

# **TRACING THE ORIGINS OF PERSONALIST ECONOMICS TO ARISTOTLE AND AQUINAS**

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It has become clear that there are defects in the Neoclassical Economics way of thinking about economic affairs. For instance, in his 2001 Nobel Laureate lecture, Joseph Stiglitz observed that there is considerable evidence indicating that “the economists’ traditional model of the individual is too narrow.” (Stiglitz, p. 488). Unfortunately, Stiglitz had nothing to offer that fleshes out the who and what of the new economic agent to replace *homo economicus*. Seven years later and in the wake of the financial meltdown of 2008, former Federal Reserve chairman Alan Greenspan admitted that he was shocked to learn that the free market ideology he had embraced for 40 years was flawed. (Clark and Treanor, p. 1).

Others too numerous to name herein have also been critical of *homo economicus* but few have argued that the source of the problem is the individualism that serves as the philosophical core of Neoclassical Economics and fewer still have offered a compelling replacement for that philosophical core.<sup>1</sup> Personalist Economics, however, addresses the flaws in *homo economicus*, offers the *acting person* as a suitable replacement, and urges substituting personalism that springs from the electronic stage of human communication for individualism that originated in the script stage of the 17<sup>th</sup> and 18th centuries.

Our remarks in the following are presented in three sections. In the first section we address why individualism is an unsatisfactory philosophical foundation for modern economic theory. In the second section, which is the most significant of the three, we trace the origins of Personalist Economics to Aristotle and Aquinas. While others such as Heinrich Pesch and Joseph Schumpeter played important roles in the evolution of Personalist Economics, our efforts in the second section are restricted to the contributions of Aristotle and Aquinas.<sup>2</sup> In the third section we explore how, in terms of 18 tenets, Personalist Economics and a Personalist economy differ from Mainstream Economics and the individualistic market economy.

## INDIVIDUALISM: AN UNSATISFACTORY PHILOSOPHICAL FOUNDATION FOR MODERN ECONOMIC THEORY

Economic agency is at the very core of our understanding of economic affairs. Beginning with Smith’s *Wealth of Nations*, the economic agent has been characterized as an individual being who is materialistic and driven by self-interest with a tendency toward utilitarianism. ((1776) 1937, p.14). However, earlier in his *Theory of Moral Sentiments* Smith presented a different agent; a social being who is benevolent, generous, sympathetic, and driven by duty and moral considerations. ((1759) 1964, pp. 257, 279). Smith never reconciled the

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<sup>1</sup> For more on the flaws in *homo economicus* and suggested replacement concepts, see O’Boyle (2007).

<sup>2</sup> For the contributions of Pesch and Schumpeter see Pesch 2002 and Waters 1952.

materialism of *Wealth of Nations* and the idealism of *Theory of Moral Sentiments*.

Once Jeremy Bentham's principle of maximum net personal advantage as operationalized by a hedonistic pleasure-pain calculus is added to the individuality, materialism, and self-interest of the economic agent of *Wealth of Nations*, the economic person becomes a full-blown utilitarian. Idealism, sociality, and virtue succumb to materiality, individuality, and self-interest. By the mid-1800s the economic person was firmly established in the economic way of thinking, and has remained largely unchallenged for more than 150 years. The economic person represents the single most important premise of mainstream economic theory today, while maximizing net personal advantage is the central objective function of the economic agent.

The main architects of Classical Economics -- Smith, Ricardo, Malthus, and John Stuart Mill --were inspired by several Enlightenment philosophers including, notably, Hume and the hedonists Hobbes and Locke, and constructed an economics based on human rationality and individualism. Smith's *Moral Sentiments* in which generosity, benevolence, and sympathy also influence economic decision-making was all but buried by 19<sup>th</sup> century Classical economists who found more to cling to in his *Wealth of Nations*. The same selective reading of Smith applies today except for those few whose economics is outside the mainstream.

Starting more than 200 years ago, individualism, materialism, empiricism, and secularism took hold not just in economics but across Western culture, and not just for the moment. The result has been a huge and ongoing split from Aristotle and Aquinas, from religiosity and from revelation. On this Tarnas wrote:

For the robust civilization of the West at the high noon of modernity, it was science and reason, not religion and belief, which propelled [man's] progress. Man's will, not God's was the acknowledged source of the world's betterment and humanity's advancing liberation. (Tarnas, p. 323).

We propose the following two-part hypothesis. First, Classical Economics largely rejected *Moral Sentiments*, with its emphasis on other-centeredness expressed chiefly in terms of generosity, benevolence, and sympathy, and adopted instead *Wealth of Nations* that focuses on self-centeredness expressed in terms of net personal advantage while rejecting Aristotle and Aquinas. In that sense, Smith had one foot in the new world of the Rationalist-Cartesians and the other in the old world of the Scholastic-Aristotelians. Second, Classical Economics rejected Aristotle and Aquinas because its exclusive emphasis on human materiality does not reconcile with the matter/ form, body/spirit construct so crucial to

Scholastic-Aristotelians.<sup>1</sup>

Walter Ong's powerful insights help explain the emergence of individualism in the Enlightenment of the 17<sup>th</sup> and 18<sup>th</sup> centuries. According to Ong, three key developments were crucial in fostering a radical departure from Aristotle and Aquinas: the printing press, the Protestant Reformation, and Ramist pedagogy. All three occurred in Western Europe, the first in the 15<sup>th</sup> century, and the other two in the 16<sup>th</sup> century. Taken together, they are especially relevant to the emergence and development of economics.

Regarding the printing press and the Protestant Reformation, Ong wrote:

... a typographic culture, because it is strongly visualist, *isolates the individual* from the tribe even in much of his verbal activity, *mutes and minimizes interpersonal communication*, and elaborates the visual in all its aspects, including “observation” and “objectivity,” as the preferred route to truth. (Ong, 1967, p. 283; emphasis added).

In classical Protestantism, the voice speaks through the Scriptures alone ... [In] basing his position on a *written and printed document* the Protestant is objective in the sense that he fixes on the *visible word*. (Ong, 1967, pp. 284-285; emphasis added).

Simply put, the printing press and the Reformation had the effect of subordinating the spoken word (orality) with its natural give-and-take that fosters a sense of human community to the written word (literacy) that reinforces human isolation. *Homo economicus* thrives in a world of the written word.

White offered a helpful synthesis of Ong's long and detailed argument on the role of Peter Ramus in pedagogy: “... Ramus introduced a method of enquiry that tended to eliminate public dialogue and discussion at the level of deeper philosophical and social issues.” (White, p. xix).

Farrell described Ramism as “spectacularly popular” in the 16<sup>th</sup> and 17<sup>th</sup> centuries because it replaced the probabilities of Aristotelian dialectic with certainties. The visualism embedded in Ramism reinforced in humans an inward-directedness, making them more

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<sup>1</sup> Peter Danner, a leading proponent of Personalist Economics, found an accommodation to this old-world construct with his description of the economic agent as an “embedded spirit.” (Danner, p. viii). “In a very real sense persons as embodied spirits use matter, which binds them to time and space, in the personal adventure to discover self, others, and all reality ... Life goals, such as struggles for power, popularity, and prestige, and the intense desires for truth, meaning, beauty, and good are powerful spiritual motives that affect mightily what is produced, traded and consumed.” (Danner, p. 78).

*individualistic.* (Farrell, pp. 64-65, 76, 125).

Under the influence of Ramist rhetoric, dialogue and conversation became “mere nuisances.” (Ong, 2004, p. 289). Ramus brutally attacked Aristotle and Aristotelians as obscurantists who foster barbarism. (Ong, 2004. pp. 174-175).

These three developments allowed humans to be more inward-directed and self-centered while at the same time less outward-directed, less concerned about others, and more open to the philosophy of individualism. Ramism reduced what we learn through the other senses -- smell, pressure, sound, taste -- compared to what we learn using visual forms such as a table, graph and wave length. This visuality is at the very heart of modern science. (Ong, 2004, pp. 108, 269).

Drawing on Aristotle and Aquinas, Personalist Economics rejects the individualism of today’s Mainstream Economics with its insistence on the individual as the basic unit of economic analysis and its claim of certitude in the findings of economic analysis.

Due largely to modern communication technologies, there is a huge difference in human consciousness today as compared to years ago. This difference has made possible new modes of thinking. As Ong remarked in the mid-1970s, “[W]e live in a different world inside our own heads than did our great grandparents.” (Ong 1977, p. 24).

Contemporary Mainstream Economics, however, still holds fast to the thinking prevalent when writing was the most advanced mode of human communication, resting on the silent premise that human communication today is no different than it was in Smith’s day and therefore human beings relate to each other and to themselves no differently than 225 years ago -- as isolated individuals. In essence, it matters not to contemporary Mainstream Economics that with the development of the telegraph, followed by the telephone, radio, television, fax, internet, and email, human communication has emerged from the script stage into the electronic stage and has dramatically changed human awareness of others and self. Alfred Marshall touched on this development at least twice (see Marshall. pp. 25, 685).

Classical/Neoclassical Economics is a narrow, mathematical, deterministic science. Personalist Economics is a broader morally based science. Classical/Neoclassical economists think about economic affairs mainly in terms of the decision-making process and the utility- and profit-maximizing behavior of the individual. Personalist economists think about economic affairs principally in terms of human material well-being (Waters 1988, p. 137), integral human development and human perfection.

In Classical/Neoclassical Economics, human beings are seen as outside the domain of the sacred and are valued instrumentally. In Personalist Economics, everyone has a sacred dignity reflecting that they are created in the image and likeness of God and therefore are very nearly divine. (John Paul II, 1998, pp. 7, 12).

## ORIGINS OF PERSONALIST ECONOMICS: ARISTOTLE AND AQUINAS

In this section we address several propositions that trace to Aristotle and are seen to be more or less embraced by Aquinas and centrally important to Personalist Economics. These include private and common property, wealth, use value and exchange value, four practical virtues, virtue and vice, generosity and benevolence.

### *Property.*

Aristotle differentiated between common property and private property and, while setting down the conditions justifying how property is to be used in common, affirmed the primacy of private ownership because it reduces squabbling over what belongs to whom. (*Politica*, Book 11.5, pp.1262b, 1263a). No one could live well or for that matter even survive in a household without its own property to help provision basic needs. (*Politica*, Book 1.2, p. 1253b).

Aquinas added other reasons in support of private ownership: private property encourages effort and reduces shirking, brings more order to human affairs, and leads to a more peaceful state. He largely accepted Aristotle on the primacy of private ownership and argued that private ownership is “not contrary to the natural law” and that private property may be used for personal gain, which we will see later is necessary for exchange to take place in a market economy. (*Summa Theologica*, Vol. 2, Q 66, Art. 1, p. 1476; Vol. 2, Q 66, Art. 2, pp. 1476-1477).

### *Wealth.*

For Aristotle wealth acquisition was set in the context of “household management,” which is entirely or mainly obtaining wealth to the extent necessary to maintain the household (*chrema-tistic*). Acquiring wealth through household management is limited, necessary and honorable. (*Politica*, Book 1.2, p.1253a; Book 1.10, p.1258a).

Being *entirely* directed toward wealth-acquisition appears to fit well into Mainstream Economics with its emphasis on maximizing net personal advantage. Being *mainly* directed toward wealth acquisition is better aligned with Personalist Economics that proposes human perfection as the final objective of economic affairs.

One way to acquire wealth is through retail trade. Aristotle characterized this as wealth producing but “unnatural” because it is without limit in a zero-sum environment. (*Politica*, Book 1.9, p.1257a; Book 1.10, p. 1258a). Clearly, neither Mainstream Economics nor Personalist Economics considers retail trade a zero-sum activity *per se* though both, especially Personalist Economics, concede the danger that what is positive-sum can be manipulated into something that is zero-sum. Mainstream Economics accepts the notion that there is no limit to acquiring wealth. Personalist Economics argues in support of a limit on the grounds that wealth without limit undermines the virtue of moderation that is necessary for integral human development.

*Use Value and Exchange Value.*

Aristotle recognized the difference between use value and exchange value. As with all possessions, shoes have use value for the person who wears them. They also have exchange value for the person who barter them. (*Politica*, Book 1.9, p.1257a). However, Aristotle seemed to miss the crucial role of the producer of the shoes and the replacement demand for shoes (see *Politica*, Book 1.9, p. 1257a). The producer in fact makes the shoes not for use value but for exchange value. When the shoemaker engages in retail trade, s/he agrees to an exchange only when what s/he gets by trading is greater than what s/he gives up. Trade from this perspective is natural, wealth-acquiring, necessary and honorable. Put differently, no gain - no exchange.

Rather than focusing on use value and exchange value Aquinas was more interested in the just price that must conform to the two conditions asserted by the principle of commutative justice: exchange things of equal value and impose equal burdens on one another. For Aquinas the just price was based on estimates and was not a mathematically precise thing wherein small deviations are indicative of some failure to achieve the necessary equality. (*Summa Theologica*, Vol. 2, Q. 77, Art. 1, pp. 1513-1514). In this regard, Personalist Economics is in full agreement with this position.

Calling on Aristotle’s distinction between natural and unnatural exchange, Aquinas argued that when exchange meets a need it is natural and commendable, but when it “satisfies the greed for gain” it is not natural and not commendable. (*Summa Theologica*, Vol. 2, Q. 77, Art. 4, pp. 1516-1517). Thus, given the time-honored maxim in economics of *no gain – no exchange*, Aquinas appears to have stumbled over the issue as to when an exchange is acceptable and when it is to be condemned. Personalist Economics avoids this confusion regarding gain-seeking behavior by following Aristotle on use value versus exchange value, recognizing the limiting of ill-gotten gains through the competitive forces of the marketplace, and supporting the practice of charity and the three principles of economic justice.

### *Practical Virtues.*

There are four virtues that are often treated as a set and are known as practical virtues: justice, courage, moderation, and prudence. Justice is rendering to others “neither more nor less” than what is owed. Courage is firmness in “situations fraught with conspicuous difficulty” and constancy in the pursuit of the good. Moderation restricts the attractiveness of pleasures and provides balance “between excess and deficit” in the use of created goods. Prudence “concerns the whole of human life and its last end,” prompting one to select the best means to achieve a good end. (Aquinas 1951, 880, p. 310. *Summa Theologica* 1a-2ae, lxiv, 2; 981, p. 336. *Summa Theologica*, 2a-2ae, cxxii; 877, p. 309. *Summa Theologica* 1a-2ae, lxiv, I; 868, p. 307. *Summa Theologica* 1a-2ae, lvii, 4, ad 3).

All four virtues are addressed at length in Aristotle’s *Nicomachean Ethics*, wherein moderation is called temperance and prudence is referred to as practical wisdom. For Aristotle deliberation is the identifying characteristic of the person possessing practical wisdom, and it is action, not contemplation, that makes a person virtuous: “...we become just by doing just acts, temperate by doing temperate acts, brave by doing brave acts.” (*Nicomachean Ethics*, Book VI, 5; Book II, 1). This linkage between virtue and action is relevant to our efforts to represent the economic agent as the *acting person* and to refer to the favorable reputation acquired through adherence to the four practical virtues and avoidance of the corresponding vices as “personalist capital,” which in turn contributes to integral human development and perfection.

Following from Aristotle, justice is the golden mean between rendering too much to others and rendering too little. Thus, the special interest in the just price among the Scholastics and the living wage among Personalists.<sup>1</sup> Courage is the golden mean between cowardice and recklessness. Moderation is the mean between gluttony and extreme self-denial. Prudence helps us discern excess and deficiency in other areas, enabling us to locate the mean though not activating us toward that mean. (Rickaby, pp. 5-8; Kraut, pp. 5-7).

These four virtues are practical because they relate not only to thought or truth but also to human action. Justice is outward directed; courage and moderation are always inward-directed. (Schall, pp. 410, 414-415; Aquinas 1951, 874, p. 308 and 880, p. 310). Prudence is not rational self-interest unless it is tempered by justice and friendship or love. (Finnis, p. 20). It involves both the end sought and the means to attain that end, calls for reason rather than impulse, and takes counsel from others in the selection process. (Elmendorf, p. 4). Prudence therefore is both inward- and outward-directed.

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<sup>1</sup> Justice might also be described as “the most terrible of the virtues.” Strictly speaking, justice results in a condition wherein no one owes anything to anyone else. Schall describes this condition as an “isolated hell.” (Schall, pp. 409, 412, 419). The remedy for this is found in the virtues of gratitude, benevolence, and charity.

In economic affairs, justice, courage, moderation, and prudence operate in a limiting mode. Justice limits ill-gotten gain wherein one party gets too little because the other takes too much. Courage limits evil from occurring when a person knows what to do in a difficult situation and is willing to confront that difficulty. Moderation limits excess in work, consumption, and leisure. Prudence limits recklessness in allocating resources toward some given good. All four virtues are learned from others or on one's own and therefore can be taught to others.

Justice, courage, moderation, and prudence are essential to an efficient, orderly, and peaceful economy. Mainstream Economics asserts that these matters are addressed through the "invisible hand of the market." Personalist Economics argues that the "invisible hand" fails whenever economic agents have not learned and acquired the practical human virtues and do not practice them faithfully.

#### *Virtue and Vice.*

Virtue and vice are critical dimensions of Aristotle's understanding of human nature. In *Nicomachean Ethics* (Book Θ, 6, p. 146), for example, he compared and contrasted how those who are good and those who are bad consider friendship: the former in terms of others, the latter in terms of self.

Regarding virtue Aristotle asserted that "...it is more characteristic of virtue to do good than to have good done to one, and more characteristic to do what is noble than not to do what is base." (*Nicomachean Ethics*, Book IV, § 1). It follows that vice involves treating others badly. As we have already observed, personalist capital, which is central to integral human development and perfection, is enhanced by virtuous behavior and diminished by vicious behavior.

Doing what is noble as opposed to not doing what is base calls to mind Kant's second imperative to never treat others just as a means to an end but always as an end. (Kant 1785, not paginated). John Paul II explained the difference between the second imperative and the Christian commandment of love.

Love for a person *excludes the possibility of treating him as an object of pleasure.* This is a principle of Kantian ethics and constitutes his so-called second imperative.... Nevertheless, Kant did not fully interpret the commandment of love. In fact, the commandment of love is not limited to excluding all behavior that reduces a person to a mere object of pleasure. It requires...the *affirmation of the person as a person.* (John Paul II, 1994, p. 201; emphasis in original).

Aristotle's directive is closer to the Christian commandment of love than is Kant's second imperative. For economics, affirming the person as a person means recognizing that s/he is, as John Paul has stated, very nearly divine. (John Paul II, 1998, §§ 7, 12).

Thus, Aristotle provided support for the tenet of Personalist Economics that every human being has a sacred dignity as opposed to the tenet of Mainstream Economics that every human being has strictly instrumental value.<sup>1</sup> The virtue of charity was also important to Aquinas for its role in directing human beings toward their ultimate end. Every good work is performed only through charity. Friendship is grounded in love of one's friends. Aquinas also urged us to love not only others but ourselves as well. (*Summa Theologica*, Vol. 1, Q. 65, Art. 2, p. 863; Vol. 1, Q. 65, Art. 3, p. 863; Vol. 2, Q 25, Art. 4, p. 1288). By emphasizing friendship and charity Aquinas was in effect advancing an argument disputing the strict individuality of *homo economicus* and self-gratification as the principal motivating factor in economic affairs.

#### *Generosity and Benevolence.*

Aristotle underscored the role of generosity in economic affairs that depends not on what or how much is given but on the "...habit of the giver [who] will both donate and spend the right amounts and for the sake of what is right, alike in small and great matters ...". Generosity is the golden mean between the extremes of extravagance (giving too much) and stinginess (giving too little). Without property, kindness and service to others are not possible. (*Nicomachean Ethics*, Book Δ, 1, pp. 57-59; *Politica*, Book II. 5, p. 1263a).

Aristotle also affirmed the virtue of benevolence. What good are personal wealth and possessions "(w)ithout the opportunity of beneficence, which is most exercised towards friends and most praised when so exercised ...?" (*Nicomachean Ethics*, Book Θ, p. 140). For Aristotle, benevolence was prompted not by the expectation of getting something in return but by the desire to further the good of the person to whom that benevolence is directed. (Konstan, pp. 2, 7).

By underscoring friendship -- "just as a virtuous man is disposed towards himself, so is he disposed towards his friends, for his friend is another self" (*Nicomachean Ethics*, Book I, 9, p. 177) -- Aristotle represented human nature in terms of both human sociality and individuality, and for that reason anyone embracing the autonomous *homo economicus* as a proper representation of the economic agent rejects both Aristotle on generosity and benevolence and Smith's *Moral Sentiments*.

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<sup>1</sup> See Waters, 1988, pp. 114-120.

Aristotle logically put forward that there exists a supreme being who he called the Unmoved Mover, that happiness is the goal of human existence and virtue is the necessary precondition for achieving that goal, that body and soul are linked to one another as matter to form, and that there is a developmental dynamic to all living things. He also held that humans alone share in God's nature by virtue of intelligence, are capable of communing with God, and achieve their full potential through the development of their shared nature and divine intellect. (Tarnas, pp. 61, 63, 67).

In terms of the medieval city economy, the influence of Aristotle on Aquinas is comparable to the influence of Smith and Ricardo on the 19th century world economy. (Polanyi, pp. 78-79). Further, Aristotle's ideas were influential well beyond the Middle Ages. Until Hobbes, all political science and political philosophy was shaped and formed to some extent by Aristotle. (Schumpeter, p. 58).

### TENETS OF PERSONALIST ECONOMICS

The following eighteen tenets constitute the core of Personalist Economics and a Personalist economy. The first is by far the most important.<sup>1</sup>

- The human person is the basic unit of economic decision-making and economic analysis.
- Human beings are sacred with rights originating in their very nature.
- Human beings are want-satisfying and need-fulfilling.
- Meeting the needs of the human body is an intermediate economic objective.
- The *acting person* replaces *homo economicus*.
- Economics is a value-laden discipline that struggles to sort out the uncertainties in economic affairs.
- Decision-making centers on markets and institutions.
- Justice and charity are necessary to check abuses that derive from excessive gain-seeking behavior.
- Social justice requires the individual to do all that is necessary for the common good.
- Three principles organize economic affairs: competition, cooperation, and intervention.
- Five social values underlie the organizing principles of Personalist Economics: individual freedom, teamwork, community, solidarity and equality.
- Following Schumpeter, dynamic disequilibrium rather than static equilibrium is the order of the day.

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<sup>1</sup> For more on these 18 tenets see O'Boyle (2014, Topic 33).

- Some limits are present in economic affairs and others must be imposed because humans are materialized spirits.
- Adam Smith’s two great books should inform our re-thinking of economic affairs.
- The evolutionary model versus the cyclic model.
- The *acting person* seeks to maximize personalist capital through the practical virtues of justice, courage, moderation, and prudence.
- Personalist Economics follows Amartya Sen’s argument that the task for economics is to enlarge everyone’s capabilities and asserts uniquely that the economic agent, the *acting person*, strengthens his/her capabilities set by acting virtuously in economic affairs and weakens that set by acting viciously.
- A Personalist Economy is based on the market mechanism, private enterprise, common good, economic freedom, subsidiarity, solidarity, worker participation in enterprise decision-making, legitimacy of profit, and personalist capital.

#### FINAL COMMENTS

Foundational to Personalist Economics are several propositions that can be traced to Aristotle, including private and common property, wealth, exchange value and use value, virtue and vice, and generosity and benevolence. Also of special interest to Personalists are Aristotle’s views on the practical virtues of justice, courage, moderation, and prudence. With his emphasis on doing rather than contemplating as the means for becoming a virtuous person, Aristotle provided the linkage between virtue and action that is most relevant to efforts to represent the economic agent as the *acting person* who acquires personalist capital by adhering to the practical virtues and avoiding the corresponding vices, thereby enhancing integral human development and leading to human perfection.

The practical virtues are essential to an efficient, orderly, and peaceful economy. Mainstream Economics asserts that these virtues are addressed through the “invisible hand of the market.” Personalist Economics argues that the “invisible hand” fails whenever economic agents have not learned and acquired these virtues and do not practice them faithfully.

The problem with the faithful practice of the three principles of justice -- commutative, contributive and distributive -- is that it results in a condition wherein no one owes anything to anyone else, and the poor have no claim to the goods of the world on the basis of their unmet needs and sacred dignity. They must bring something of value to the

exchange - goods to barter, labor, or money - or find some other way to meet their need on their own. The remedy for this isolating and dehumanizing consequence is found in the virtues of gratitude, benevolence, and charity.

Highly important to Aquinas was the Christian virtue of charity that directs human beings toward their ultimate end. Every good work undertaken for someone else is performed through charity. Friendship is grounded in love of one's friends. Aquinas urged us to love not only others but ourselves as well. By emphasizing friendship in addition to charity Aquinas in effect advanced an argument disputing the strict individuality of *homo economicus* and self-gratification as the principal motivating factors in economic affairs. Given this firm connection to Aristotle and Aquinas, it is not surprising that Personalist Economics finds more support in Smith's *Moral Sentiments* than his *Wealth of Nations*, and that it is more Scholastic-Aristotelian in nature than Rationalist-Cartesian.

In the oral/aural stage, human communication was strictly face to face, which drew humans closer together and required economic agents to interact face to face, thereby underscoring their human sociality.

In the script stage, especially after the invention of the printing press, interaction between economic agents could occur at great distances over an extended period of time without their ever meeting face to face, accentuating their human individuality. *Homo economicus* was a good fit in the typographical culture of the 17th-18th centuries in which inward-directedness, reading, and self-reliance were more esteemed than outward-directedness, speaking, listening, and co-existence.

Personalist philosophies emerged in the electronic stage and enhanced "... personal relations, personal fulfillment, personal interaction ..." (Ong 1981, p. 200). In the electronic stage, which began with the telegraph, economic agents interact over long distances in a short period of time, making them more other-reliant in day-to-day economic affairs without suppressing their human individuality. The economic agent in the electronic stage is an individual being and a social being, no longer just *homo economicus* but an *acting person*.

As noted by Nobel Laureate Joseph Stiglitz (p. 488), Mainstream economists need to recognize that "...the economists' traditional model of the individual is too narrow..." and come to the realization that its foundations in individualism have crumbled under the weight of the transition in human communication from the script stage that was appropriate for the 17th and 18th centuries to the electronic stage. It follows that *homo economicus* eventually must give way to the *acting person*.

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