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The common good and economics

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

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Bien común y Economía

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

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1. Introduction

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

Indeed, Smith, for example, claims that "[t]he wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society" (1766, p. 235 – VI, iii). For Mill, a fair government must look for citizens’ common good (see Brink, 2014). Luigi Bruni has written extensively on 18th-century Neapolitan philosopher and economist Antonio Genovesi, who revisits the classical tradition of the polis based on phiilia to posit that the market is built on phiilia. For Genovesi, reciprocity, mutual assistance, and fraternity are typical elements of human sociability, while the market is part of civil society and, as such, requires individuals’ love for the common good and public faith to operate properly (see Bruni, 2012, Chapters 8 and 9).

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

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

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

2. The Aristotelian roots of the concept of common good

In Politics I, 1–2, Aristotle presents two strongly metaphysical theses: first, the natural character of the polis and, second, the political nature of the human being – hoti tôn phyei he polis esti kai hoti anthrôpos phyei politikon zoon (Politics I, 2 1253a 2–3). From a metaphysical point of view, it is obvious that, given its substantial nature, the human being takes precedence over the city, which is an association of human beings. Then, how should the following statement by Aristotle be interpreted? Kai proteron dê tê phyei polis hè oikia kai ekastos hêmôn estin – ‘and the polis is prior by nature to the house and to each one of us’ (1253a 19).

Aristotle recognizes the temporal priority of the parts of the polis when he explains how a house stems from the union of a man and a woman, a clan stems from the union of many houses, and a polis stems from a group of clans. However, he adds: telos gar haute ekeinôn, he de physis telos estin – ‘for it [the polis] is the end of the [former] and the nature is the end’ (1252b 31-2). Thus, individuals, houses and clans have the polis as their final end and, in Aristotle’s system, the final end (‘the reason for the sake of which’) is the first cause of every reality.

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

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

Aristotle repeats these ideas in Politics and in his books on ethics – for example: ‘The end [telos] and purpose of a polis is the good life, and the institutions of social life are means to that end. A polis is constituted by the association of families and villages in a perfect and self-sufficing existence; and such an existence, on our definition, consists in a life of true felicity and goodness [tô zên eudaimônos kai kalôs]. It is therefore for the sake of good actions [kalôn pràxeon], and not for the sake of social life that political associations [politikên koinonian] must be considered to exist’ (Politics III, 9, 1280b 29–35 and 1280b 39 – 1281a 4). Thus, ‘the polis
which is morally the best is the polis which is happy and does well [práttousan kalós] (Politics VII, 1, 1323b 30-1).

Consequently, the task of the political community and its related science – Politics – of the political organization and of society’s authorities is to drive and support the good actions that enable all citizens to live this life of true happiness and goodness – i.e., a life of virtues: ‘the political philosopher is the architect of the end that we refer to in calling something bad or good’ (NE VII, 11, 1052b 3–4). Three additional quotes on this topic are worth mentioning:

1 ‘Political science spends most of its pains on making the citizens to be of a certain character, viz. good and capable of noble acts’ (NE I, 9, 1099b 30–31). To have a good character that enables noble acts is to be virtuous.

2 ‘There is one thing clear about the best constitution: it must be a political organization which will enable all sorts of men [e.g., the ‘contemplative’ as well as the ‘practical’] to be at their best and live happily [arista práttōi kai zōe makarios] (Politics VII, 2, 1324a 23–25; quoted also by Nussbaum, 1987, p. 2).

3 ‘The true end which good-lawgivers should keep in view, for any state or stock or society with which they may be concerned, is the enjoyment of partnership in a good life and the felicity [zōe agathēs ... kai ... eudaimonias] thereby attainable’ (Politics VII, 2, 1325a 7–10; quoted also by Nussbaum, 1987, p. 3).

The idea of the common good underlies these notions. Indeed, in Politics III, 6 and 7, Aristotle refers to the ‘common interest’ (koine sympheron), noting, for example, that ‘governments which have a regard for the common interest are constituted in accordance with strict principles of justice [general or legal]’ (1279a 17–18). As a result, Keys (2006, p. 3) calls him ‘the founder of “common good-centered political theory”. In a nutshell, Aristotle views the common good (or end) as eudaimonia for all citizens, who are political animals and, thus, only achievable within the polis; for him, the common good is the end of a just polis.

3. Aquinas’ developments

According to Elders (1996, p. 47), the term ‘bonum commune’ appears 370 times in Aquinas’ works, and it is used to refer to God, Christ, the perfection and order of created things and, finally, the end of human communities (or the political common good). Aquinas follows Aristotle in this topic (and many others), firmly believing that the good of individuals cannot be opposed to the common good. The latter ‘comprises and unites the personal goods of the individual members of the community’ (Elders, 1996, p. 49). Elders explains (1996, pp. 50-51),

‘In a just society there is no opposition between the good of the whole and that of the individual members: by promoting one’s own well-being within the framework of the society, one promotes the common good. On the other hand, by working for the common good, one serves best one’s own authentic interests. One cannot act against the common good without at the same time causing damage to one’s own well-being. According to St. Thomas, the citizens are de facto promoting the common good when they devote themselves to their own affairs while obeying the laws, provided the government is capable and the laws are just.’

Indeed, also following Aristotle, Aquinas thinks that the object of general or legal justice – itself a virtue – is the disposition of all human actions toward the common good (Summa Theologiae, 1-Aa 37 – II-IIae q.58, a.5c). The common good is not plural (common or public goods): what defines the common good is not a quantitative matter but individuals’ true good. Which laws is Aquinas speaking about? He refers to just laws, which can be positive laws, albeit rectified by a natural law that points to the true good of individuals. The common good is not such because it is common, but because it is good. The introduction of natural law to Aquinas’ common good theory provides a differentiating element that reinforces the human being’s relational condition and the role of the common good in ethics and politics (see Keys, 2006, Chapter 5). According to Aquinas, natural law is linked to ‘a natural inclination’ toward virtue, a notion also incorporated by him. In his Commentary on Aristotle’s Politics (In Pol), he notes:

‘the human being is the best of the animals if virtue, to which he has a natural inclination, is perfected in him. But if he is without law and justice, the human being is the worst of all the animals [...] But human beings are brought back to justice by means of political order [...] Hence it is evident that the one who founded the city kept human beings from being most evil and brought them to a state of excellence in accordance with justice and the virtues’ (I, 1, n. 41).

In other words, humans need a political order to be just and virtuous, thus following their natural inclination toward virtue and, as a result, toward happiness. In Aristotelian terms, law (and education) helps individuals to be virtuous, as they need to overcome their akrasia (incontinence). For Aristotle and Aquinas, ‘natural’ does not mean spontaneous in the human realm. The natural human order is not a deed but a task performed by following human beings’ natural inclinations (toward community and virtue). Yet, this must be reinforced by a normative and ethical order.

Drawing away from Aristotle, Aquinas believes that the political common good is not the highest common good, which is God – the final common good. This does not imply that some particular human actions do not affect the political common good. For Aquinas, even the most private human actions have a communal aspect and can be geared (or not) toward the political common good. As Martínez Barrera (1992, p. 159) asserts, ‘given that every action is unavoidably “ad alterum”, it is politically relevant, because politics is the natural fulfillment of people’s actions’. What is then the political common good for Aquinas? As Martínez Barrera (1994, p. 263) also explains,

‘the issue of common good is that, of the good that all men look for in cooperating in the perfect community, the political common good also reveals itself as the constitution, preservation and improvement of a dynamic order

1 Square brackets have been added in the original by Barker. If not specified, other square brackets are mine.
of inter-subjective relations regulated by justice, for the sake of a superior good from which justice itself draws its goodness’.

This is for Aquinas the main role of politics. Clearly, at this point, it has surely become apparent that both Aristotle and (especially) Aquinas view the common good as rooted in the legitimacy of a theory of the good. Though ontologically grounded, the common good is for them a moral category. The content of this theory of the good will be discussed at length in the fifth section. This point is clearer in Aquinas than in Aristotle – so much so that Mary Keys thinks that Aquinas interrupts his Commentary on Aristotle’s Politics in book III because the rest of the book undermines the universality of his theory of the good in order to adapt it to different political regimes. She asserts (2006, pp. 65–66):

‘the discourse of the Politics descends quickly from the light of abstract, universal ends into the cave of regime particularities […] Aquinas at this point partners company with his Stagirite mentor and reverses course, bringing the argument back around to Aristotle’s political foundations in nature, justice or right, and virtue in an effort to deepen and reinforce them’.

Section 5 will also use Aristotelian grounds to argue for a theory of the good.

4. The common good in the 20th century

The classical theory of the common good was revisited in the 20th century, mainly by Catholic thinkers, and was adopted by the Catholic Church’s Social Teaching. This doctrine renaissance included a debate about the relation between particular goods and the common good to determine which one takes precedence over the other, especially according to Aquinas.²

For Aristotle, there is no opposition between these goods: true personal good is a common good. As already noted, for him, ontologically speaking, the individual person takes priority; however, concerning the individual’s end, given that he/she is a political being by nature, his/her end is a common end, specified in each person in a particular way through practical reason. The political common good is, then, a justice-centered coordination of individual actions and society’s institutions – good for both society and every citizen. Indeed, far from being opposite, common and particular (true) goods are complementary or correlative. The fact that the specific content of the common good is determined by practical reason does not mean a sort of relativism, because practical reason is able to discover also some universal requirements of the common good.

For Aquinas, this coincidence between common and particular good might be not without tensions and, in this sense, the common good has priority over the particular good. He asserts (ST I-II q. 19, a. 10):

‘Something may happen to be good under a particular aspect, which is not good under a universal aspect, or vice versa, as stated above [in the execution of a robber the judge looks for the common good, while the wife of the robber is against the execution as a particular good]. Hence it happens that a certain will is good in willing something considered under a particular aspect, which nevertheless God does not will under a universal aspect, and vice-versa’.³

In several passages, Aquinas affirms that the aim of the political society or the laws is to foster the common good (see ST I-II, q. 19, a. 10; q. 92, a. 1, In Pol I, 1, n. 11; In Ethic I, 2, n. 30). Sometimes the common good goes against our particular good; in these cases, we should understand the convenience of pursuing the common good surpassing our interests or affections.⁴

Aristotle criticized two alternative theories of society and the common good. In Politics III, 3, he asserts that a city is more than its place, using Babylon to illustrate his point, as this city ‘had been taken for three days before some part of the inhabitants became aware of the fact’ (1276a 29–30). This case evokes the ethos of modern liberal theories. For Aristotle, the polis is not only a mere plurality of individuals (see, e.g., II, 2, 1261a 23).

He also considers the antecedents of current totalitarianisms, where the individual good does not exist and only the ‘common good’ does. In fact, in this version, the common good becomes a generalized private good. As Aristotle notes,

‘the nature of a polis is to be a plurality, and in tending to greater unity, from being a polis, it becomes a family, and from being a family, an individual […] So that we ought not to attain this greatest unity even if we could, for it would be the destruction of the polis’ (1261a 18–23).

Let us take a quick glance at these two alternative views of the common good.

John Rawls has developed a theory of a ‘thick common good’ but, while it tackles the common good, this theory has serious problems. For Rawls, his theory of a well-ordered society, based on his famous two principles of justice, will make it possible for all to look for their individual conceptions of the good. Yet, his view of rationality, reducing it to instrumental rationality and neglecting the content of people’s desires or preferences based on reason, prevents a shared view of the good by definition (see 1971, Chapter VII). Rawls’ theory is procedural: the ‘right’ is universal, while the ‘good’ is individual. The role of the state is instrumental: it has to guarantee this combination of right and good by

² An original controversy took place between de Koninck (1943, 1945) – who sustains the primacy of the common good – and Eschmann (1942, 1945) and Maritain (1947). Lachance (1939) had held de Koninck’s position before and Simon (1944) entered later into the discussion. I do not want to delve into the details of this debate nor into the related differences on this respect between other later scholars’ positions like Russell Hittinger, Robert P. George, Alasdair Maclntyre, Lawrence Dewan, and John Finnis and GermainGrisez. For reviews and appraisals of the original controversy, see for example Smith (1995), Keys (1995), Walshe (2006), and Luquet (2010).

³ See the comments of Simon (1961, pp. 41–42) and Keys (2006, p. 120) on this passage.

⁴ See also Simon (1965, pp. 86–107) on the internal character of the common good.
means of procedural regulations. This common good notion hinges solely on citizens’ assumed ability to look for their own individual goods. Rawls attempts to match a thick theory of the ‘common good’ with a thin theory of the ‘good’, illustrating a liberal theory of privatization of the good. Changing the meaning of the words, this may be dubbed a theory of the common good, but it strays far away from the classical theory. For this liberal view, the human being is not a political animal in the classical sense, because to be a political animal means sharing a theory of the good. Instead, from the classical standpoint, the individual good is not different from the common good. As MacIntyre (1990, pp. 344–345) notes, all substantively Aristotelian or Thomistic views rely on a rational agreement on the content of the human good.

The liberal position is besieged by severe issues. First, as MacIntyre also states, many incompatible theoretical positions coexist within the liberal view – ‘a range of types of Kantianism, a similar range of types of utilitarianism, and of intuitionism, contractarianism and various blends of these [as in Rawls]’ (1990, p. 348) – with no specific meta-criteria to choose among them. Second, a theory of rights or rules without a theory of the good does not help to find consensual solutions for deep moral questions. For example, MacIntyre raises the issues of abortion and old age, noting that a procedural approach to these matters automatically implies adopting a theory of the good without discussing it. Here is MacIntyre once again: ‘without some determinate conception of the good and the best, it would be impossible to provide adequate answers to these questions’ (1990, p. 353) and, ‘a necessary prerequisite for a political community’s possession of adequately determinate, shared, rationally founded moral rules is the shared possession of a rationally justifiable conception of human good’ (1990, p. 351). This is why, for Leszek Kolakowski (1993), a perfectly neutral liberal society is actually unviable.

With regard to the second alternative in Aristotle’s classical doctrine of the common good, it has become widely rejected today, because it implies the dissolution of individuality in the whole of society. However, the twentieth century has witnessed strong totalitarian regimes that, paradoxically as it may sound, vowed to uphold citizens’ ‘common good’. Clearly, these regimes conceived the common good in utilitarian terms, defending their abusive behavior in the name of the ‘greatest good for the greatest number’. ‘Gemeinnutz geht vor Eigennutz’ – ‘the common good before the good of the individual’ – said a Nazi slogan. Rudolf Jung popularized it in his book Der Nationale Sozialismus.5 Communists also worked for the common good.

Though ‘softer’ than these regimes, current ‘communitarian’ thinkers also lean toward this wing, as they react against liberals. Roughly, for them the common good is more common than good. Their strong inter-subjective anthropological conception builds specific communities that shape personal character. As Keys (2006, p. 46) points out, “it is difficult to see where these communities and their members are to look beyond (or beneath) their own bounds for insight into the nature and content of the manifold human good”. Consequently, regardless of appearances, communitarians stand closer to liberals than to ‘monists’, as, in fact, the communitarian proposition comes down to a liberal union of many communities (rather than individuals). After exposing the failures of communitarian criticisms against liberalism, Amy Gutmann explains why she sees both positions as complementary: “communitarianism has the potential for helping us discover a politics that combines community with a commitment to basic liberal values” (1985, p. 320).

Given the shortcomings of liberal, ‘totalitarian’ and communitarian views on the common good described earlier, I think it is worthwhile to explore the implications of the classical common good notion, which requires a theory of the good based on an anthropological inquiry that discovers the characteristics of human nature and rationally argues for them. This basis will prove essential to build a social and economic policy leading to the Aristotelian version of the common good.

5. The Aristotelian conception of human nature and the consequent theory of the good

In my paper (2012, p. 164), I presented a list of Aristotelian ‘anthropological constants’ that included the following (with slight changes):

1. Reason: ‘Man alone of the animals is furnished with the faculty of language’ (Politics 1, 2, 1253a 9–10). The word used by Aristotle to express language is logos, also meaning reason, which is the source of language. Reason has a three-fold use: theoretical, technical and practical. Relying on practical reason, human beings are able to discriminate between good and evil.
2. Sociability (a political animal): ‘there is therefore an immanent impulse in all men toward an association of this order’ (Politics 1, 2, 1253a 29–30). For Aristotle, social interaction proves crucial for both sustainability and the development of rationality. Individuals have a natural impulse toward association: they do not need a contract to become social – they are born social.
3. Language: the human being is the only animal furnished with this capacity. Language does not develop independently from society (Politics 1, 2).
4. Communication, enabled by rationality, sociability and language.
5. Moral sense: Aristotle asserts that ‘it is the peculiarity of man (.) that he alone possesses a perception of good and evil, of the just and the unjust, and of other similar qualities’ (Politics 1, 2, 1253a 14–18).
6. The ability to look for common aims, as a clarification of the deep meaning of sociability. For Aristotle, these aims are shared by a family or a polis: these are not mere aggregations (Politics 1, 2, 1253a 18–20).
7. Freedom. A different aim of the will or a weakness of the will (akrasia) might lead to other behaviors, which might be deemed irrational, or asocial or immoral.
8. A few more should be added now:
9. Fulfillment or eudaimonia as the individual and common end of all human beings (Nicomachean Ethics 1, 4 and 7).
10. Virtue as the way of achieving eudaimonia (NE 1, 7).

10 Given that man is a political animal, individuals must look for the common good, which is their true good. This makes them flourish (eudaimonia NE I, 2).

Given the previous traits of human nature, what is good for man?

1 Life is the cornerstone without which human beings cannot develop their capabilities. Furthermore, in contemporary times, life is a high value, regardless of the extent to which these capabilities are indeed developed.

2 Virtue, that is mainly necessary for achieving eudaimonia.

3 Sociality and all the virtues that foster it – including justice, friendship, and magnanimity – are also good for the human being. The main bond that brings people together is sharing the knowledge of the common good. A lot of activities and forms of association enable sociability and fulfillment.

4 Theoretical and practical knowledge are also basic goods. According to the famous Aristotelian ergon argument, contemplation is the final end of human beings: "the human good proves to be activity of the soul in accord with virtue, and indeed with the best and most complete virtue [. . .] Moreover in a complete life" (Nicomachean Ethics I, 7, 1098a 17–19). In the final chapter of Nicomachean Ethics (X, 7, 1177a 13–23), he goes on to specify this virtue:

‘If happiness is activity in accordance with virtue, it is reasonable that it should be in accordance with the highest virtue; and this will be that of the best thing in us. Whether it be reason (nous) or something else that is this element which is thought to be our natural ruler and guide and to take thought of things noble and divine, whether it be itself also divine or only the most divine element in us, the activity of this in accordance with its proper virtue will be perfect happiness. That this activity is contemplative (theoretikê) we have already said.’

Theoretical knowledge implies the need to receive education, freedom to do research, and devoting time to learning and studying. Practical knowledge requires education, both formal (ethics) and informal (paideia, aimed at shaping a good character).

5 Freedom to act in the pursuit of the goals contributing to personal fulfillment is a relevant good.

6 Means fostering communication and participation are good for men.

7 Work is also a significant means to achieve other goods, becoming, in and by itself, another good.

The former goods contribute to human fulfillment, the ultimate end of the human being, his individual and common good. However, these considerations might prove too general to design specific policies, as Aristotle himself would probably note. In Politics II, 6, he complains about the vague character of Plato’s criterion for determination of the ideal amount of property in the cities: an amount ‘sufficient for a good life: this is too general’ [katholoumalon]. Thus, Aristotle wonders ‘whether it is not better to determine it in a different – that is to say, a more definite – way than Plato’ (Politics II, 6, 1265a 28–32). In NE I, 7, Aristotle introduces the ‘ergon argument’ also by complaining, ‘Presumably, however, to say that happiness is the chief good seems a platitude, and a clearer account of what it is still desired’ (1097b 22–24). Indeed, Aristotle is aware of the need for a more specific definition of the goods that are to be sought to attain happiness. In my book (2013, pp. 59–62), I briefly refer to some more concrete goals that Aristotle mentions throughout his works on politics and ethics, which will be discussed at greater length next.

6. Identifying specific means to attain the common good

As previously mentioned, Aristotle believes that happiness needs a basis upon which it can be built; it needs ‘external goods’ (NE I, 8, 1099a 31–32). He affirms in Politics that ‘it is impossible to live well or indeed to live at all, unless the necessary [property] conditions are present’ (Politics I, 4, 1253b 24–25). ‘We have to remember, he also affirms, that a certain amount of equipment is necessary for the good life’ (Politics VII, 8, 1331b 39–40).

These external goods have to be in accordance with the goods of the body and the goods of the soul: ‘all of these different goods should belong to the happy man’ (VII, 1, 1323a 26–27). Aristotle notes: ‘felicity belongs more to those who have cultivated their character and mind to the uttermost, and kept acquisition of external goods within moderate limits’ (VII, 1, 1323b 1–3). Thus, ‘the best way of life, for individuals severally as well as for states collectively, is the life of goodness duly equipped with such a store of requisites [i.e., of external goods and of goods of the body] as makes it possible to share in the activities of goodness’ (Politics VII, 1, 1323b 40 – 1324a 1, square brackets by Barker).

Although the goods of the soul should be more appreciated than other goods, their priority is ‘ontological’. The temporal priority is the inverse:

‘children’s bodies should be given attention before their souls; and the appetites should be the next part of them to be regulated. But the regulation of their appetites should be intended for the benefit of their minds – just as the attention given to their bodies should be intended for the benefit of their souls’ (Politics VII, 15, 1334b 25–28).

First, we must ensure a healthy and well-nourished body; then, we must put our appetites in order and, finally, we must seek the goods of the soul. Even the man who leads a theoretical life needs external goods (cf. NE X, 8, 1178b 34–35).

What goods do members of a city need? What goods must the city provide?

‘The first thing to be provided is food. The next is arts and crafts; for life is a business which needs many tools. The third is arms: the members of a state must bear arms in person, partly in order to maintain authority and repress disobedience, and partly in order to meet any threat of external aggression. The fourth thing which has to be provided is a certain supply of property, alike for domestic use and for military purposes. The fifth (but in order of merit, the first) is an establishment for the service of the gods, or as it is called, public worship. The sixth thing, and the most vitally necessary, is a method of deciding
what is demanded by the public interest and what is just in men’s private dealings. These are the services which every state may be said to need’ (Politics VII, 8, 1328b 5–16).

Food is essential to Aristotle: ‘none of the citizens should go in need of subsistence’ [τροφής: food] (Politics VII, 10, 1130a 2). He proposes a system of common meals funded by individual contributions, depending on the wealth of citizens. He also emphasizes the relevance of water: ‘this [provision of good water] is a matter which ought not to be treated lightly. The elements we use the most and oftenest for the support of our bodies contribute most to their health; and water and air have both an effect of this nature’ (Politics VII, 11, 1330b 10–14).

For Aristotle, the best form of political regime ‘is one where power is vested in the middle class’ (Politics IV, 11, 1295b 34–35). Thus, ‘it is therefore the greatest of blessings for a state that its members should possess a moderate and adequate property’ (Politics IV, 11, 1295b 39–40). However, he is against an ‘over-assistance’ of people:

‘the policy nowadays followed by demagogues should be avoided. It is their habit to distribute any surplus among the people; and the people, in the act of taking, ask for the same again. To help the poor in this way is to fill a leaky jar [...] Yet it is the duty of a genuine democrat to see to it that the masses are not excessively poor. Poverty is the cause of the defects of democracy. That is the reason why measures should be taken to ensure a permanent level of prosperity. This is in the interest of all the classes, including the prosperous themselves [...] The ideal method of distribution, if a sufficient fund can be accumulated, is to make such grants sufficient for the purchase of a plot of land: failing that, they should be large enough to start men in commerce or agriculture. Notables who are men of feeling and good sense may also undertake the duty of helping the poor to find occupations – each taking charge of a group, and each giving a grant to enable the members of his group to make a start’ (Politics VI, 5, 1320a 30 – 1320b 9).

According to Aristotle, external goods are necessary to achieve happiness, but they do not in themselves constitute happiness: ‘Success or failure in life does not depend on these [fortunes], but human life, as we said, needs these as mere additions, while virtuous activities or their opposites are what determine happiness or their reverse’ (NE I, 10, 1100b 9–10).

What are, according to Aristotle, the facts and virtues that contribute to a happy life? In Nicomachean Ethics he mentions honor, wisdom and pleasure (I, 6, 1096b), and then he adds reason (nous) and every virtue (I, 7, 1097b 2). In Rhetoric he lists ‘good birth, plenty of friends, good friends, wealth, good children, plenty of children, a happy old age, also such bodily excellences as health, beauty, strength, large stature, athletic powers, together with fame, honor, good luck, and virtue’ (Rhetoric I, 5, 1360b 19 ff). Does this mean that a person, e.g., of short stature cannot be happy? No, this list includes some of the things that may contribute to happiness, not its necessary constituents. Virtue is what determines happiness. The virtuous man, that is, the man who rightly exercises his practical reason, knows how to combine the elements at hand, even when something is lacking, in order to be happy. From a eudaimonist perspective, happiness is not a matter of what you own but a matter of how you live your life, whatever your circumstances: ‘healthy or unhealthy, rich or poor, educated or uneducated, we should think about our lives and try to live them well’ (Anna, 2011, p. 129). To live our lives well is to develop our capacities in the pursuit of worthwhile or useful objectives (see Anna, 2011, p. 140). Therefore, practical reason and virtue are the keys to happiness.

The goal of the polis is to secure happiness for its citizens. Law-givers must foster the development of virtue in its citizens. In Nicomachean Ethics, Aristotle states: ‘legislators make the citizens good by forming habits in them, and this is the wish of every legislator, and those who do not effect it miss their mark, and it is in this that a good constitution differs from a bad one’ (II, 1, 1103b 3–6). In his view, law-givers can promote virtues through two indirect ways: education and law. Virtues, law and education make up a self-developing, virtuous circle that makes people happy and contributes to political stability. Virtuous people obey the law. To be virtuous, people must be educated since the earliest stages of life; but education must be reinforced by laws (cf. NE V, 2, 1130b 23–27 and X, 9, 1179b 20 – 1180a 22).

He also discusses whether education should be public or private. He believes that private education ‘has an advantage over public, as private medical treatment has; for while in general rest and abstinence from food are good for a man in a fever, for a particular man they may not be [...] It would seem, then, that the detail is worked out with more precision if the control is private; for each person is more likely to get what suits his case’ (NE X, 9, 1180b 7–12). Nevertheless, in Aristotle’s opinion, legislators must concern themselves with education, and parents must instruct their children when the city fails to provide education, and vice versa. He describes the components of a good education relating them with the development of virtues (Politics VIII, 3 and ff.).

Political institutions are designed to help ensure the happiness of the people. ‘The end and purpose of a polis is the good life, and the institutions of social life are means to that end’ (Politics III, 9 1280b 39–40). Aristotle extensively develops different ways of electing assemblies, magistracies and courts and indicates how people should best participate in these election and appointment processes (Politics IV, 14 and ff.). These institutions can be called into account by citizens (Politics VI, 4, 1318b 29). Education is the best way to preserve these institutions:

‘The greatest, however, of all the means we have mentioned for ensuring the stability of constitutions – but one that nowadays is generally neglected – is the education of citizens in the spirit of their constitution. There is no profit of the best of laws, even when they are sanctioned by general civic consent, if the citizens themselves have not been attuned, by the force of habit and the influence of teaching, to the right constitutional temper’ (Politics V, 9, 1310a 12–18).

Friendship and unanimity (concord – omónaia) also hold cities together (NE VIII, 1, 1155a 22–26; IX, 6, 1167b 2).
Summing up, law and education foster the development of virtues, and a life of virtues brings about fulfilment, which is the end or common good of the political community. According to these notions:

1 The best political system is an egalitarian regime, ‘a general system of liberty based on equality’ (Politics VI, 2, 1317b 16–17); thus, government should concern itself with maintaining a certain equality, but not through confiscatory measures; ‘the magistrate (…) is the guardian of justice, and, if of justice, then of equality also’ (NE V, 6, 1134b 1). People must participate in Politics.

2 Specifically, an Aristotelian policy would not distribute funds directly to people except for funds targeted at creating jobs.

3 The government should actively seek to avoid unemployment and promote business and exchange.

4 In extreme cases, it should provide food.

5 The government should also concern itself with the health of the population, ensuring the necessary conditions for adequate health care (safe drinking water and clean air).

6 Another topic of great concern should be education. The government should create adequate educational institutions and offer necessary funding; whether education be public or private.

7 It should also focus largely on creating and enforcing good laws and courts, and providing legal institutions and their corresponding funding.

8 The government should encourage all kinds of intermediate organizations that freely promote family, education, friendship, children and elderly care, job creation, sports, arts, religion, charity and, especially, virtues of all kinds.

9 In the absence of institutions to protect children and the elderly, it should step up and undertake this social activity.

These are more specific means than the general end of eudaimonia. Governments should identify the best specific means to enable its citizens to achieve the happiest (‘eudaimoniest’) possible life. However, citizens must also play their part, promoting and exploiting these means in order to carry out the activities that make them eudaimon. Clearly, the common good is not just the task only of government, but also of citizens. At this point, someone may object this proposal in a way like this:

‘The Aristotelian political program is an interesting addition, though one might ask whether a program intended for a small, homogeneous Greek city-state can be so easily applied to the present. After surveying most of its principles – egalitarianism, job creation, avoiding unemployment, providing food, encouraging health, education, legal institutions, intermediate organizations, and social protection of children and the elderly – it is notable that this program is practically indistinguishable from that of the twentieth-century liberal welfare state. Was this parallel intentional? If so, in what way does this program really depend upon a common anthropology and idea of the Good – since these are generally jettisoned in contemporary liberal theory? Is this not a somewhat liberalized account of the classical theory?’

These are all very good points. Beginning with the final question, the answer is ‘no’. I do not intend to water down the classical political and common good doctrines. This ‘Aristotelian political program’ cannot survive outside a theory of the Good. An anthropologically (wrongly) rooted liberalism maintaining a strong notion of autonomy (Kant, von Humboldt, Mill) and leading to a crude individualism denies any notion of the common good, while an exclusively political liberalism (Montesquieu, the Foundation Fathers, Tocqueville, Constant) puts this notion into brackets and lacks criteria to decide in situations that touch on the human Good (for example, abortion, homosexual unions, or economic issues, like child labor and human organtrade). As I have quoted from Macintyre, ‘without some determinate conception of the good and the best, it would be impossible to provide adequate answers to these questions’ (1990, p. 353). A civil society cannot survive without some shared ideas about the human Good. And these ideas cannot be shared if they are not based on a reasoned theory of the Good. As already explained, according to Aristotle, the main aim of political society is human being’s eudaimonia, the euzen of citizens. It is not restricted to an alliance (as he argues in Pol III, 9). This aim of civil society is also sustained by Aquinas (see In Ethic 1, n. 4; 2, n. 29; ST I-II q. 95, a. 1; q. 188, a. 1 and Lachance, 1939, Chapter XVI).

As for the observation, ‘one might ask whether a program intended for a small, homogeneous Greek city-state can be so easily applied to the present’, this is a usual objection to Aristotelian political theory. It has been suggested that smaller societies in current states may be recognized as embodying a theory of the good. Aristotle also considers the difficulties related to the size of the city, and he is also aware that his ideal city does not exist in his time. However, we should not forget that Aristotle’s proposal is ethical: it exposes what can be done, a normative ideal, a paradigm. In fact, I think that we, citizens of different states, aspire to more than a mere alliance.

Having defined several significant notions, let us now analyze some economic theories from the point of view of the common good.

7. The capability approach and the economics of happiness in light of the classical doctrine of the common good

At present, we witness an increasing acknowledgment of the need to take into account the ends of individual behavior in economics. According to the classical doctrine of the common good, these individual ends should match the common good. Examples of this tendency to consider ends in economics include happiness economics and the capability approach (CA). Different psychological theories underlie...
the economics of happiness. However, some doubts have been raised about the appropriateness of these theories. On the other hand, Aristotelian eudaimonia is a concept of happiness that surely leads to the common good. Amartya Sen’s CA concentrates on well-being, capabilities and functionings, on achievement and commitment, and gives priority to ends. This concern with ends leads Sen to realize the narrowness of the currently valid conception of economic rationality. He notes: ‘Indeed, at the risk of sounding unduly ‘grand’, it can be argued that it is important to reclaim for humanity the ground that has been taken from it by various arbitrarily narrow formulations of the demands of rationality’ (2002, p. 51). He even stresses the need to use practical reason to scrutinize and decide about ends. The problem with Sen’s approach is its intentional under-definition of the contents of ends. Martha Nussbaum has criticized Sen in this respect, giving rise to a huge debate on the ‘list of capabilities’. Nussbaum argues in favor of a particular list of capabilities that all individuals ought to have, while Sen prefers to leave the matter open (see, e.g., Sen, 1993, 2004; Nussbaum, 2003). The problem, therefore, is as follows: should there be a list of specific capabilities to guide public policy or would a formal framework to be filled in later on any given occasion be enough? Sen’s answer favors the latter. From the viewpoint of the classical theory of the common good, although an over-specification is not desirable, Sen’s proposal of an open list is not enough. His conception is ultimately liberal, in the sense used here.

7.1. The economics of happiness

First and foremost, it should be emphasized that the fact that the economics of happiness focuses on happiness makes for a good starting point, since the theory of common good also features happiness as ultimate good. However, it will depend on the concept of happiness adopted. The concept of eudaimonia differs largely from our modern notion of happiness, which carries utilitarian and hedonistic resonances. Both Annas (2011, p. 127) and Barrotta (2008, p. 149) critically quote the same passage in Richard Layard’s Happiness. Lessons from a New Science (2005, p. 4): ‘Happiness is feeling good, and misery is feeling bad’. Following Bentham, Layard believes that happiness is a hedonic reality that can be measured. At the same time, he rejects Mill’s qualitative dimension of happiness. Additionally, Layard (2007, p. 162) asserts that ‘good tastes are those which increase happiness, and vice versa’. Wijngaards (2012, p. 103) summarizes his analysis of Layard’s concept of happiness stating that ‘it is to be understood in a hedonic sense, based upon a pleasure/pain duality’. The problem with this concept of happiness is that it is too rudimentary. Undergoing difficulties is part of true happiness: as Annas asserts, ‘a life of having all your desires fulfilled without the problems created by human neediness leaves humans with nothing to live for, nothing to propel them onwards’ (2011, p. 137).7 True happiness goes beyond life satisfaction. Aristotle strongly disqualifies the hedonic view: ‘the generality of mankind then shows themselves to be utterly slavish, by preferring what is only a life for cattle’ (NE 1, 4, 1095b 18–20). He states that eudaimonia is an ultimate end, not a good for the sake of another end, as is the case of enjoyment.

Begley (2010) has reviewed the literature on surveys on subjective wellbeing and on physiological (objective) studies of happiness. He has concluded that there is general agreement that these two psychological approaches to happiness are mainly hedonic and that truly eudaimonic dimensions would complete the assessment of happiness. Comim (2005, p. 163) remarks that the economics of happiness is a basically descriptive approach, ‘without a clear link with established ethical paradigms that discuss not only what people do, but what they should do to live well as human beings’. More sophisticated psychological constructs include eudaimonic elements such as positive relations with others, personal growth, and purpose or meaning in life. However, Begley, notes, they make no references to virtue. Bruni and Porta (2007, pp. xx–xxiv) add that economic theories that indirectly attempt to understand the logic of happiness do not consider the role of sociality-as-relationality. A quick review of the literature on methods and questionnaires for measuring subjecting well being reveals that the words usually associated with happiness include ‘tastes’, ‘feelings’, ‘desires’, ‘satisfaction’, ‘pleasure and displeasure’. As regards objective happiness, as Frey and Stutzer (2002, p. 5) assert, ‘this approach comes close to the idea of a hedometer’.

I conclude that in order to effectively focus on and address happiness, the economics of happiness should pay attention to and adopt the Aristotelian concept of eudaimonia. More than an economics of happiness we need and economics of eudaimonia or flourishing. This means a radically different conception from current happiness economics. The resonance of the word ‘happiness’ advises us to reformulate and rename happiness economics as maybe ‘economics of flourishing’ or better, ‘economics of the common good’, in its classical version.8

7.2. The capability approach

As with happiness economics, first, it should be noted that Sen’s CA comes closer to considering the theory of common good. However, it fails to do so in the classical way. In Sen’s view, CA is consistent with diverse individual theories of the good: this implicitly implies that common good is not understood in classical terms. Now, this results from the lack of a conception of human nature. Sen devotes a whole section of his book Reason Before Identity to the question ‘Discovery or Choice?’ (1999, pp. 15–19). He concludes that individual identity is constructed and not simply discovered. People have the power of self-definition. Thus, we cannot prescribe a set of goals without falling in a paternalistic or authoritarian stance.

of Muñoz and Encinar (2014a). This remains a potential topic for future papers.

7 Scitovsky (1976) had anticipated the concern of happiness economics and had proposed a richer conception of happiness mainly consisting in enjoying the challenge of novelty activities. Scitovsky

is positively quoted by Csikszentmihalyi (1999), the founder of the positive psychology current.

8 On this, see our paper 2015.
Sen explicitly asserts (1993, p. 48) that ‘quite different specific theories of value may be consistent with the capability approach’ and that ‘the capability approach is consistent and combinable with several different substantive theories’. The fact is that, in the end, Sen is a liberal à la Rawls (despite his critique of him). This criticism of Sen is concurrent with disapproval received by Sen himself for his ‘under-elaborated and overextended notion of freedom’ (see, e.g., Gasper and van Staveren, 2003; Nussbaum, 2003). Deneulin clearly expresses the central idea underlying this criticism: ‘Freedom is not the only good to promote, but one among others’ (Deneulin, 2002, p. 506).

Nussbaum, Gasper and van Staveren have viewed Sen’s recent emphasis on freedom with fear and suspicion, particularly in Development as Freedom. In their opinion, Sen has always concerned himself with poverty and inequality and, now, they complain, he has abandoned his first love to defend freedom. Their rationale is not unfounded. Freedom may include both good and bad dimensions. Freedom leading to bad actions is not a value. The very language of freedom may be misleading: ‘since freedom does not have this overarching meaning in everyday parlance (...) Sen has, in some sense, downsized his notion of capability in giving so much importance to the language of freedom, ignoring the baggage that comes with the term’ (Agarwal et al., 2003, p. 8).

Gasper and van Staveren recommend, among other things, the use of the term ‘capabilities’ over ‘freedom’ (2003, p. 138) when stressing the values of democracy, respect and friendship (2003, p. 146), and they highlight that freedom is just one value and that there are two other spheres of value in life, namely, justice and caring (2003, p. 152). Like the economics of happiness, the CA needs to embrace a theory of the good to fulfill its aims. As Deneulin affirms, ‘the capability approach hides unavowed positions about the good, positions that it can no longer hide when the theoretical framework becomes practice’ (2002, p. 502). She argues that, upon implementation, the capability approach ends up being perfectionist and paternalist (Deneulin, 2002, p. 502). Deneulin has developed a field study in El Salvador about the effect of migrations and remittances in poor families. She concludes that a freedom-centered approach to development like Sen’s is not enough to improve the living conditions of deprived people. She asserts (2006, p. 13): ‘what matters is not as much the expansion of individual freedoms, by whatever human actions, but the expansion of the common good which cannot be reduced to the freedoms of individual agents’.

I conclude that the capability approach would benefit from the adoption of the classical theory of the common good to effectively enhance the living conditions of individuals.

8. Conclusion

In this paper, I have introduced the ‘classical theory of the common good’, arguing that it implies a conception of human nature and a substantive theory of the good. I have also discussed the problems posed by the alternatives to this theory – liberalism and totalitarianism. Then, I have proceeded to extract a theory of human nature and of the good from Aristotle’s thought, after having laid down the requirements for the common good in social and economic policies. These requirements are not specific recipes but just some thresholds and general guidelines that should be adapted to particular conditions, times and places. However, I think that they are useful.

Finally, I have highlighted the shortcomings of the economics of happiness and the capability approach from the point of view of the doctrine of the common good. The notion of happiness used in happiness economics is rudimentary, and Sen’s capabilities are defined in a liberal style. I have pointed out the problems of both these hedonistic and liberal conceptions. Nonetheless, they have both approached economic affairs from what I view as an adequate perspective: focusing on individuals’ ends. I have argued here that the hedonic view of happiness is surpassed by the richer concept of eudaimonia, intrinsically associated with the common good, and that the determination of capabilities should be guided by a notion of good ruled by the common good. Indeed, I think that these two currents may be oriented toward the achievement of the common good by incorporating the classical notions of eudaimonia, the theory of the Good, and the common good. The pursuit of the common good will lead to policies that drive human flourishing.

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