

RECOGNIZING A COMMON GROUND FOR ECONOMICS AND PHILOSOPHY

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Abstract: This is a short reflection on the economic and philosophical thought of Antonio Rosmini (1797-1855), as analyzed in Carlos Hoevel, *The Economy of Recognition: Person, Market and Society in Antonio Rosmini*, (Series: Ethical Economy. Studies in Economic Ethics and Philosophy, Vol. 42, Dordrecht, Heidelberg, New York & London: Springer, 2013). Rosmini's defense of individual moral and economic action, the possibility of objective knowledge and the guiding concept of truth recognition are explored with depth and clarity in Hoevel's recent book, of interest for both philosophers and social scientists.

Resumen: Esta es una breve reflexión sobre el pensamiento económico y filosófico de Antonio Rosmini (1797-1855), como es analizado por Carlos Hoevel en *La Economía de Reconocimiento: Persona, Mercado y Sociedad en Antonio Rosmini*, (Colección Economía Ética, estudios en Ética Económica y Filosofía, Vol. 42, Dordrecht, Heidelberg, New York & London: Springer, 2013). La defensa de Rosmini de la acción moral y económica individual, la posibilidad del conocimiento objetivo y el concepto rector del reconocimiento de la verdad se exploran con profundidad y claridad en el reciente libro de Hoevel, de interés para filósofos y científicos sociales.

I will always remember the first time I encountered the works by Antonio Rosmini (1797-1855). I had been studying the economic writings of religious authors since I graduated from the Pontifical Catholic University of Argentina,

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the same university that today enjoys Professor Carlos Hoevel's teachings and contribution to the study of the philosophy of Economics.

In 2007, in my continued efforts to find forgotten Christian contributions to economics, I spent time browsing through the Book Barn, an antiquarian and used book store near Philadelphia. It was there where I noticed three red-leather bound books of homilies written by Rosmini. I bought them without much research. I never read about Rosmini. When I arrived home I looked in the internet. The first entries, to my surprise, were from the web page of a political party *Forza Italia*. They were celebrating the 200th anniversary of the birth of this great "Catholic Liberal." From that moment I knew I had to get all his books. I never imagined how prolific he was, and that I was going to be able to get an almost complete collection of the first edition of his works in Italian at the same book store.

I also learned that there was a major effort underway to translate all of his works into English. Despite that most of them can be read on-line, I also purchased the collection of his translations. Soon after my initial studies of Rosminian "economics" I spent some quality time with Italian philosopher, not yet politician, Rocco Buttiglione. I told him how impressed I was with Rosmini's writings. Rocco's answer surprised me: "I am so glad that his works are being translated into English because Rosmini's Italian is impossible."

Rosmini frequently uses his original language. As the reader of the book by Carlos Hoevel will notice by the abundant quotations from Rosmini, his economic language is not so difficult. His philosophical writings are much more intricate, not only for an economist with some knowledge of philosophy like me, but also for a trained renowned philosopher and polyglot such as Buttiglione.

The notion of being is essential to understand Rosmini's approach to social sciences. It is the fundamental stone of his edifice. Carlos Hoevel writes that:

The Italian thinker does not conceive it as a subjective form, but as an objective idea that, although present in the subject, both transcends and surpasses it infinitely: this idea is precisely what Rosmini called the "idea of being."

According to Rosmini, there is nothing we can think, feel or act without the idea of being. However, unlike what is claimed by Hegel, Rosmini believes that although the idea of being is discovered in thought, the latter is not the cause or the producer of the idea of being but, on the contrary, it is the idea of being the one produces and enables thought (Hoevel, 2013: 10).

An idea parallel in importance to the idea of being is the idea of individual human action in the realm of the economics. Rosmini uses the term “economic science” in a peculiar way, as economic action and planning. Human action, performed by individuals in their private or public spheres, has an economic aspect, which is the focus of economics. Deciding to buy or not to buy, or to tax or not to tax is not economic science, but economic actions which are studied by science. The goodness or badness of those decisions is studied by moral philosophy or economic ethics.

Since ethics gives economics a “new dignity,” it follows that the wealth of a society is not determined by material aspects:

So, knowledge, truth and virtue are certainly much more than material wealth and they form part of the object of study of Economics as long as they influence material wealth or because they aid in their production, or because they may effectively be exchanged for material wealth. However, owing to their own nature, these goods belong to other sciences” (Rosmini 1978a, 16, footnote).

As Dr. Hoevel correctly states, “according to Rosmini, the highest value of an economy does not lie in the natural resources or in the “utilities” and technical capacities, but in personal capacities, which are the result of freedom and moral virtues. Indeed, because “the greatest activity of nature, and the sole activity of person, consists in the use of freedom,” “the natural, appropriate use of freedom [moral virtue] is, therefore, the greatest subjective human good and the sole good of the human person” (Rosmini, 1994:275). Therefore, according to Rosmini, virtue is “the most important utility of all.” In addition “nothing is truly useful except for truth” (Rosmini, 1977:124). As he further

explains: “Mankind would have never reached the flourishing state by which it possesses so many suitable means to lead a content and honest life if . . . it had never tempered the bad habits and the corruption of its passions by igniting the light of truth in the spirits” (Rosmini, 1887:98).

As this book clearly shows, the human being is at the center of Rosmini’s economics. Material incentives can be good, but in themselves can lead to more not less dissatisfaction, even when creating more material prosperity. In another passage presented by Prof. Hoevel, Rosmini states that an incentive “can contribute to contentment only if it finds the human spirit well-disposed and conditioned to receive its good effect of contentment. But it can do nothing about contentment if the spirit of the person who possesses the good lacks the necessary interior dispositions for it” (Rosmini, 1994:304). Moreover,

Let us suppose now that we have an individual who has a capacity for twenty and possesses twenty. I stimulate his capacity and succeed in enlarging it to one hundred. Made restless and active by his new desire, he succeeds in obtaining for himself sixty, let us say, of the desired objects. Forty degrees of his capacity are still unsatisfied; he now experiences forty degrees of unrest although his enjoyment, which has now reached sixty, has increased threefold. But is the increase in enjoyment of any help, granted the loss of contentment of spirit and consequent unhappiness? His enjoyment, increased by two-thirds, has not bettered but worsened his state. My mistaken benefice has rendered him very bad service (Rosmini 1994:395).

The theory of value has always played an important role in economics. Rosmini views are similar and seem like a more elaborate version of late-scholastic thinking.

Apart from utility and scarcity, the late scholastics also considered *virtuositas*, which can be translated by “objective materiality,” the term used by Rosmini. By objective materiality he means that the good “should be able to subsist with a certain degree of entity of its own, regardless of the subject who produces or consumes it.” Prof. Hoevel summarizes this idea in the following paragraph:

According to Rosmini, wealth is certainly a value emerging from some objective qualities of a thing, but these qualities do not have a meaning in themselves unless they are related to the subject's capacity to experiment some kind of satisfaction or pleasure through them. That is why economic value is not something fixed and unchangeable, but it is each person who "at every instant determines and fixes the value of things" (Rosmini, 1994).

To have economic value a good "needs to be a scarce, limited good, which, therefore, demands the sacrifice or refusal of other goods to be obtained. In short, economic value is also defined by the thing's capacity to be exchanged for other goods or by the amount of goods one needs to use, consume or exchange to get it. In a word, a thing has economic value as long as one can assign a market price to it" (Hoevel, 2013: 65). In Rosmini's words:

There may be material objects such as the air, the sun, etc., which satisfy needs and produce pleasure but still cannot be considered objects of the economy. They do become objects of economy only when they demand expenditure or labor to be maintained or when it is necessary to protect them from too many consumers; in that case, they can be sold and purchased. However, when they abound for everyone without the need of any expenditure or effort, nobody is willing to exchange them for any other thing, no matter how insignificant it is; though they satisfy the greatest needs of life, they do not have a price. In this sense, they are excluded from the number of things which can be given a price, those which economy is concerned about (Rosmini, 1978a:16–17).

The late scholastics sometimes used the terms *complacibilitas* or *deseabilitas* as factors determining economic value. This is similar to the terms "human desire or capacity" used by Rosmini: "Clearly, every time an external good does not satisfy [*non appagano*.] it is not a good" (Rosmini, 1994:322). Prof. Hoevel describes that in addition to his theory of value, Rosmini is also inspired on Aquinas and his late or second scholastic commentators like Suárez, Martín de Azpilcueta (Navarro), Lugo, Molina

and Vázquez for his theory of contracts, of the just price, and of the right of ownership (Rosmini, 1993:1152, fn. 280).

Prof. Hoevel devotes a couple of chapters to describe how Rosmini viewed economic concepts such as utility, economic value, needs, wealth, poverty, work and consumption. Some of Rosmini's writings present in Hoevel's text show him as a great champion of private property and the private sector:

The more civil societies relinquish enterprises and leave them to private activity, which they must protect and encourage, the more closely they approach their ideal. We can safely assert that in this matter at least, greater progress in civilization is made by a government that procures more public good through the spontaneous action of individuals and of the private societies it protects, and distances itself from leadership in such enterprises (Rosmini, 1996: 2168).

In this paragraph the Italian author shows not only respect for private activity but he is implicitly saying –like F.A. Hayek did, more explicitly, a century later– that spontaneous action can lead to a positive outcome. The importance of freedom in the economy is also present in this quote from Rosmini:

I agree with Adam Smith and with so many other economists that the most useful distribution of wealth is the one performed by the nature of things. This distribution and direction of wealth is all the more perfect when the place and time in which it is considered are vaster. It occurs thus with all natural laws, the regularity of which is not discovered until they are considered over an ample period of space and time (in Hoevel 2013: 142).

Rosmini was an early critic of socialism. Like Father Jaime Balmes (1810-1848) in Spain, he criticizes the socialists of his time and anticipated many of the ills that would follow from the adoption of socialism. Dr. Hoevel focuses on Rosmini's criticisms of "Sansimonians" state-planning proposals: Robert Owen's cooperative movement, Fourier's harmonious association

based on the total liberation of passions, and Babeuf's mandatory and socially planned work (Rosmini, 1978b: 86, 88, 90, 95). The Roveretan states that these proposals violate basic rights such as the right to choose one's own way of life, of ownership, of free competition and work, and that they annihilate the incentives for individual initiative, family love, attachment to property and free association, which will be fundamental principles in Rosmini's own economic philosophy."

The economic and social impact of socialism would be devastating, but the worse impact would be the 'complete destruction of human freedom,' which leads to the destruction of man's moral and economic capacity because freedom 'is the root of all duties and, thus, of all human rights (...) the source of all individual and social goods' (Rosmini, 1978b:88).

Those who go through all the writings of Rosmini would see the extremely long list of authors that he considers. The wide range of readings by Rosmini is correctly acknowledged in Prof. Hoevel's book. As the latter asserts, Rosmini is in "constant dialogue about economic issues . . .with Anglo-Saxon moralists and political philosophers like Mandeville, Hume, Ferguson, Stewart, Reid, Bentham or Benjamin Franklin; historians such as Blackstone, Robertson, Young, Raynal, Cobbet, Mably, Sidney, Squire and Wallace; political philosophers like Locke, Rousseau, Montesquieu, Harrington, Tocqueville, Constant, Hamilton, Madison and Jay; economists of German and French tradition like Sonnenfels, Dutot, Droz., G. F. L. Comte or Dunnoyer" (Hoevel, 2013: 27).

In regard to the intellectual affiliation of the Italian thinker, Prof. Hoevel takes issue with those authors who, like Pietro Piovani, want to portray Rosmini as a champion of classical liberalism and a constant critic of "social Catholicism." Hoevel writes that Piovani emphasizes, "beyond the fearful uncertainties of Catholic political reflection," the "accuracy of Rosminian thought" which is characterized by the "foundation of a liberal politics resulting from the need to respect the freedom that the universe's providential government guarantees to all individuals" (Piovani, 1957:247). In Piovani's words, Rosmini would be therefore the great critic of all kinds of "social Catholicism": social Catholicism is the antithesis of this Rosminian hope;

social reform is exactly the contrary to the reform supported by Rosmini (Piovani, 1957:407).

My reading of Rosmini puts him closer to classical liberalism and as a critic of what passes today as social Catholicism, but I also agree with Hoevel that “thanks to this personalist approach, Rosmini departs from both extreme individualist subjectivism and extreme collectivist objectivism which have characterized modernity” (Hoevel, 2013: 10).

Hoevel devotes several parts of his book to Rosmini’s views on topics such as inequality and redistribution, state enterprises, and free trade. On redistribution Hoevel summarizes that for Rosmini: “an economically just distribution of goods within a society is, in principle, the outcome of competition amongst individuals and “it is never the task of government” (Rosmini 1994:n.628). Rosmini also opposed state enterprises and disapproved import and export taxes if they were imposed for fiscal reasons. It is hard to find someone in the Catholic hierarchy today with views so favorable to free enterprise and commerce. Nevertheless, in all these cases, he makes room for exceptions, and temporary interventions.

Carlos Hoevel’s book successfully shows how Rosmini, through his debate with the utilitarians of his times, refused the attempt to reduce the entire human and social reality to the canons of economics understood as a science of wealth or happiness, just like many critics of economic utilitarianism have done during our times. Thus he believes that it is necessary to have an integral vision of economic issues which, in the first place, certainly imply considering “the production, distribution and consumption of external goods” (material factor). However, there are another two key factors, such as “the activity of the human spirit” –that is, the moral and psychological factors– which have a powerful influence on the material factor and are in turn influenced by it; and the institutional and social factor which, as we have seen, “influences directly both the human spirit and the production, distribution and consumption of external goods” (Rosmini 1994:n.191, app.4). Hoevel highlights how Rosmini criticizes all those who reduce the economic dimension either to “abundance of external goods” (material factor), “the increase of common pleasures”, to the “contentment of spirit”

(moral and psychological factor), or to the “social order” (social or institutional factor), without realizing that the three factors must be jointly considered.

In sum: Rosmini’s defense of individual moral and economic action, the possibility of objective knowledge and the guiding concept of truth recognition are explored with depth and clarity in Carlos Hoevel’s book, of great interest for both philosophers and social scientists. The Argentine professor has offered a novel, extensive and thoughtfully-argued contribution in the field of the philosophy of Economics that deserves to be read, studied and promoted worldwide.

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