

CARING, JUSTICE, AND CHRISTIAN CHARITY

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Though different and distinct, the virtues of caring, justice, and Christian charity are alike in that all three do not fit within the orthodox economics paradigm. Nevertheless, when acted upon each one strengthens the character of the economic agent. When they are replaced by the vices of neglect, injustice, and hatred each one weakens the character of the agent.

Mainstream economics draws attention to the (opportunity) cost of what an economic agent cannot do or cannot have when that person makes a decision. This cost applies even in those instances where the agent does not deliberately take it into account. Caring and charity are alike in the both require us to re-think opportunity cost.

There is no opportunity cost associated with caring and charity because neither one involves agents transacting business in which *economic gain* for both parties is essential. Even when something material is involved, caring and charity are gifts freely given in which nothing is foregone or expected by the caring/loving person. Caring and charity contribute to the character of that person through what we refer to as personalist capital which is one of the determinants of integral human development. Neglect and hatred diminish personalist capital, thereby exerting a negative impact on human development.

However, caring and charity are not identical in that caring is a *secular* virtue and charity, along with faith and hope, is a *theological* virtue.

Taken by itself, justice is, “a very cold virtue,” “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.” The remedy is found in the virtues of gratitude, benevolence, and charity. [Schall 2004, pp. 409, 412, 419].

Heinrich Pesch insists that justice and love “belong together.” Love is the “moral bond that holds society together” but presupposes the “observance of all of the obligations imposed by justice.” [Pesch 2002, p. 36]. Mulcahy describes love and justice as the “twin bulwarks of human well-being.” [Mulcahy 1951, p. 68].

The virtue of forgiveness is another remedy for what is lacking in the virtue of justice. In economic affairs, forgiveness is the golden mean between, for instance, enabling irresponsible financial behavior and crushing the human spirit under an unbearable load of debt. Forgiveness by definition must be given freely by the one who holds the debt claim. The physician who does not charge an impoverished patient for care that is rendered, and the landlord who allows a single mother who has lost her job and cannot pay the rent to remain in her apartment with her children, exemplify the true meaning of forgiveness -- meeting a need that otherwise would be unmet.

Critics of orthodox economics have been searching for ways to incorporate caring or generosity into their way of thinking about economic affairs. We argue that caring cannot be separated from justice or charity and that all three taken together require re-thinking economic agency and re-considering the philosophy upon which orthodox economics is constructed. We begin with economic gain and then turn to justice because gain is linked to justice and justice without caring or Christian charity falls short of a fully functional economy.

ECONOMIC GAIN

Every exchange involving economic agents who are well-informed and free to act entails gain for the parties involved: what is gotten in the exchange is more highly valued than what is given up. In this regard it is essential to differentiate between exchange value and use value. Exchange value is what is given up for the good or service acquired through exchange. Use value is what is gotten, the usefulness of the good or service to the person who acquires it.

Under competitive market conditions, exchange value should not vary from one person to the next. The price paid for the same dog food in a supermarket is the same for everyone buying that brand of dog food. However, use value is not the same for everyone buying dog food because some persons are more attached to their dogs and derive greater pleasure from feeding and caring for them than do others. While exchange value is determined by market conditions at the time and place of the exchange, use value is determined by the value systems of the uniquely different persons involved in the exchange. Exchange value is an objective piece of information. Use value, on the other hand, is a subjective human experience. For every one of the persons involved, use value (what is gotten) must be greater than exchange value (what is given up). Without that gain, the exchange cannot be carried out.

However, without a limit to the extent of that gain, some persons in the exchange process are able to take more than their due while others are left with less. Some would take what rightfully belongs to others. Those gains are ill-gotten. Conventional economics brushes aside the problem of exploitation and victimization with the invisible hand argument. Every economic agent in the pursuit of his/her self-interest serves the good of all through the invisible hand of the market. Introducing justice into economic affairs is unnecessary and threatens the value-free nature of conventional economic science. We reject the invisible hand on grounds that its appeal to magic and rhetoric is no substitute for the call of justice to reason and substance, and accept a value-laden economics as the price for aligning the study of economics more closely with economic reality.

Gain-seeking behavior is rooted in self interest or self-love. Indeed self-love is both legitimate and necessary for conducting ordinary economic affairs. A problem arises from self-love in the service of evil ends and thus the need for a limit. Pesch explains that the limit originates in an awareness of and respect for the well-being of others and the virtue of moderation.

... we have an easy and safe resolution of the question whether it is acceptable to allow instinctive self-love, the inherent craving of man to improve his position, the quest for profit, to provide psychological motivation in pursuit of a goal which

is, in itself, legitimate. There is no doubt but that the natural instincts in man may be allowed to serve him in pursuing legitimate goals. That is why he was endowed with them. They represent forces which man must tame and keep watch over, but which, if he does so, can operate beneficially. Passions in the philosophical sense do not yet imply excess, or lack of moderation, or deviation from proper objects and goals. Taken in that sense, a passion is something good; and an instinct is something legitimate and necessary ... If a man places his passions in the service of wicked goals, if he allows himself to be led by them without any guidance or reserve, in an immoderate, “passionate” manner so that he therefore demonstrates no concern for the welfare and the rights of others even though he is pursuing goals which are in themselves legitimate, then passion will often become a danger for himself and for everything around him. [Pesch 2002, p. 17].

John Paul II reinforces Pesch’s argument about self-interest and emphasizes the importance of finding ways to reconcile self-interest and the interests of the state.

Man tends toward good, but he is also capable of evil. He can transcend his immediate interest and still remain bound to it. The social order will be all the more stable, the more it takes this fact into account and does not place in opposition personal interest and the interests of society as a whole, but rather seeks ways to bring them into fruitful harmony. In fact, where self-interest is violently suppressed, it is replaced by a burdensome system of bureaucratic control which dries up the wellsprings of initiative and creativity. [John Paul 1991, §25].

In following we will see that those limits are grounded in the duties that economic agents owe one another under commutative justice, distributive justice, and contributive justice.

JUSTICE

Justice is the virtue or good habit of rendering to another that which is owed. In economic affairs there are three principles of justice that apply: commutative, distributive, and contributive. There are just three principles of justice because there are only three modes of human interaction in economic affairs: person to person, superior to subordinate, and member to group. Commutative justice sets forth the duty of buyer and seller in the marketplace and worker and employer in the workplace. Distributive justice defines the duties of the superior to his/her subordinates whether that interaction takes place in the marketplace or the workplace. Contributive justice sets down the duties of the member to the group in interactions occurring in the workplace or the marketplace. Social justice, which combines all three, is addressed at the end of this section.

Commutative Justice.

As suggested above, exchange value refers to (a) the price paid to purchase a good or service and (b) the wage or price paid to hire a worker or natural resource to produce that good or service. Use value is the usefulness of the good or service or resource to the person who acquires it. The

two taken together result in economic gain under the following condition:

gain is *realized* when use value > exchange value.

Whereas use value cannot be influenced by the other party to an exchange, exchange value at times can be determined directly by the other party. In those cases, restraint may be necessary. However, when a market is reasonably competitive, exchange value normally does not fluctuate markedly from day to day and is nearly the same for all buyers on the same day. Competition in other words reduces the control that any single buyer or seller has over price, keeps the market price close to the cost of production, and allows a reasonable but not undue profit margin. Thus there may be little need for personal restraint. Gain under these circumstances can be represented as follows:

gain is *justified* when use value > exchange value *restrained* by competition.

A problem may arise, however, when the market does not impose this restraint, and agents are free to act without restraint. Action of this type can occur when the producer fixes the price through a cartel or when the buyer is simply ill-informed about the market price and overvalues the product or service offered for sale. In such cases, the gain of the seller is ill-gotten because it is based on taking advantage of the buyer. Unrestrained action may involve a buyer who has an opportunity to enhance his/her gain when the seller is unaware of the true value of the product or service offered for sale. This could happen, for example, in a flea market where the seller offers a book for sale at a low price unaware that the book is a very valuable first edition, or when a widow offers property for sale which she has grossly and innocently undervalued. Commutative justice in all such cases informs both parties that the only justifiable gain is one that does not deprive the other party of the gain that is rightfully his/hers. The following simplification expresses the nature of the gain that is justified under these conditions:

gain is *justified* when use value > exchange value *restrained* by faithful adherence to commutative justice in a situation where competition alone does not provide the necessary restraint.

Some common expressions for commutative justice involving buyer and seller are the money-back guarantee, the merchant's refusal to accept a third-party check, and the buyer's experience of getting his/her money's worth. In the workplace, the common expression "full day's work for a full day's pay" is a reminder of the worker's obligation under commutative justice. Reversing the language to "full day's pay for a full day's work" underscores the employer's duty.

There are several specific ways in which commutative justice may be violated in the marketplace. Shoplifting is one, and issuing a bad check is another. Loan sharking and price gouging that may take place in an emergency such as a hurricane are two more examples.

In the workplace commutative justice may be violated in several instances including expense padding, sweatshop, embezzling, pilfering, and featherbedding. All violate commutative justice either with regard to the duty to exchange things of equal value or impose equal burdens on one

another.

Distributive Justice.

Distributive justice requires the superior to distribute the benefits and burdens of the group under his/her supervision among its members in some generally equal fashion. This does not mean strictly equal because there likely are significant differences among subordinates and it is entirely appropriate to take those differences into account. For example, handicapped employees appropriately may require different parking and restroom accommodations than able-bodied employees.

Distributive justice demands that the superior differentiate among subordinates only when the differences among them are real and substantial and require different arrangements. A superior may allow a single parent to rush home to tend to a sick child when the same permission might not be given to a married worker with a spouse who routinely stays at home to look after the children. A strict orthodox Jew may not be required to work on Saturday, whereas persons of other faiths might have to work on that day.

Discrimination occurs when the superior differentiates among subordinates for reasons that are insubstantial. In this regard, false stereotyping may be the device used to rationalize the difference in treatment among subordinates. For example, older workers may be treated differently because they simply have “less upside potential” than younger workers. Women may be treated differently because for them work is of secondary importance in their lives. Favoritism is the other side of the coin of discrimination: treating some better than others for reasons that are superficial or based on the false stereotyping of others.

Discrimination and the public intervention required to address it are evidence that the law of nature, which asserts each individual economic agent in the pursuit of his/her self interest, also serves the common good through the invisible hand, often is not sufficient to resolve important conflicts in economic affairs. Two especially noteworthy violations of distributive justice that lead to ill-gotten gain are kickbacks and harassment. A kickback is a bribe, a payment to a superior in the expectation of special treatment. The payment *precedes* the special treatment. A kickback is a payment for special treatment wherein the payment *follows* the special treatment. Harassment is the practice of a superior exacting sexual favors from a subordinate, or touching or addressing him/her in ways that are disrespectful in exchange for example for a favorable performance evaluation, a raise, a promotion, or better job assignment.

Equal pay for equal work is a requirement under distributive justice. It means that persons doing the same work, with the same on-the-job-performance of their assigned duties, are to be paid the same wages. Equal opportunity too is a requirement under distributive justice. It means that persons of equal experience and qualifications are to be afforded the same chance to be hired and promoted.

Contributive Justice.

Contributive justice sets forth the obligation of the member to the group to which he/she belongs. Insofar as a person receives benefits from the group, that person has a duty to maintain and

support the group. Paying dues is the usual requirement for the persons joining and remaining active in a membership organization.

Contributive justice is less familiar than commutative justice or distributive justice because Americans think of themselves as individuals first and indeed have a high regard for “rugged individualism.” For that reason, we have only weak examples of common expressions for contributive justice in the workplace and the marketplace.

In the workplace, where employees commonly work in groups, expressions such as “doing my fair share,” “pulling my load,” and “paying my dues” are sometimes heard. There are even greater problems in seeing contributive justice faithfully practiced in the marketplace. Even so, there are certain practical limits on gain as when persons come together for a concert or ball game or upon entering a traffic flow. The newest arrival in a ticket line or traffic line is expected to wait his/her turn and not cut into the line. To do otherwise sets an example for others to pursue ill-gotten gain and thereby trigger pushing, shoving, and cutting off other cars may become the rule rather than the exception. Road rage represents a general loss of civility that is destructive of a sense of community.

When it comes to violations of contributive justice, however, there are several powerful examples in the marketplace and the workplace. In the workplace, industrial spying and sabotage violate contributive justice because the person who appears to be a loyal and productive member of one business establishment actually is faithful to a rival organization and seeks to undermine the effectiveness of the first establishment by stealing secrets and disrupting its work.

Computer tampering violates contributive justice because the persons who use a common resource such as the internet are expected to respect the work and files of others using that resource. Otherwise, confusion and destruction reign, and the internet becomes a less effective tool for all who use it. Product tampering in the marketplace is the moral equivalent of computer tampering in the workplace. Tampering with a product is harmful to everyone who uses that product because it makes consumers fearful that the product is unsafe to use. Insurance fraud and insider trading are two other examples of pursuing ill-gotten gain by setting aside the duties that are demanded under contributive justice.

Social Justice.

Social justice is not distinct and separate from commutative, distributive, or contributive justice. Rather, it embraces all three.

In addressing social justice we find the comments in Pius XI’s 1937 encyclical *Divini Redemptoris* especially instructive.

Now it is of the very essence of social justice to demand from each individual *all* that is necessary for the common good.¹

¹ Pius XI, *Divini Redemptoris*, 1937, Latin text, available at http://w2.vatican.va/content/pius-xi/la/encyclicals/documents/hf_p-xi_enc_19370319_divini-

John Paul II defines the common good as “the good of all and of each individual, because we are all really responsible for all”. [John Paul 1987, § 38]. At all times and in whatever community a person works or lives, what is required under social justice is all that is necessary for the common good.

Dempsey, along with Pesch, asserts that social justice is grounded in contributive justice. [Dempsey 1958, p 370, 372]. Anyone who benefits from being a member of a group has a duty to contribute to the common good. We agree with them but more than contributive justice is necessary.

Common needs are needs that are “common to *all* members of the community”. [Dempsey1958, pp. 272-273; emphasis added]. Accordingly, the common good involves provisioning those common needs. Thus, in addition to their duty to contribute all that is necessary for the common good human beings have a right to whatever goods are necessary to live in common.

In conformance with the principle of subsidiarity, the common good is served first by private goods and then by public goods as necessary. It is not served by the production of strictly personal goods, the goods that are specific to a given person.

Living in common means living in a network of intertwined communities including family, neighborhood, and church. Acknowledging that it is one of the goods necessary to live in common, trust is maintained only through the faithful practice of commutative justice, distributive justice, and contributive justice taken together. Contributive justice alone will not do. Thus social justice requires the faithful practice of the three principles of economic justice because all three are based on different human social interactions: person to person, superior to subordinate, and member to group.

CARING

Caring does not replace justice. Rather it rises above the demands of justice to render to another person that which is owed. The truly caring person is generous even to the extreme of not asking for or expecting anything in return. Even though there is an exchange between the caring person and the needy one, caring is not gain-seeking behavior. It is a gift given freely. It is, however, required of the caring professions as demonstrated in the swearing to the Hippocratic Oath upon graduation from medical school. In both medicine and the law, practitioners who normally exhibit gain-seeking behavior at times express caring through their *pro bono* services.

Caring operates in product, resource, and financial markets *through* generous merchants and grateful customers, workers who are especially attentive to the quality of the tasks they are assigned, through resource holders for whom profitability and sustainability are every day concerns, and through financial planners who live out their fiduciary obligation and investors who trust and are grateful to those planners for successfully managing their portfolios in financial markets too complex for the typical investor.

First responders often are called on to rescue persons trapped in a building on fire, are injured in a bomb explosion, or are victims of massive flooding. Professional first responders are paid for their services but in risking their own lives they rise above the demands of justice. Other caring persons often respond as neighbors or private citizens, as in the 2016 flooding in south Louisiana where rescue efforts were spearheaded by private owners of fishing and leisure boats. They became known as the Cajun Navy.

Caring is imparted instructionally to children at a very early age by their parents who, for example, separate quarreling children and scold an older child for bullying a younger one. As children develop, this virtue is reinforced by the caring behavior of their parents, teachers, and friends. Child abuse originates with parents, siblings, and caretakers who see the child as bothersome or, worse yet, an object that provokes anger or an instrument for sexual pleasure. Frequently the teenage or adult abuser was abused as a child.

Caring contributes to personalist capital through action that is virtuous and, along with human capital, social capital, and economic well-being, is one of the determinants of integral human development. The vice of neglect or callousness, which in effect rejects the virtue of caring, diminishes personalist capital and thereby undermines human development.

As mentioned above, caring has no opportunity cost because it involves persons who are not interacting for the purpose of economic gain-seeking. For sure, the service or material thing freely offered and graciously received has economic value. However, for persons who receive these gifts nothing is given up. At the same time, the caring person appears to be giving up something of value without getting anything of value in return. But there is a real return for the caring person in the form of integral human development. Caring persons experience greater respect from needy persons who in turn may tell others of the generosity of the persons who care. If the caring person is actively engaged in business, the firm acquires the real though intangible asset of goodwill. The interaction between the needy person and the caring person has a positive-sum outcome. Unlike other economic resources, the virtue of caring is not depleted through use, and in that sense is unlimited.

Functioning at third-level action the *person of action* stores up personalist capital when acting virtuously, and draws it down when he/she acts viciously.¹ The *innocent person* has not yet begun to engage in action at the third-level and therefore has no stock of personalist capital. See Schematic 1.

Emphasis on virtue in economic affairs is not a new idea. In his *Moral Sentiments* Smith repeatedly calls attention to the importance of sympathy, generosity, and benevolence. In addition, thrift and diligence are accepted in mainstream economics though perhaps not with the same emphasis.

¹ For more on third-level action, along with first- and second-level action, see Grisez and Shaw 1974, pp. 1-11.

In her lengthy discourse on water, mineral, and energy resources, Barbara Ward¹ sees stewardship as the proper role of humankind. She emphasizes that at the level of the community the most important element in protecting the environment is the quality of the *caring* of its members. [Ward 1976, p.256].

John Paul II sees an important role for women in many socio-economic matters that includes caring for the environment. Though he does not make this point, women who are mothers perhaps more so than anyone else are noteworthy as caring human beings.

Women will increasingly play a part in the solution of the serious problems of the future: leisure time, the quality of life, migration, social services, euthanasia, drugs, health care, the ecology, etc. In all these areas a greater presence of women in society will prove most valuable, for it will help to manifest the contradictions present when society is organized solely according to the criteria of efficiency and productivity, and it will force systems to be redesigned in a way which favours the pro-cesses [sic] of humanization which mark the “*civilization of love.*” [John Paul 1995b, § 4; emphasis added].

CARING AND CHRISTIAN CHARITY

Justice and Christian charity are “twin bulwarks” [Mulcahy, p. 68] that help protect humans from the abuses that originate in the excessive gain-seeking behavior of others. Pesch [1998, p.177] asserts that “charity must complement justice so that one person will help the other, even when he is not compelled to do so by any kind of legal obligation.” The same can be said for the secular virtue of generosity in combination with justice.

With generosity, human beings are seen as living, breathing, existential actualities, as ends in themselves more so than means, as equals with certain inalienable rights that must not be violated. Christian charity rises above the Kantian imperative to not view humans as mere instrumentalities. Every follower of Christ is required to actively affirm all human beings as persons. John Paul II refers to charity as the “distinguishing mark of Christ’s disciples” and citing Psalm 8: 5-6 identifies every human as nearly divine. [John Paul 1987, § 40; 1995a, § 84; 1998a, §§ 7, 12].

Generosity and Christian charity along with justice eliminate the ill-will, disorder, and dishonesty that otherwise is common to a marketplace and workplace, replacing them with goodwill, solidarity, and authentic bargains. Neither virtue has value when it is hoarded. Both come alive and take on value only when given away. Uniquely both are never depleted by use. Both, however, are missing from the orthodox economics way of thinking.

Caring and Christian charity can be represented in two scenarios. First, with both virtues action is undertaken on behalf of a *stranger*. A product or service is given freely to the needy stranger

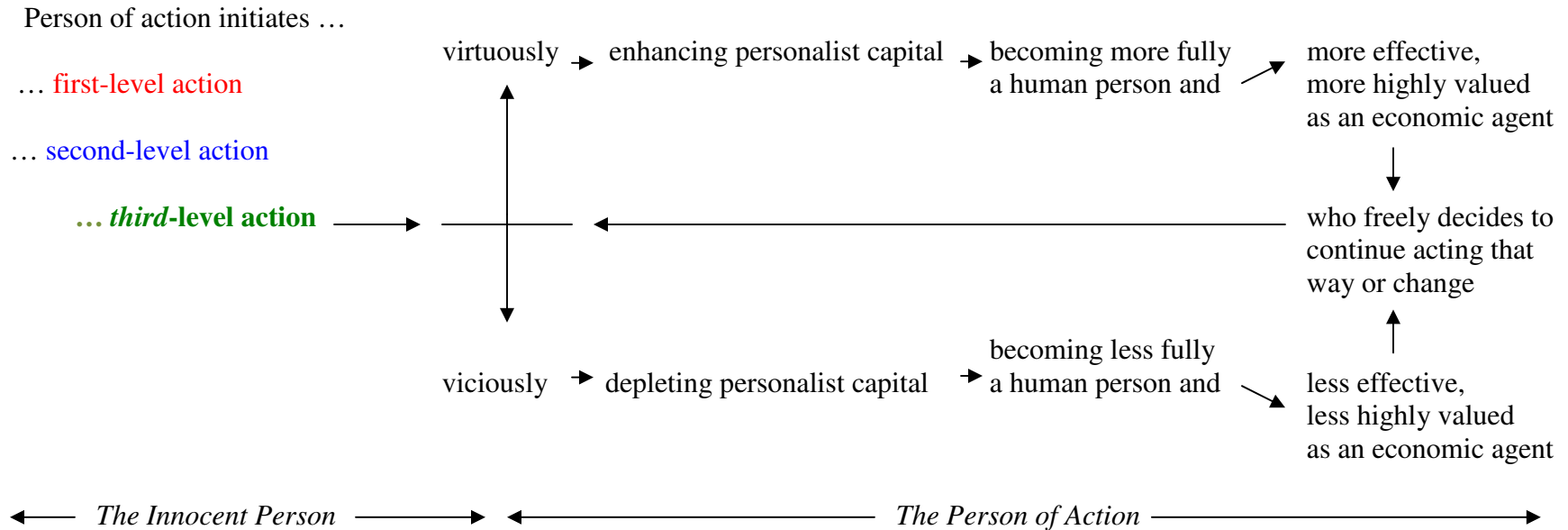
¹ Also known as Lady Jackson.

but reciprocity is not expected or necessary. However, as already noted, the personal character of the caring or loving person is enhanced and effects economic affairs and human development through the acquisition of personalist capital. This scenario is best described as the Good Samaritan.

Second, a product or service is given to someone who is a *family member, friend, neighbor, workmate* with no absolutely clear expectation that the recipient will reciprocate in the future. The person who freely shares the tomatoes from his/her garden with a neighbor who later may return the favor by sharing his/her homemade jelly. The friend who offers assistance with moving furniture to another location may be invited to share a meal with the person who is moving. The adult child of a dying parent who faithfully attends to the needs of that parent throughout the dying process.

At times caring and Christian charity become common practice as with a baby shower and contributions to a charitable organization as a fitting memorial in the name of a deceased workmate. In all such cases the personalist capital of the generous or loving giver is enriched with real-world economic effects. This scenario is depicted in O.Henry's short story "The Gift of the Magi" where newlyweds who are poor express their love for one another by their mutual sacrifices to provide the other with a gift at Christmas. He sells his pocket watch to give her a comb for her long hair. She has her hair cut short and sold to give him a chain for his watch.

**Schematic 1. ACTING VIRTUOUSLY OR VICIOUSLY AND PERSONALIST CAPITAL:
DEVELOPMENT OF THE PERSON OF ACTION**



With justice, caring, and Christian charity, acting virtuously means *justly, generously, lovingly*.

In contrast, acting viciously means *unjustly, miserly, hatefully*.

First-level action refers to reflexive or instinctive action that humans have in common with animals.
Second-level action is purposeful or intentional.
Third-level action produces a change (good or bad) in the person who engages in that action.

FINAL REMARKS

We began this essay by observing that exchange takes place only when there is economic gain for the parties involved. For the most part exchange has a positive-sum outcome.

At times, however, exchange can have a zero-sum outcome and for that reason gain has to be limited. Commutative, distributive, and contributive justice must be applied to remedy any outcome that derives from such practices as exploitation, deception, and mistakes that deprive one party of the gain that is his/her due. Applying justice turns a zero-sum outcome into a positive-sum outcome.

The problem with justice is that it results in a condition where no one *owes anything to anyone else*, a condition which as we noted earlier Schall describes as an “isolated hell.” John Paul II puts it this way: “... justice, if separated from merciful love, becomes cold and cutting”. Thus, the faithful practice of the three principles of justice, along with subsidiarity that preferentially locates economic decision-making as close as possible to the individual economic agent, helps remove the sources of dysfunction that prevent human beings from living successfully in community. They do not, however, establish a functional community.

For a truly functional community and economy, the faithful practice of all three principles of economic justice *taken together* is required. As with a three-legged stool all three are necessary to keep the stool from tipping over. We refer to the faithful practice of all three as *social justice*.

Caring is the deliberate reaching out of a generous person to assist a needy person. Without caring justice strictly speaking is cold and calculating. Caring in effect supplies the three cross members that stabilize a stool.

Advocates for including caring somehow would add this secular virtue to the orthodox way of thinking about the economic agent and economic affairs. Their efforts fall short because (1) the exchange that is triggered by caring involves need fulfillment not want satisfaction, and (2) the economic gain applies only to the person in need. The caring person does not realize or even desire economic gain. Instead the generous person has an enhancement of personalist capital because caring is a good habit that rises above the demands of justice. In sharp contrast, the person with resources who sneers at and walks past a person in need experiences an erosion of character and a depletion of personalist capital because callousness is a bad habit.

Personalist economics sees the economic agent as a *person of action* rather than one who is like the largely passive *homo economicus*. John Paul II argues that the basic difference between the individual and the person is that the individual is entirely separated from the divine whereas the person is nearly divine. The individuality, sociality, and near divinity of the *person of action* are beautifully rendered in Michelangelo’s *Act of Creation* in the Sistine Chapel.

Christian charity and caring are alike in that both are grounded in the equality of all human beings. Further, they are alike in that they have a role in economic affairs only when they are used. Unlike

economic resources neither one is depleted through use. Even so, they are considerably different. With generosity, human beings are seen as ends in themselves more so than means, as persons with inalienable rights that must not be violated. Christian charity goes beyond the passive Kantian imperative to not view humans as mere instrumentalities. Every follower of Christ is *duty bound* to actively affirm all human beings as persons. Charity is the distinguishing mark of Christ's disciples.

Opportunity cost does not apply to caring or Christian charity because both involve persons who are not interacting for the purpose of *mutual* gain. For sure, the service or material thing freely offered and graciously received has economic value. However, for the persons who receive those gifts nothing is foregone. At the same time, the person prompted by caring or Christian charity appears to be giving up something of value without getting anything of value in return. But there is a real return in the form of enhanced human development. If the caring person or the one who is expressing Christian charity are actively engaged in business, the firm acquires goodwill that is accounted for on the balance sheet of that business when it is sold.

To reiterate, Christian charity and caring are alike in two ways. First, neither one is depleted through use, and in that sense both are unlimited resources. Second, both virtues fairly acted upon in economic affairs strengthen the character of the economic agent. We refer to that human characteristic as personalist capital that helps determine integral human development. Vices such as, injustice, favoritism, and callousness weaken the character of the economic agent, are accounted for in terms of diminished personalist capital, and are harmful to human development.

Caring and Christian charity may be represented in two scenarios. First, with both virtues action is undertaken on behalf of a *stranger* with no expectation of reciprocity. Second, a product or service is given to a *family member, friend, neighbor, workmate* motivated in part that the recipient may reciprocate in the future.

In mainstream micro-economics human material well-being (utility and profits) is maximized. In macro-economics production is maximized. From a personalist perspective, micro-and macro-economics are unified around the final goal of maximizing integral human development through improvements in personalist capital, along with social capital, human capital, and material well-being. Thus, caring and Christian charity are essential to a functional economy.

Caring and Christian charity alter the basic requirement for economic exchange to take place. For the self-interested *homo economicus* of orthodox economics, a comparison is made as to whether what is gotten in the exchange is more highly valued than what is given up. In contrast, the person in need who accepts what has been offered by a generous or loving person gives up nothing of economic value. For the *person of action* who is prompted by generosity or love nothing of tangible value is gotten in the gift-giving process. However, caring and Christian charity enhance the personal character of the gifting human being and in personalist economics are taken into account as personalist capital that in turn contributes to integral human development.

In the end, the machine-like and passive *homo economicus* is a static concept because he/she is

unable to develop more fully as a human being. Like a machine, *homo economicus* is emptied of any personal essence. The dynamic *person of action* is capable of change by acting virtuously in economic affairs and thereby becoming a more fully developed human. By acting viciously, he/she sets back human development. By personal choice, the *person of action* functions along a spectrum of two extremes: a person of integrity and a person of ill repute.

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