of it. Just as someone may reflect ‘If I don’t sell this now, it will be worth a lot more in the future’, so, too, the same person might also consider that ‘I won’t tell her that, it would be hurtful’. It is this latter kind of action that is fundamental to the conception of ‘we-ness’, which must be distinguished from having good manners, being very considerate or possessing what was once known as a ‘kindly disposition’.

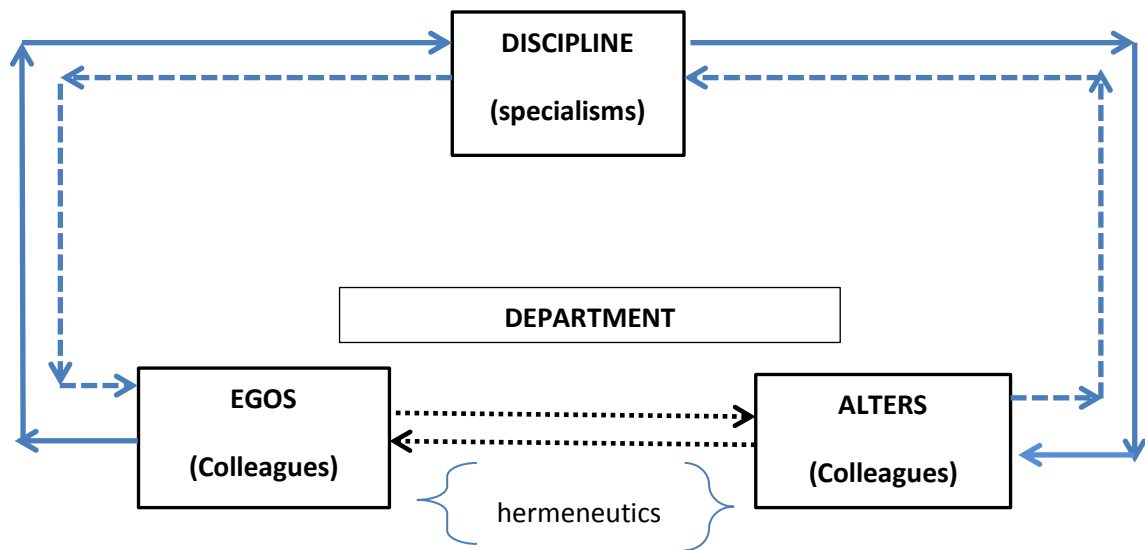
It is this orientation that is the key. At the level of two people in interaction, it transforms the dyad into a triadic relationship. Instead of arguing, negotiating or transacting with one another, their actions are orientated to their relational good and whether or not a particular act would promote or damage it. In this way, they also avoid the problem of trying to proceed (as a dyad) by hermeneutic understanding of one another. This necessarily fails to evade the ‘double hermeneutic’ trap (an infinite regress of ‘I understand that she understands and she understands that he understands) which, in practice can result in joint action based on mis-understanding, that is the co-pursuit of what neither actually wants.

In case that is unduly abstract, here is a real life example. I am currently co-authoring a book with a friend and colleague. Largely because we live in different countries, this proceeds by our first discussing a chapter, allocating sub-sections for each to write and then combining them. This works by free giving in which we are both oriented towards producing the best text we can (our relational good). In turn, that entails abandoning considerations about who has done a bit more, being unconcerned if one of my paragraphs has to go for the sake of continuity or he has to add one for the same reason, and it enables mutual criticism in order to make for a better book. In so far as it becomes such, its *external* effects will be those of our collaborative relationship.

Because that example is confined to the dyad, let’s consider the university department in which many of us work. It is not possible either to understand or explain what our colleagues do (their contributions, reactions, motivations etc.) on an intra-departmental basis by hermeneutically examining every permutation of relations between these Egos and Alters. For many, everything they do in the

department (in terms of teaching, administration and research) is mediated through an intangible relational good, generated by them and countless unknown others – their discipline. To that, many freely give hours to editing, organizing, peer reviewing, anonymously reading manuscripts and so forth. Of course, relational goods can be turned into relational evils (as in the couple relationship) and part of the necessary orientation also entails due protective surveillance to avoid crony-ism and corruption.

Figure 1 The Orientation to Relational Goods



As was maintained at the beginning, relational goods and the free-giving that sustains them both require an institutional context that fosters their creation and maintains action according to ‘the principle of gratuitousness’. What is most problematic for the ‘logic of the gift as an expression of fraternity’ is that the major macroscopic social institutions – the polity and economy – are far from providing the contextual for gratuity by institutionalizing *fraternité*.

(2) Politics, Economics and supporting the ‘expression of faternity’

The political philosophies to dominante in the last two centuries were well captured by the slogan of the French Revolutionaries – *Liberté, Egalité, Fraternité*, with the signal exception that ‘fraternity’ quickly dropped off the agenda and, in Europe, was never re-inserted on it. But, it is *fraternité* which encapsulates the Catholic ‘model’ of what it is to be human in society and the social, economic and political institutions that would realize the ‘common good’ for humankind.

Instead, the subsequent politico-economic history of Western Europe had as its *leitmotif* the opposition between the institutionalization of ‘liberty’ or of ‘equality’,¹⁶ with their nascent political parties lining up accordingly. The hallmarks of Liberalism were the free-Market and non-interventionist State, whose lineaments were still prominent in parties of the right throughout the twentieth century. Those of egalitarianism, as represented by the old Labour Parties, were their opposite – in advocating State intervention in the interest of re-distributive justice. Politics were thought of and conducted in dichotomous terms, represented by ‘right’ versus ‘left’, with precious little in the middle or at a tangent to this continuum. What never featured on the scene was a ‘politics of fraternity’ – *fraternité* had been lost and remained squeezed out between the representatives of the two sides of institutionalized and (relatively) peaceful class struggle. Instead, European politics oscillated between the ‘lib’ and the ‘lab’¹⁷ and their recent and increasingly indistinguishable ‘centrist’ parties never cut their roots with individualism.

‘Lib’ politics continued to give unabashed support to neo-liberal economics, going beyond the taming of the Trades Unions to endorsing the growth of multi-national corporations and positively promoting finance capitalism,¹⁸ besides de-regulating foreign exchange dealing by the banks. Moreover, the market model was also upheld as without equal for delivering efficiency in such crucial institutions as education, health care, and the social services. But efficiency is not value free; it depends in ‘lib’ thinking according to the ‘logic of competition’, which is hostile to the second component of Catholic Social Doctrine, namely ‘solidarity’. This hostility results from the foundational concept of the human being on which neo-liberalism is grounded: we are customers or clients out for the best deal and are thus in competition with other parents or sick people for a school place or a hospital bed. There is no solidarity between us because we are presumed to be – or encouraged and induced to act as – *homo economicus*.

‘Lab’ politics continued to rely upon State intervention, increasingly under the guise of its ‘more acceptable face’, namely bureaucratic regulation. In a pre-recession ‘affluent society’, excellence for all became the new clarion call and ‘stakeholders’ and ‘shareholders’ the new version of citizens. Yet, ‘excellence’ was not a value free term because it was defined by the government’s own ‘performance indicators’. To meet these was to transform many members of the traditional professions into *homo sociologicus*. Progressive commodification and financialization affected every public service and entailed attaching a monetary price to each public ‘good’. It constituted a dramatic and deliberate control of services previously operating at least quasi-independently of the state (from care of the aged, to apprenticeship training, independent schooling, counselling, to child minding). Yet,

¹⁶ Liberty and equality were immediately found impossible to reconcile in practice. In the context of education see M. J. A. de Condorcet, 1792, *Sur l’instruction publique*, Paris.

¹⁷ Pierpaolo Donati, *Introduzione alla sociologia relazionale*, FrancoAngeli, Milan, 1983, (6th edition 2002) and *Teoria relazionale della società*, FrancoAngeli, Milan, 1991.

¹⁸ Witness David Cameron seeking EU support (2010) to defend London as a finance capital.

monetary payment was never and is not the sole currency invariably employed by all people.¹⁹

Obviously, the financial costs soared, fuelling the need to create more jobs in the public sector, to inflate administrative and supervisory posts, and to increase an incomprehensible plethora of benefits and state welfare allowances. In terms of the guiding competitive 'logic', this was no bad thing. It stimulated overall demand, in part by creating jobs that, in turn, furnished greater spending power. The snag was that this required ever greater amounts of government spending. In consequence, governments became more and more reliant on the money-making activities of the banking sector for increasing both private and public spending.

Secondly and simultaneously, intensified consumption was a prerequisite for this formula working and it was individualization that made it work. Although no one doubts the powers of manipulated consumerism, nevertheless, there is nothing *intrinsically* individualistic about consumption. A recent analysis of weekly grocery shopping in Spain²⁰ showed how much reflexive thought and concern went into considering what other family members needed or preferred. Yet such consideration, traditional thriftiness and 'living within ones means' were systematically undermined as people were bombarded – in shops, stations, airports, on the street and by cold calling – to multiply their number of credit cards and to make increasing use of them through short-term interest free incentives to transfer their debts to another. When the financial house of cards collapsed in 2008, it was bitterly significant that journalists immediately labelled this the 'Credit Crunch'.

Five years of economic crisis later and Western economies and polities have articulated no higher aim than restoring 'business as usual'. Public opinion has been diverted into scapegoating, into viewing the crisis in the individualistic terms of bankers' bonuses. The 'Occupy' groups of *indignados* – on Wall Street, Madrid, Geneva and outside St Paul's – have identified the target but not diagnosed the proper source of their indignation. A London 'leader', interviewed by Radio 4, talked of a protest against 'austerity'. In Geneva there are technical seminars in which protesters try to come to grips with the intricacies of sub-prime mortgages, hedge funds, derivatives and other financial 'instruments'. They are right to do so because the prolongation of this econo-political system has a huge ally called TINA ('there is no alternative').

The Church's Social Doctrine represents perhaps the only institutional voice that calls for a civil society and civil economy as the means to promote the Common Good and provide the context in which free-giving can re-engage and play its indispensable role in increasing social solidarity. It is incomplete and imperfectly understood. It has also been politically distorted, notably when *Comunione e Liberazione's* deliberations were crudely hi-jacked and re-packaged into the rhetoric

¹⁹ One illustration is provided in Britain during 2010, when two friends, female police officers with young children, were held to be in breach of the law through their mutual (non-monetary) arrangement to care for one another's children, the two mothers having arranged to work different shifts. The breach consisted in neither being 'registered child minders'. Eventually, the two friends had their appeal upheld, but how many more were deterred from doing likewise by this event?

²⁰ Pablo Garcia-Ruiz and Carlos Rodriguez-Lluesma, 'Reflexive consumers: a relational approach to consumption as a social practice', in Margaret S. Archer (ed.), 2010, *Conversations about Reflexivity*, Abingdon, Routledge.

of the 'Big Society'. Catholic Social Teaching – although far from complete – is the most prominent body of thought that does not approach the social order from the problem of how to link 'the individual and society' through politics and economics, because it does not start from any version of individualism.

The present socio-economic context could not be further from one based upon *fraternité* or less propitious to it. Thus, the injunction that the 'logic of the gift' must find its place 'within normal economic activity' can be and is read in two ways. First, how can 'free-giving' accommodate itself to 'business as usual', to the enduring 'logic of competition' in late modernity, in acknowledgement of TINA? Second, what are the alternative means of expressing the 'logic of the gift' and confronting a macro-institutional context that is hostile to it?

3. The place of free-giving 'within normal economic activity'

Let us consider these two courses of action in the light of what is known about their results. Let us also avoid reduction to the level of the individual because the problem being considered is not *individualistic*. It cannot even be examined in terms of virtue ethics; firstly because good people do not and never have made for a good society and secondly because *personal* goodwill has not evaporated. (People adopt at-a-distance and donate their organs to strangers as well as responding generously to natural disasters in unknown countries). And these are the most *impersonal* expressions of free-giving because they involve donors who relate to the needs of common humanity, yet (mostly) never know the identities of their beneficiaries. But can free-giving (authentic *gratis datum*) find organizational forms of expression that enable it to be more than individual goodwill?

To begin with, there is any array of different organizations and institutions involved in free-giving and a corresponding dynamics of interaction between them. The following list is purely illustrative, is not an exhaustive typology and is probably Eurocentric:

- (i) Political system – re-distribution by the welfare state
- (ii) Economic system – 'freebies', 'loss-leaders', donating facilities for local communities
- (iii) Third Sector – a variety of voluntary organizations and associations
- (iv) Charities – with special legal and fiscal status
- (v) Foundations – various, often philanthropic
- (vi) Families – intergenerational free-giving
- (vii) Social movements – giving free time to the practical realization of public concerns (e.g. ecological, dietary)
- (viii) Volunteer groups – not remunerated

The conundrum is that two consequences of the interaction between them are counter-productive towards the insertion of the 'logic of the gift' into current 'normal economic activity'. These are the 'colonization' of free-giving by market and state that Jürgen Habermas²¹ identified as invasions of the 'lifeworld' by the Leviathans of late

²¹ J. Habermas, *The Theory of Communicative Action*, 1989 [1981], Polity Press, Cambridge.

modernity. The other is a response to it, the intensification of 'counter-institutionalization' by organized associations for free-giving. The two processes work in tandem with the joint effect of diminishing the relationality intrinsic to free-giving, its orientation towards the generation of relational goods and contribution to the Common Good.

'Colonization' by market and state is indisputable. The market turns many activities that have been successfully pioneered by voluntary initiative into business ventures (as in chains of Care Homes), floated on the stock market. This makes them party to the 'logic of competition' and severs their links with free-giving. Similarly, 'green' and 'organic' have been profitably assimilated into marketing strategies. Attempts to create a 'cyber commons' through Peer2Peer exchanges were promptly appropriated by *Wikinomics*²² as a method of harvesting technical solutions *for free* under what was called 'dispersed production'. The trick consists in taking over voluntary innovations (micro-credit, for example) and simply turning them into for-profit. In direct parallel, the state absorbs voluntary initiatives (in schooling, health, or mental care), not only passing on some of the bill to them, at least for start-up costs, but also throttling voluntary free-giving with bureaucratic regulation.²³ It is revealing that Britain has a Minister for Civil Society.

Counter-institutionalization is understandable. It consists in performing the trick the other way round. Charities become charitable enterprises, losing their relational character in the process. This was already presaged several decades ago by the commercialized 'plate dinner', where the self-promotional photo-call displaced free-giving as a motive. More recently, employing commercial fund-raisers.com has become standard (competitive) practice as has media promotion, employment of lobbyists and 'celebrity' representation.

It remains crucial to stress that *homo economicus* and *homo sociologicus* are alien to *homo relatus*, with the practices animating the first pair being antipathetic to the gratuity moving and motivating the latter. This fundamental antinomy cannot be eliminated by attempts to blur the different contexts in which they thrive. It cannot be done by putting 'Corporate Social Responsibility' inside the for-profit enterprise, 'Business Ethics' inside Management Schools and introducing them on the MBA. The point is that multi-nationals remain competitive and Business Schools reflect competition between universities, which are increasingly financialized enterprises whose 'best seller' is the MBA (have a look at the annual fees).

The point never was – and Marx was the first to say so – that capitalism was produced and maintained by 'greedy people', but it is intrinsically competitive. Finance capitalism, most marked in countries with shrinking to invisible 'real economies', no longer benefits (in the West) by exploiting wage-labour but preys, instead, on the housing market and pension funds; it detaches credit from credit-worthiness and takes advantage of ordinary people's desire to protect themselves from all of this by signing them up to sometimes dubious or illegal insurance schemes. Systemically, it cannot be transformed by assuming a 'caring face', but that does not mean that those who try to make it authentic (or even those who don't)

²² Don Tapscott and Anthony Williams, *Wikinomics: how mass collaboration changes everything*, Atlantic Books, 2008.

²³ Trivial but telling, my younger son and his wife had to undergo a 'home inspection' before being allowed to rescue a mature cat with three legs.

are 'bad guys'. What it means is that the individual is the wrong level at which to address the issue.

The same is true for the state. 'Care in the Community', 'Community policing' or 'Community Service' cannot legislate gratuitous into being, especially when the term 'community' decreasingly has a meaningful referent. Tempting as some policy proposals might be, such as tackling the top-heavy demographic structure by making able bodied retirees give so many hours a week of voluntary work in return for their state pensions, would merely introduce coercion, the obverse of free-giving.

In short, since free-giving depends upon an orientation to relational goods, any hybridization with market and state always involves its dilution. From that it follows that the 'logic of the gift' cannot properly be inserted within current 'normal economic activity' of late modernity or into politics and public services which, despite their 'good guys', are more concerned with budgetary balancing and bureaucratic regulation than with realizing the conditions propitious to *fraternité*.

Caritas in Veritate reaches the same conclusion that 'top down solutions' alone, ones that aim to civilize and humanize the two Leviathans, are inadequate because both market and state continue to corrode social solidarity:

'The exclusively binary model of market-plus-state is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up society. The market of gratuitousness does not exist, and attitudes of gratuitousness cannot be established by law'. #39

The first thing that this very decided, radical (and not much quoted) statement does is to encourage us not to equate 'normal economic activity' with current economic activities. Secondly, it invites us to concentrate upon the growing deficit in *social integration*,²⁴ and on building up a civil society resilient to the 'corrosive' influences of market and state. Thirdly, this means working from the 'bottom up', rather than seeking reform from the top down.

The plummeting of *social integration* has innumerable indicators in the developed world (and the competitive logic of multinational capitalism globally augments it): the breakdown of the family; of the neighbourhood community; turf warfare between gangs; the majority of households constituted by those living alone (Britain) or financially constrained to co-habit (Eastern and Southern Europe); huge reductions in inter-generational solidarity; rising proportions of those who have never worked, and the recent flotation of *Facebook* – the resort of the friendless. Moreover, the combination of *low social integration* and *low system integration* is always explosive. Economic crisis in the absence of social solidarity intensifies the fall-out.

The riots in Britain during the summer of 2011 should be read as a warning; a response to low social integration that somewhat parallels the 'Occupy' movements' focus upon on low system integration. The warning has gone unheeded. Government authorities report with growing confidence on the percentage of rioters who had previous legal convictions. (But what is the statistical base-line? What would be the equivalent proportions for, let's say, an equivalent number of those

²⁴ Margaret S. Archer, 'Social Integration, System Integration and Global Governance', in I. Rossi, (ed), *Frontiers of Globalization Research*, Springer, New York, 2007.

travelling on the Underground in the course of a day?). The interpretation of the rioters – significantly from an advocate of *Homo Inconstantus* – as ‘defective consumers’,²⁵ concentrated entirely upon looting activities. Even if one does, it was indicative of low social integration that small local shops were treated in the same way as impersonal retail outlets.

In directing attention to the building up of civil society, is *Caritas in Veritate* being unrealistically utopian? It seems important to recall how crucial ‘bottom up’ social movements were historically in promoting human dignity and its institutional recognition: enfranchisement, working conditions, education, health and welfare. The baton was then passed to civil rights, feminism, anti-racism and gay movements. These are effective, we all owe them a great deal, but as attempts to reform market and state (or both) they did not primarily address the problems arising from the deficit in social solidarity. Is the building up of civil society, as an explicit goal, more promising?

The key difference is that rather than trying to tame the Leviathans, which is the main aim of social movements and a laudable one, CST is drawing upon its principle of ‘subsidiarity’, which buttresses and extends social ‘solidarity’, and is seeking to expand its positive role in building a strong civil society.

Certainly, subsidiary ventures can and should be active in the economy. As a means of production, cooperative enterprises, micro-credit and the cyber-commons enhance sharing and generate relational goods. In terms of consumption, the success of Charity shops and of Free-cycle, show how goods can circulate – and usefully so – on the basis of gratuity. More ambitiously, new agencies in numerous countries such as Brazil are attempting to create financial markets for social enterprise as initiatives in horizontal subsidiarity. Such alternative investment markets envisage a stock exchange for non-profit social enterprises and community interest companies using shares and debt bonds as their financial instruments. In principle, these are not competing as high yield investments; on the contrary they are an opportunity for gratuitousness where the shareholder, unlike the regular contributor to a Charity, retains a say, a vote and a real involvement. (In practice, these are not even the aims of the proposed British Social Stock Exchange, which seeks to sign up for-profit enterprises and overtly has an eye to the pension funds as investors).²⁶

All of the above initiatives promote ‘use value’ over ‘exchange value’, but more significant for social solidarity are those that combat financialization by re-valoring alternative currencies, particularly skills and time. These, on the whole, make a contribution to social integration because of their necessary localism. Time Banks and Food Banks can be sufficiently successful to become regionally or

²⁵ Zygmunt Bauman, *Network*, newsletter of the British Sociological Association, 2011.

²⁶ See the website of the proposed Social Stock Exchange UK: <http://www.socialenterpriselive.com/section/social-investment/money/20111228/uk>, which defines it as for-profit and indicates ‘colonization’ from time of conception: ‘The Big Society Investment Fund was set up by the Big Lottery Fund under the Dormant Accounts Act to make early investments prior to the establishment of Big Society Capital (previously known as the Big Society Bank)’.

nationally organized, but practices have largely to remain localized and thus help to build up social bonds. Valuing and harnessing the skills and resources possessed by most people also serves to mitigate new or looming forms of social divisiveness: between those in-work and out of work and between the active and the retired population. This is not nostalgia for the 'lost community'. In fact, it is promoted by globalization. Schemes pioneered in one country are rapidly adopted in others (the first European Food Bank was Italian, but Britain now has around thirty similar initiatives).

Conclusion

Caritas in Veritate is a salutary but not a pessimistic document. It encourages us in 'weaving networks of charity' #5 and the caring relations created and expressed by groups of unpaid voluntary workers seem likely to remain the best exemplars of gratuitousness. Weaving is slow work and the better the rug, the longer it takes.

Probably, in the immediate future we will have to live with gradualism and even encourage it. Terms and practices such as 'corporate social responsibility' and 'social enterprise' have been placed on the agenda and in so doing for-profit enterprises are aware they will be held to account. The Third, voluntary or social-private sector is growing and diversifying and if it is subject to colonization and regulation, it can then exert some influence from within and respond with further new initiatives from without. Maybe we should look at it as the research and development agency for a future civil society and civil economy, whose interim task is to make the 'logic of the gift' less abnormal within economic activity.

The fundamental normative contradictions between the 'logic of the gift' and the 'logic of competition' will not disappear. There is some evidence that educated young people are dominated by distinct groups, those who 'want to make a difference' and those who have adopted a 'new spirit of social enterprise'.²⁷ This tends to show that the two have engaged with one another. Normatively such engagement can be seen as a challenging process through which TINA is displaced by MIA – 'make it alternative'. The main source for placing hope in this process is that any incremental increases in the Common Good are genuinely beneficial to all – the secularized as well as the faithful – and thus do not depend upon prior normative conversion.

²⁷ The research needs replicating, but see Margaret S. Archer, *The Reflexive Imperative in Late Modernity*, Cambridge University Press, 2012, which is based on longitudinal interviews with students throughout the three years of their first degrees.