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# RECONSTRUCTING SOCIETY AND POLITICS AFTER A WORLDWIDE ECONOMIC CRISIS

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## Abstract

The recent global economic crisis has drawn attention to the limits of a capitalist market and economy that have been increasingly separated from ethical concerns. This crisis seemed to have pointed out that, in Western societies, a mere focus on wellbeing and good life, and a fetishization of financial instruments have narrowed the horizon of the moral and social imagination and, in addition, have perpetuated social injustice on a wide scale. This issue was in a sense anticipated by the contemporary classic theory of justice elaborated by John Rawls, and has been directly tackled, during the very economic crisis, by scholars with ethical, humanistic, and theological backgrounds. Among them, two religious leaders who possess also a considerable scholarly experience like Joseph Ratzinger and Rowan Williams have advanced outstanding views about how to reconstruct society and politics after the latest global crisis, both trying to reconcile the demands of economics with theology by way of ethics. In this paper, I firstly attempt to focus on Rawls's view on a fair conception of justice, which could arguably prevent, if it were taken seriously by political actors, social and economic shortcomings like the ones that led to the recent worldwide crisis. Secondly, I turn on Ratzinger's and Williams's rather similar proposal to connect economic activity with a concern for the common good, and to reconsider what makes humanity and social relations human, beyond judgements of failure or success.

*Keywords:* distributive justice, trust, fraternity, mutual benefit

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## 1. Introduction

A comprehensive account of the latest global economic crisis could hardly be limited only to a financial report of the deficits and losses expressed in terms of economic assets. This crisis has unambiguously revealed that a loss of social trust and mutual support was also at stake. Actually, one of the sources of this crisis seems to have been the widely accepted belief that economy is a special activity that is by no means subject to the same moral considerations as other human activities. Furthermore, this crisis has pointed to the need to reassess not

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only this belief, but also the supposition that economy could justifiably expand its categories over many other human activities, such as healthcare or education.

The result of this tendency to overemphasize economic values like wellbeing and good life and to fetishize financial instruments was that, in most Western societies, the moral and social imagination has been seriously impoverished and deprived of other normative concerns that could provide a more far-reaching image of human agency. A more critical moral effect of overstating the economic categories was that, by becoming ‘autonomous’ from any moral evaluations, many influential economic actors have tended to thoroughly omit the traditional ‘cardinal’ virtues: fortitude, prudence, temperance and justice. By becoming increasingly unfettered by moral constraints upon their desire for wealth, they have acted as isolated individuals whose only legitimate concern was the maximization of their own profit. Yet, the fact that this has actually aggravated already existing social and economic injustices was by no means unpredictable. In fact, Rawls's theory of justice, based upon *justice as fairness*, has notoriously advanced a perspective upon a fair liberal economy that could have prevented such critical developments, provided they would have been taken for granted by policy-makers and political players, especially in the United States.

The ethical lessons of this crisis were explored not only by scholars who are active in the academic fields of humanistic and social studies, but also by church leaders with an academic profile like Joseph Ratzinger, the former leader of the Catholic Church (as Pope Benedict XVI), and Rowan Williams, the former Archbishop of Canterbury. Both have advanced ethical and theological diagnoses of the recent global crisis, by trying not only to uncover its sources, but also to recommend ways to reconstruct society and politics in the aftermath of the crisis. In what follows I intend to focus upon Rawls's theorizing about the construction of a just society, which should allow all of his members equal conditions for self-respect, and upon Ratzinger's and Williams's normative views about economic activity, seen as one of the numerous social activities that are subject to moral evaluation and are not disentangled from theological descriptions.

## **2. Rawls's fair conception of justice and the construction of a just society**

Rawls's theory of justice is a neo-contractarian version of liberalism that seeks to avoid the deprivation of the least advantaged members of society of what Rawls calls “primary social goods”, i.e. rights, liberties, opportunities, income, and wealth. Since in contemporary political philosophy both Rawls and Hayek have claimed the mantle of liberalism in spite of their dissimilarities, Rawls's school of liberalism has been distinguished from Hayek's “classical liberalism”, by calling Rawls's brand of liberal theory a “social, or new liberalism” [1]. A libertarian philosopher like Nozick has emphasized as well, in his book *Anarchy, State, and Utopia* (1974), the *distributive* character of Rawls's *justice as fairness*, thus underlying the social concerns of Rawls's liberalism, as

distinguished from his own libertarian emphasis on the property right, seen as the cornerstone of individual liberty [2]. It is thus appropriate to highlight the *social* and *distributive* nature of Rawls's theory of justice, which is crucial for his *fair* conception about how goods should be distributed in society on the basis of political regulations.

At the beginning of *A Theory of Justice*, Rawls devises two principles of justice, which he expects to be agreed to in the original position and to be applied as constitutional principles of a liberal-democratic society. The first principle regards the equality of basic liberties, by following the classic theory of liberty that was elaborated within the Western liberal tradition. The second principle regards the distribution of social values like liberty and opportunity, income and wealth, and the social bases of self-respect, which is to be equal, unless their inequality is to everyone's advantage [3].

Rawls clearly maintains the priority of basic equal liberties over social and economic advantages by stipulating that the ordering of these principles is to be preserved, so as to prevent the infringements of basic liberties. However, by pointing to the *equalizing* of essential social values, he increases the importance of *fairness* and *mutual benefit* to a rather singular degree for a liberal theorist.

A clear rationale given by Rawls for his normative view of an egalitarian conception of justice is his account of the principle of fraternity. The way in which Rawls explains this principle may seem to resound a religious view of society rooted in Puritanism, albeit he mentions at the more formal level of the theoretical construction also the secular value of *fraternity* expressed by the French Revolution, beside *liberty* and *equality* [4]. Rawls actually elucidates the meaning of the “principle of fraternity” by referring to Ralph Barton Perry's classic *Puritanism and Democracy* (1944), as “a certain equality of social esteem manifest in various public conventions and in the absence of manners of deference and servility” [3, p. 90]. He also adds to this meaning “a sense of civic friendship”, which echoes the Aristotelian-republican tradition, and a sense of “social solidarity”, which apparently does not arise from Puritanism, since the traditional social solidarity that was common in England before 1620 was challenged thereafter both in ideology and reality by the Puritan-Protestant individualist canon [5].

By emphasizing the principle of fraternity, Rawls moves from what is to be taken on a political level as fair and just for all the members of society, especially for those less well off, to a motivation which is supposed to encourage the agent to *want* to act on the difference principle, in order to benefit the less advantaged people around him or her. This motivation seems to follow again a somewhat Puritan logic, since it draws from the model of the family solidarity, which was much emphasized by the Puritan piety, alongside individualism [6]. Rawls thus seems to favour a view of society inspired by the family solidarity, naturally without expecting to find affective bonds between members of the wider society. Nonetheless, he uses the particularistic model of family for supporting on a more general level of society an egalitarian principle of distribution like the difference principle [3, p. 91]. This could be depicted as a

conservative strategy of moving gradually from the “natural community” of family to the wider society.

Rawls states that the construction of a just society, especially through his difference principle, which specifies that a just order of society should look for the advantage of the less privileged members of society, expresses the value of *reciprocity*, since the difference principle conveys the idea of *mutual benefit*. Mutual benefit could only be pursued if everyone, and especially the more advantaged, view the society from a general perspective, recognizing that “the wellbeing of each depends on a scheme of social cooperation without which no one could have a satisfactory life” [3, p. 88]. His concern for a fair regulation of the distribution of liberties, and social and economic goods according to an idea of mutual benefit that should correct the accidents of nature and of social circumstances makes him, to a certain extent, a scientific herald of an economic crisis that may result from an unjust public distribution, and at the same time a champion of the philosophical foundation of a ‘Keynesian’ sort of social justice that may help redressing critical inequalities through redistributive policies regulated by political procedures defined by the constitution [3, p. 194].

### **3. Ratzinger's view of the reconstruction of a good society after a global crisis**

Unlike John Rawls, who discusses rights, liberties, and wellbeing from an ethical standpoint which takes seriously the level of the political structure of society, Joseph Ratzinger wrote (as Pope Benedict XVI), especially in his encyclical *Charity in truth*, about the construction of a good society from a perspective informed by an explicit theological conception about the good life. His vision of politics clearly holds a tacit requirement to incorporate value, meaning, and transcendence into the motivation of one's social, economic, and political actions. Basically, Ratzinger constructs a vision of good society upon the explicit Christian concepts of *charity* and *truth*, thus avoiding both an irrational virtue of charity and a ‘scientific’ understanding of truth that eliminates compassion. He develops a global social and economic view of society based upon the value of ‘intelligent’ *charity*, that is to be taken seriously by economic and political actors, especially after the recent worldwide crisis.

The founding of a comprehensive social view on *charity* and *truth* is actually in contrast to most modern thinking that has separated love from reason ever since Descartes has claimed that the passions of the soul are morally inferior to reason – a view that is also shared by the Kantian rationalist normativism, and by the modern moral theology which has ‘secluded’ spontaneity from the Christian ethics [7]. Ratzinger believes, on the contrary, that the demands of love are not contradictory to reason and that there is, moreover, a mutual interconnection between *charity* and an intelligence which aims at wisdom. In terms of the social coexistence within a society or a political community, values like *charity* and *truth* lead to an emphasis upon fraternity, mutuality, solidarity, and gratuitousness. In the theological vision shared by

Ratzinger, life is a gift of God, and so is understanding, but *charity*, in its creative dimension, is seen as the greatest supernatural gift, which has also a very strong social dimension.

Ratzinger also refers to *gift* as to a natural vocation of human being, which “expresses and makes present his transcendent dimension” [8]. He criticizes the ontological self-sufficiency of the modern man which, he believes, has a particular economic expression in the widespread conviction that the economy must be autonomous and unattained by moral ‘infringements’. As an effect, economic systems have often failed to protect the personal and social freedom, and have generated injustices which have been intensified by the recent worldwide economic crisis. It appears that at this point Ratzinger comes close to Rawls's concern for a society based upon fair principles of justice.

Ratzinger reaffirms the legitimacy of the market and the profit to the extent to which they pursue not only the good of individuals involved in transactions, which is warranted by the so-called *commutative justice*, but also the wider common good, which corresponds to *distributive* or *social justice*. Moving towards a business-ethics that underlines the value of credibility, he notices that although the market apparently aims solely at exchanging goods, it could not do so effectively without a network of social relations based upon mutual trust and a certain amount of solidarity. But the current global economic crisis has pointed, he remarks, to a dramatic loss of mutual trust [8, p. 70]. This proves sufficiently that the internal logic of economic activity is not sufficient to ensure social justice. Therefore, it seems that the political community should take responsibility in order to correct through just policies of redistribution the critical imbalances produced by an economic action which aims exclusively at creating private wealth, by speculating on the weakness of the less skilled or the less advantaged members of society [8, p. 71].

Ratzinger reminds, in a Weberian tone, that economic activity is a cultural phenomenon, shaped by cultural configurations, and not a purely natural occurrence. So precisely because economy is a culturally shaped instrument for the wellbeing of men and women, it should be rationally ordered as an instrument which is made use of for more humane ends. Thus, he sustains a more socially responsible economy which recognizes friendship and solidarity, and calls into question an economy that becomes an autonomous instrument for increasing the wealth of the more advantaged by omitting social responsibilities [8, p. 72]. He argues that the very logic of economy demands a mutual trust that is expressed by the *principle of gratuitousness* and the logic of gift, being also a manifestation of civic *fraternity* [8, p. 75].

This vision of politics seems to come close not only to the Rawlsian view about a mutual benefit nourished by the principle of fraternity, but also to the classic Aristotelian conception of politics based on virtue, good citizenship and friendship widely understood. Likewise, it seems to echo somehow the notion of politics supported by Hannah Arendt, whose emphasis on authentic citizenship and civic friendship is well known [9].

Beyond any attempt to draw univocal ideological comparisons between Rawls and Ratzinger, there is a certain similarity between their policy recommendations, in terms of *distributive justice* and social cooperation aimed at common good and mutual benefit. In what follows, I will also consider the similarities between Ratzinger's and Williams's normative views about the need to connect economy to moral considerations in order to deal with the social injustices that were deepened by the recent economic crisis.

#### **4. Restoring the human dimension of economical life according to Williams**

For Rowan Williams, the former Archbishop of Canterbury, the recent economic crisis has soundly confirmed the limits of a self-sufficient economic activity and the failure of many 'autonomous' financial and economic agents to act in a way that favours the common good. He believes that economy is a human activity like many others, and is not, in consequence, devoid of moral significance and exempt from considerations related to mutual benefit.

Williams explicitly uses the paradigm of *housekeeping* in order to identify the reasonable goals of economic activity, which should also contain strategies for the nurture and care of those who are vulnerable and depend upon the activity and income of the working 'adults' (the children and the elderly). Likewise, good housekeeping ideally allows growth and rest, and leisure and creativity for all the members of the family. A judicious housekeeping hence demands stability and a marginal income that would leave all the members of the household some space for 'nonproductive' living [10].

By contrast, an economy which has reduced everything to the search for maximizing profit has ended up overlooking the long-term goals and has nearly destroyed the nurture and stability of the large 'household'. It has failed to recognize the need for *shared* wellbeing, by being obsessive about an individual profit that was sought for by taking enormous risks, devoid of any concern for 'economic rationality' and realism.

Williams proposes in turn a critical contemplation of an economy which threatens the security of those who are unable to defend themselves and champions only the interests of individualistic, well-situated agents, driven by an unlimited desire for wellbeing in a state of isolation. His normative perspective relies on the Christian value of mutuality, which means that each member of a community founded upon the belief in the teaching of Jesus Christ "is called to see himself or herself as equally helpless alone and gifted in relationship" [10, p. 25]. Williams explains his allegiance to such interdependence between the members of a wider community by making clear that there is no Christian and Jewish notion of a purely private wellbeing which excludes others. This exclusion may not necessarily occur through conscious intentions, since it is sufficient to maintain certain economic habits whose effect is actually the exclusion of the less advantaged members of the global community. What seems to be crucial, according to this Jewish-Christian 'communitarian' assumption, is to recognize that we depend "even on those who

appear to have nothing to give” [10, p. 26]. This perspective upon a wide mutual dependence is intended to support a view of economy according to “a model of human life together” [10, p. 28]. It is an attempt to advocate the need to restore the human dimension of economical life, whose aim is to reconstruct society after the global crisis on moral values that include mutuality and compassion.

## **5. Recovery after crisis through a shift of mentalities in Ratzinger and Williams**

Both Ratzinger and Williams seem to be committed to a strategy of overcoming the global economic crisis through a shift of mentalities. One of Ratzinger's basic moral assumptions is thus that the recent economic crisis has reflected a critical decline of the business-morality, whose main result was a dramatic loss of mutual trust. In order to reconstruct the moral capital of trust which sustains every business-activity, one may need to go back to the fundamental questions related to the aim of business, which should also embrace social responsibilities. Besides, according to Ratzinger, there is also a need to revise the consumerist mentality that has led to this crisis, by replacing it with new life-styles, which should focus on the quest for truth, beauty, goodness, solidarity, and civic friendship [8, p. 107].

Ratzinger also criticizes the mentality which encourages the isolation of the individual from other fellow humans and from God, and persuades him or her to invest his trust only in human projects and creeds that omit any reference to transcendence. He believes that men and women who are not involved in authentic interpersonal relationships with other fellow humans and with God could hardly reach personal maturity, because a human person matures only when he or she is recognized and received as an autonomous individual into the larger human family [8, p. 112].

As we have already seen, Williams shares the same concern for the relational character of human persons, and professes a similar commitment to a model of human family that is based on dependence on others and endowment with gifts for others [10, p. 25]. Actually Williams focuses more on the need to move from a narrow individualistic and wealth-oriented mentality to the model of ‘housekeeping’ than on a specific policy-agenda that should be implemented in order to encourage a more public-spirited economic activity. He states that “regulation alone is ill equipped to solve out problems” and the matter “needs to be internalized in terms of the sort of life that humans might find actively desirable”, which invites us to the recognition and recovering of “the language of the virtues” and of “the courage to speak of what a good life looks like” [10, p. 29]. This clearly suggests that a mere change of the regulation that controls policies could hardly be sufficient for rectifying what has gone wrong in the present-day society, on the social and economic levels of human agency. The shift he suggests is rather explained in terms of virtue-ethics, than in terms of politics and policy-making.

## 6. Conclusions

Despite Rawls's notorious focus on the deontological priority of 'right' over the 'good', which led him to a theory of justice instead of a model of the good society, his difference principle points toward a preference for a shared wellbeing that is explicitly construed as an expression of fraternity and civic friendship – two notions that are also used by more teleologically-oriented moral and political philosophers. Such a preference for shared wellbeing is furthermore consonant to the position adopted by both Ratzinger and Williams with regard to the need to reconstruct society after the global crisis that started in 2008 in the United States. It appears to support the need to incorporate notions like *fraternity*, *mutual benefit* and *solidarity* into the more widespread liberal-democratic mindset, in order to avoid an unfair setting of modern liberal capitalism.

Ratzinger and Williams, on the other hand, express apprehension about the way in which the current setting of liberal capitalism, with its emphasis on maximizing profit, may undermine mutual trust and personal development to the extent to which they may conduct to self-defeating enterprises. Therefore, they emphasize the vital need of the post-crisis society to embrace the ethical values of *fraternity*, *mutuality*, and *interdependence*, and to create a more humane scenery for the capitalist economy. Unlike Williams, who is more interested in the reconstruction of the social framework of liberal capitalism on the basis of virtue-ethics, which ultimately lead to an interpretation of human behaviour "in relation to the agency on which everything depends" [10, p. 32], Ratzinger suggests a more specific ground plan for the policies that should be carried out for reconstructing society after the crisis, although he seems as interested as Williams in offering guidelines for moral improvement in the light of Christian metaphysics and Moral theology.

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