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## Caritas in Veritate: Economic Activity as Personal Encounter and the Economy of Gratuitousness

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# Caritas in Veritate: Economic Activity as Personal Encounter and the Economy of Gratuitousness

## **Abstract**

In this paper, we first survey the Catholic social justice tradition, the foundation on which Caritas in Veritate builds. Then we discuss Benedict's addition of love to the philosophical virtues (as applied to economics), and how radical a change that makes to an ethical perspective on economics. We emphasise the reality of the interpersonal aspects of present-day economic exchanges, using insights from two disciplines that have recognized that reality, human resources and marketing. Finally, we examine the prospects for an economics of gratuitousness at a level higher than the individual, that is, for businesses devoted to social ends more than profit.

## ***Caritas in Veritate: economic activity as personal encounter and the economy of gratuitousness***

James Franklin

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When I visit a masseur or a funeral director, take a course from a language teacher or consult a physician, I am engaged in economic activity. I pay money, I receive service. But that is a very thin and partial description of what happens in such encounters. An interpersonal relationship is essentially involved – that is the kind of service such providers give. That is why such services cannot be provided by machine or software and cannot be outsourced to India.

Yet economic theory, even when dealing with the “service sector”, has not made much of the differences between transactions involving personal service and those that do not (online banking, for example). Classical Catholic social justice theory has not made much of the difference either, based as it on philosophical concepts of justice and the rights of people in the mass. That is a pity, since it means that economics and social justice theory have not engaged as seriously as they might with a large part of economic reality – a part that has become more and more important as routine work has been automated and personal service jobs have multiplied. It has also meant that love, which according to Christians is the centerpiece of moral action, has hardly appeared in discussions of the economy and work, though those are a major part of most people’s interaction with their fellow humans.

Benedict XVI’s *Caritas in Veritate* marks a new departure. It recognizes the reality of economic transactions as personal encounters and calls for an “economy of gratuitousness and fraternity”,<sup>1</sup> in which everyday person-to-person services become opportunities for the expression of love.

In this paper, we first survey the Catholic social justice tradition, the foundation on which *Caritas in Veritate* builds. Then we discuss Benedict’s addition of love to the philosophical virtues (as applied to economics), and how radical a change that makes to an ethical perspective on economics. We emphasise the reality of the interpersonal aspects of present-day economic exchanges, using insights from two disciplines that have recognized that reality, human resources and marketing. Finally, we examine the prospects for an economics of gratuitousness at a level higher than the individual, that is, for businesses devoted to social ends more than profit.

### **Background: the Catholic ethic of social justice**

Let us start at the beginning, with a brief sketch of the philosophical and historical foundations, of how the Catholic church developed its position on these economic and social issues.

The Catholic Church has always defended an objectivist “natural law” view of ethics in general and of rights in particular. On that view, ethics is not fundamentally about rules, or divine commands, or the greatest happiness of the greatest number, or habits ingrained by evolution and custom. It is about the irreducible worth of persons – the irreducible equal

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<sup>1</sup> Benedict XVI, *Caritas in Veritate*, n.38

worth of persons – and what follows from that. Because a human being is of immense value, a human death is a tragedy. That is in contrast to the explosion of a lifeless galaxy, which is just a firework. As Benedict puts in the new encyclical, “[the Church’s ethics] is based on man’s creation ‘in the image of God’ (Gen 1:27), a datum which gives rise to the inviolable dignity of the human person and the transcendent value of natural moral norms.”<sup>2</sup> So humans have a right to life and (to put the same thing from the point of view of others) murder is prohibited. Because humans have a particular nature, their rights and duties are of particular kinds. For example, because they are intellectual beings, knowledge is central to a full human life, which is to say they have a right to education. Because they are spiritual beings, they have a right to the free exercise of their religion. And so on for the many other rights of individuals, which have come to be widely acknowledged and codified as “human rights”.

That much is about ethics concerned with individuals. But because humans are social beings with free will, they have a right to participation in the political and economic decisions that affect them. So the Catholic Church, much more than other Christian churches, has developed the ethical consequences for the organization of society. Leo XIII’s *Rerum Novarum* of 1891 laid out a vision of society between the extremes of state socialism and laissez faire capitalism. A society should consist of many organizations of different sizes and purposes cooperating in the context of an acceptance of moral rules. Families, trade unions, guilds, businesses, clubs and the state should pursue their own aims, respecting each other’s spheres of action and cooperating to build a just society. A hundred years later, the Communist experiment in command economies had collapsed, and the form of “capitalism” successful in the West was so bound by safety regulations, compensation laws, truth-in-advertising legislation, powerful industry regulatory bodies and government inquiries as to be virtually unrecognizable as the laissez faire or “anything goes” version of the nineteenth century. Contrary to claims that such a cooperative model of economics was naïve and impossible to realize in practice, the “regulated capitalism” or “market socialism”<sup>3</sup> of the present day is much closer to Leo XIII’s plan than to the socialist or capitalist rivals of his time.

To understand the relation why Benedict XVI saw a need to go beyond Leo XIII’s position, it is useful to recall the historical situation of *Rerum Novarum*. The 1890s saw the Industrial Revolution (and its attendant depressions) revolutionizing the economies of continental Europe. The burning questions were those of the new masses of workers on assembly lines – questions to which socialism and Marxism promised one kind of answer. They were questions of economic and workers’ rights in the mass – how to ensure workers had rights to receive a basic living wage, to organize, and to have their safety at work protected. The natural answers to such questions are philosophical, calling on the virtue of justice and a philosophical view of the nature of society and authority to allocate rights and responsibilities to workers, employers and the State. The personal aspects of economic activity fall to the background in such questions. An assembly line worker is not in a personal relationship with his machine and only deals with his employer via a pay packet and union negotiations. While there were still major sectors of the economy of the 1890s where personal relationships were important, such as education and domestic service, the crucial issues of the day did not arise from them. So Leo XIII’s largely philosophical approach to the ethics of the economy was appropriate to the questions he faced. As a result, Catholic social

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<sup>2</sup> *CIV*, n.45

<sup>3</sup> J. Franklin, ‘Regulated capitalism, market socialism’, *Dissent*, Vol.5, 2001, pp.11-13, further in J. Franklin, Introduction to *Life to the Full: Rights and Social Justice in Australia* (Bacchus Marsh: Connor Court Publishing, 2007).

doctrine has focused on social justice and has been expressed in terms of ethical concepts like rights, responsibilities, trust and respect – concepts, that is, related to the “philosophical virtues” of the Greek philosophers. That is not necessarily so suitable for the questions raised by the economy of a century later.

### **The “economy of gratuitousness and fraternity”**

A hundred and twenty years after *Rerum Novarum*, Western economies have been transformed – partly as a result of technological improvements, partly because the requirements of justice called for by Leo XIII have been to a considerable degree implemented. Soulless repetitive jobs unfit for human beings, like assembly line work and copy typing, have gone, replaced by smart machines and software (a development, some would say, encouraged by a minimum wage that made unskilled labour expensive). In all advanced countries, the “service sector” (as contrasted with primary and secondary industry) comprises well over half the economy.<sup>4</sup> Compensation law and extensive legislation protect workers and consumers from being injured and poisoned by their work and purchases. Further law and legislation acts to prevent or at least make difficult frauds, unfair dismissals, lies in advertising, insider trading and other deviations from ethical behaviour in economic activity. That has freed the economy to do what it should be doing, providing genuinely useful products and services and enabling opportunities for people to do what they want. The ethical questions one asks of such an economy are different.

Let us consider a simple example that illustrates the point. The business of a funeral director or a psychotherapist is one where personal encounter is the essence of the role. The “business” involves close emotional support for clients who are in difficult emotional circumstances. Clients expect the business to be professionally run and make a good profit, but they are happy with that exactly because the people in the business are prepared to go “above and beyond the call of duty” in offering the same kind of personal support one would want a friend to provide.

To make sense of that kind of personal interaction and what it requires of the participants, one needs to recall what Christian ethics adds to Greek philosophical ethics: love. Aristotle’s ethics and its emphasis on human flourishing is valuable but has a degree of impersonality to it. It is more appropriate for the great-souled one in charge of the welfare of the state than for someone ill. Alasdair MacIntyre, generally an admirer of Aristotle’s ethics, remarks on the un-Greek Christian acceptance of vulnerability and humility, “I was first struck by this when reading a prayer composed by Aquinas in which he asks God to grant that he may happily share with those in need what he has, while humbly asking for what he needs from those who have, a prayer that in effect, although not by Aquinas’s own intention, asks that we may not share some of the attitudes of Aristotle’s megalopsychos.”<sup>5</sup>

Jesus on the other hand had another idea: that the detailed commandments of the law follow from the simple principle of love: Love God, and love thy neighbour. The difference is evident in the contrast between the Christian and non-Christian versions of the Golden Rule. There are Confucian and other pre-Christian versions, but they tend to be negative: do not do to others as you would not have them do to you: the Rule in that version is a

<sup>4</sup> *CIA World Factbook*: GDP – composition by sector: <https://www.cia.gov/library/publications/the-world-factbook/fields/2012.html> (Accessed 22 April, 2010)

<sup>5</sup> A. MacIntyre, *Dependent Rational Animals: Why Human Beings Need the Virtues* (Chicago: Open Court, 1999), p.xi

philosophical principle of respect and non-interference.<sup>6</sup> The Christian version, Do to others as you would have them do to you, urges that love take the initiative, as the Good Samaritan did. As Benedict said in his first encyclical on love, there is a strong theological aspect that contrasts with, or rather adds to, the philosophy of the Greeks: a vision of a God who positively loves humans:

The divine power that Aristotle at the height of Greek philosophy sought to grasp through reflection, is indeed for every being an object of desire and of love—and as the object of love this divinity moves the world—but in itself it lacks nothing and does not love: it is solely the object of love. The one God in whom Israel believes, on the other hand, loves with a personal love.<sup>7</sup>

That makes a great difference to the ethics of personal relations, in particular to the ethics of personal relations in economic activity. Jesus makes that very point in the parable of the workers in the vineyard. After hiring workers at various times during the day at one denarius for the rest of the day, the householder pays each a denarius. Some complain.

And on receiving it they grumbled at the householder, saying, ‘These last worked only one hour, and you have made them equal to us who have borne the burden of the day and the scorching heat.’ But he replied to one of them, ‘Friend, I am doing you no wrong; did you not agree with me for a denarius? Take what belongs to you, and go; I choose to give to this last as I give to you. Am I not allowed to do what I choose with what belongs to me? Or do you begrudge my generosity?’<sup>8</sup>

That is, strict ethics (of contract, in this case) provides a necessary baseline, but gratuitousness goes beyond it as a free expression of love.

Similarly, the ethical principles of social justice as in *Rerum Novarum* and later encyclicals are a baseline that a just economic system must reach. One that is done, or approximately done, it is time to focus more on individual persons and their actions, over and above general principles. Cardinal Cordes made the point in introducing *Caritas in Veritate* to the public:

In a first phase, the attention of this discipline [Catholic social doctrine] was oriented, rather, to problematic situations within society: regulation of work, right to a just wage, worker representation. Later, these problems were dealt with at an international level: the disparity between rich and poor, development, international relations. With the theological emphasis, John XXIII treats more decisively the question of all this in terms of the human person.<sup>9</sup>

Benedict takes up and develops that perspective by calling for an “economy of gratuitousness and fraternity”. Throughout *Caritas in Veritate*, he calls attention to how any economic transaction is not purely monetary but is an opportunity for human interaction, for each party to go beyond what is contractually required so as to create mutual assistance, human development and goodwill. He hopes too that love will not only manifest itself in individual

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<sup>6</sup> J. Wattles, *The Golden Rule* (New York: Oxford University Press, 1996), Chs. 2-5

<sup>7</sup> Benedict XVI, *Deus Caritas Est*, n.9

<sup>8</sup> Matthew 20: 11-15

<sup>9</sup> Cardinal Cordes on “*Caritas in Veritate*”, 17 July 2009, <http://www.zenit.org/article-26486?l=english> (Accessed 22 April, 2010)

transactions, but that there will arise a whole sector of the economy devoted in the first instance not to profit but to achieving positive social aims.

### **The present reality of the personal service economy**

A cynical view of business would dismiss Benedict's hopes of an economy informed by love as naïve, in the belief that the profit motive driving business is incompatible with genuinely giving away anything free. But a closer look at business practice in real economies, especially those well-regulated Western ones dominated by the service sector, will show that developments of the kind the Pope describes are well under way. The encyclical calls attention to economic and personal realities not often spoken about in the context of social justice or political economy, but which are crucial to understanding the direction of current economic progress.

Consider what happens in the core activity of a provision of service. A client makes an appointment at the rooms of a service provider with professional skills – a counsellor, lawyer, optometrist, accountant, physician, masseur, financial planner, dentist, personal trainer, beautician, realtor, pastor or similar. The client is greeted by a receptionist and ushered into the consulting rooms. Client and professional, now normally alone together, greet one another politely and perhaps engage in brief “small talk” while sizing one another up. The professional explains the fee structure (if the receptionist has not already done so) and any other necessary preliminaries concerning risks and the professional's expertise. The client then explains, possibly at length, the problem or issue to which the professional's expertise is to be applied. The professional listens carefully and asks further questions, taking notes and if relevant performing diagnostic tests. The professional advises what can be done for the client and begins treatment or the writing of documents. Arrangements for follow-up are made and the client thanks the professional – profusely, if the session has gone well and the problem appears to be on the way to solution. On the way out the client sees the receptionist to pay the fee and book the next appointment, possibly with more small talk. The client does not leave a tip.

A consulting session of that nature has many opportunities for positive personal interaction, and even more so if there is a series of follow-up visits. Two people are focused together on a cooperative venture, the solving of the client's problem. They must develop trust, on both sides, which is why professional associations are very active in maintaining professional integrity. The professional is pleased to be able to deploy his skill to help another person, and is keen to do whatever is necessary to solve the problem. Although expecting to be paid, sometimes handsomely, it is common for professionals to take on a proportion of “deserving” or pro bono cases that are likely to result in no or little fee – typically poor people with a serious problem that the professional can help with but that would stay unsolved without intervention. The client is of course grateful to have the problem solved or at least improved and in addition to thanking the professional may tell others and refer business. When a series of visits is necessary, personal friendships often arise. The necessity for professional codes of conduct to regulate close personal relationships between, e.g. doctor and patient, is an indication of the natural potential for personal relationship in the professional-client relationship.

Similar remarks can be made about the personal service industries that are less intensely personal than the one-to-one relationship of client and professional. Counter staff and waitstaff have a briefer relationship with their clientele, and call centre workers even less,

but friendly service is universally regarded as part of the role, while the public are generally expected to queue quietly and be polite and grateful if the service is of an acceptable standard (or if faults are due to “the system” rather than the staff). Tradespeople normally have a brief consultation with the client, often at the site of the job, and a relationship of trust is necessary. Workers with a more one-to-many relationship to their clientele, such as live entertainers, teachers, politicians and executives, are generally expected to take the trouble to listen to individual cases that are out of the ordinary, such as a student with an excuse for late work.

In all those roles, there is necessarily personal interaction, and there is the opportunity to do it well and lovingly or not. The professional can provide a minimum level of service as covered by the fee, in an offhand and distant manner, or can be positively friendly and interested and make it clear that any extra service that is needed will be provided. The client can accept the service in a surly and ungrateful manner (as did the lepers cured by Jesus) and make unjustified complaints, or bake the therapist a cake.

The generally positive nature of the personal relationship that evolves from cooperation on a problem is pointed up when it is contrasted with those services that are unethical, such as prostitution, drug deals and the provision of advice on tax evasion. Encounters in those industries will in many ways imitate normal consultations, but the pretence that what is being done is unexceptionable creates stresses that do not lead to a wish for further personal interaction. The difficulties of getting things done in an unethical atmosphere are summarized in the proverb “There is no honour among thieves.”

Yet another style of work in the service economy which involves high levels of personal interaction occurs in teams behind the scenes who plan new ventures – product launches, advances in technology, software upgrades, infrastructure projects, takeover bids, marketing campaigns, restructures, feature films, public events, for example. A team of disparate people focuses on a cooperative multifaceted task to be done by deadline. For the venture to be successful, the team must interact well – the varying expertise and roles of members must be respected, all must be allowed to speak with their bright ideas and their concerns, those responsible for successful ideas or hard work must receive public recognition, both serious and playful moods should be possible as appropriate, members with a personal crisis must be supported. The role of the team leader is as much to create those favourable interpersonal conditions as to reach decisions on what will be done.<sup>10</sup>

Benedict is right. An economy of “gratuitousness and fraternity” is not just a utopian desire. It is a central functioning part of the existing service economy.

Naturally, there is some gap between ideal and reality. Professionals and teams are harried and stressed. Chronic understaffing and demands by management for more billable hours lead to cut corners and disgruntled clients.<sup>11</sup> Burnout occurs, team members quit, bills accumulate unpaid, clients sue. The idealism and goodwill of newly-qualified professionals trying to make their way up the food chain are taken advantage of.<sup>12</sup>

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<sup>10</sup> E.g. K.Hopkins, ‘Supervisor support and work-life integration: a social identity perspective’, in *Work and Life Integration: Organizational, Cultural and Individual Perspectives*, ed. E.E. Kossek and S.J. Lambert (NJ: Mahwah 2005), pp.423-444

<sup>11</sup> S.S. Fortney, ‘I don’t have time to be ethical: addressing the effects of billable hour pressure’, *Idaho Law Review*, Vol.39, 2002/3, pp.305-319

<sup>12</sup> L. Pryor, *The Pinstriped Prison: How Overachievers Get Trapped in Corporate Jobs They Hate* (Sydney, 2008).

Nevertheless, there are forces at work that act to support the wishes of personal service providers to deal responsibly and in a human way with their clients. There are laws and semilegal regulatory bodies that deal with some cases of misconduct and unprofessional actions, enough at least to create some threat of sanctions for bad behaviour. In each profession, the professional association, concerned about the public image of the profession, is keen to promote at least the perception of high ethical standards, which is not easily done without addressing the reality as well; the association will normally also have awards to recognise outstanding service by its members, and input into the professional training and perhaps mentoring of new members. But most important is that the majority of practitioners entered the profession with some wish to help people, and their idealism, attenuated sometimes with age but rarely lost, can be revived by a successful outcome with a deserving and grateful client, or praise from a respected fellow practitioner. And there is the economically important fact that qualified, experienced and reliable professionals are generally in short supply, so they are often in a position to insist on their wishes.

Although these realities about how the personal service economy are not much discussed in economics or in social justice theory, or even in business ethics,<sup>13</sup> they are well-known in certain disciplines that are closely involved in how businesses are run, such as human resources and marketing. We conclude with a few insights from those areas in order to show how well understood, in certain ways, the economy of gratuitousness is, even though in more traditional areas it appears as a startling and counterintuitive new idea.

The view taken by the human resources field is reflected in job ads. The common elements in the vast majority of ads for professional and even most technical positions are “communication skills” and “teamwork”. Communication skills are necessary because most jobs involve careful listening to what the job requires and communication of the results to stakeholders. Many jobs, such as in customer service, are almost entirely communication, but even those that are more technical require a good deal of communication at the beginning and end so that the technical work solves the correct problem. And most jobs of any complexity are done in teams, requiring not only communication skills but moral virtues such as cooperation, persistence, politeness, patience and humility. Once a prospective worker has passed an interview, which typically checks for necessary technical skills and then concentrates on the teamwork and communication aspects, extensive training will be given to the new employee to induct him or her into the ways of working of the team. If the area involves customer service, there will be strenuous efforts to ensure the worker is “customer-focussed” and alert to the customer’s needs.

The discipline of marketing is also well aware of the importance of interpersonal relationships. Ads promoting smiling customer service operatives, such as bank tellers and airline hostesses, are just the front line that gives potential customers an idea of what “face” a business wishes to present. The important business of customer acquisition and retention depends on how the real staff fit that image when the customer interacts with them.<sup>14</sup> The business needs to treat its staff fairly to retain their loyalty so that they maintain their enthusiasm through a long day and despite occasional customer abuse. For regular customers, in particular, which form a large part of most businesses’ market, relationships of trust and

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<sup>13</sup> D. Melé, ‘Integrating personalism into virtue-based business ethics: the personalist and the common good principles’, *Journal of Business Ethics*, Vol.88, 2009, pp.227-244

<sup>14</sup> L.A. Crosby, K.R. Evans and D. Cowles, ‘Relationship quality in services selling: an interpersonal influence perspective’, *Journal of Marketing*, Vol.54, 1990, pp.68-81

commitment on both sides are crucial – more crucial often than immediate feelings of satisfaction – to whether the business relationship will continue.<sup>15</sup> Firms which are seen as large and impersonal, such as banks, recognize the problem and act to “humanize” their image and also work to support those long-term customers who have shown loyalty – for example, by deferring payments during times of financial crisis. Large banks with a network of retail branches and a base of customers with whom their managers had personal relationships thus sometimes proved more stable in the Global Financial Crisis than truly impersonal international finance houses trading anonymously in huge amounts of derivatives.<sup>16</sup>

### The Third Sector and “social business”

Benedict also calls for love to make itself felt in the economy at a higher level than one-on-one relationships of individuals. At the enterprise level too, he believes, there is room for bodies with an explicit commitment to charity instead of, or as well as, profit. What he has in mind is a kind of entity devoted not exactly to profit but to social ends. He says, “Alongside profit-oriented private enterprise and the various types of public enterprise, there must be room for commercial entities based on mutualist principles and pursuing social ends ... one may expect hybrid forms of commercial behaviour to emerge, and hence an attentiveness to ways of *civilizing the economy*.”<sup>17</sup> That concept can again look naïve at first glance, since one might expect hard-headed profit-focussed companies to undercut enterprises saddled with a “moral overhead” and drive them from the market. In some sectors of the economy, that may be so, but there is a long record of economically successful “social” businesses in certain economic roles. The Monti de Pietà that existed in European countries from the fifteenth to the twentieth century occupied a significant economic niche by lending money to poor people on the security of pawned items and at relatively low rates of interest, with some of the costs paid by donations.<sup>18</sup> Similar principles underlie the very successful Grameen Bank of Bangladesh, awarded the 2006 Nobel Peace Prize for its millions of small unsecured loans to the poor.<sup>19</sup> But there is no need to look to such exotic examples to understand the possibility of turning over large sectors of the Western economy to “social” businesses or the “Third Sector”. In Western countries, private schools and much of the aged care industry are run on a basis that is neither public enterprise nor exactly commercial. Though schools and aged care homes are run as businesses and make some profit, they are heavily subsidized and regulated by government. Their ability to continue profitable operation is thus due not only to “market forces” but to the continuance of subsidy contingent on their satisfaction of government-imposed requirements enforced by an independent inspectorate. When those requirements are in fact in tune with the human purpose of the enterprise (for example, aged care rules for careful supervision of medication management)<sup>20</sup>

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<sup>15</sup> E. Garbarino and M.S. Johnson, ‘The different roles of satisfaction, trust and commitment in customer relationships’, *Journal of Marketing*, Vol.63, 1999, pp.70-87; R.M. Morgan and S.D. Hunt, ‘The commitment-trust theory of relationship marketing’, *Journal of Marketing*, Vol.58, 1994, pp.20-38

<sup>16</sup> J. Healy, ‘Australian banks: Saints or sinners?’ Sydney Institute address, 2 July 2009, <http://www.thesydneyinstitutepodcast.com/2009/07/02/JosephHealyAustralianBanksSinnersOrSaints.aspx> (Accessed 22 April, 2010)

<sup>17</sup> *Caritas in Veritate*, n.38

<sup>18</sup> C.B. Menning, *Charity and State in Late Renaissance Italy: the monte di pieta of Florence* (New York, 1993); mentioned in *Caritas in Veritate*, n.65

<sup>19</sup> M. Yunus with K. Weber, *Creating a World Without Poverty: Social Business and the Future of Capitalism* (New York: PublicAffairs, 2007)

<sup>20</sup> E.g. Aged Care Standards and Accreditation Agency (Australia), standard 2.7, <http://www.accreditation.org.au/site/uploads/Accreditation%20standards%20factsheet.pdf>

they act to create harmony between profit-making and the human purpose of the service. Then, since their business is personal service, their appeal to the market that pays the rest of their income depends on qualities of that service. Parents paying a premium for private education do so because they believe private schools are superior on such matters as discipline, tradition and moral values.<sup>21</sup>

More strictly social in purpose is the Third Sector or “not-for-profits”, including charities, whose expansion has created a need for governance and accountability that will assure their efficiency and continuing commitment to the purposes for which they are set up. The state has a role in overseeing them, but not in directly running them.<sup>22</sup>

These large and increasing parts of Western economies show that enterprises whose central purposes include love can function well in the existing marketplace.

### Conclusion

The point of the title of Benedict XVI’s encyclical *Caritas in Veritate* is that Jesus’ insistence that love and truth go together extends to economics. The “Love” in the title calls attention to the fact that economic transactions are between human beings, not market forces, and so can be and ought to be motivated by love and other ethical perspectives. The “truth” in the title means that hard thinking about the effects of economic actions is essential. Benedict says “Deeds without knowledge are blind, and knowledge without love is sterile.”<sup>23</sup> That is especially relevant to a field like economics where head and heart often seem in conflict.

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<sup>21</sup> A. Beavis, ‘Why parents choose private or public schools’, *Sydney Morning Herald*, 17/8/2004, <http://www.smh.com.au/articles/2004/08/17/1092508439581.html>

<sup>22</sup> E.g. P. Shergold, ‘Collaboration for the public good? The state and the Third Sector’, Spann Oration, 19/11/2008, <http://www.csi.edu.au/uploads/31642/ufiles/Lecture%20Series%20No.%202%20-%20Collaboration%20for%20the%20Public%20Good.pdf>

<sup>23</sup> *Caritas in Veritate*, n.30