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# What Is the Third Dimension of the Economy Like?

## Review About Book by Sarolta Laura Baritz, OP

### SUMMARY

The book *Three-Dimensional Economy* introduces a paradigm change in the economic thinking. It puts the elements of traditional economics into a new, value based approach. The book appoints human being as base and goal of economic activity, the system is embedded into the dimension of moral. The third dimension consists of values connected to moral, this way economy becomes a whole, integrated system.

**Journal of Economic Literature (JEL) code:** I2, I3, N3, P4, Y3

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Work arises from man's created nature. He did not invent or discover it, but received it as a duty. What has been en-

trusted to him is to be cultivated, kept and passed on. From the very beginning, man recognised the importance and essential attribute of work, and pursued it not only for himself but also for others and for the whole community. The recognition and execution of this duty led to man organizing himself into communities and populating the earth, while working unceasingly, observing things around him and accumulating ever more valuable and useful knowledge. This process has continued ever ever since. Our everyday life is marked by work and all its implications to such an extent that a whole branch of theoretical and practical science has been organised around it. As part of the process, this science has become stratified and polarised.

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The recently published book by Sarolta Laura Baritz, which is her doctoral thesis for Corvinus University, makes the direction of her endeavours in this multi-dimensional space absolutely clear. She does not entrust the correct and necessary orientation of the economy to the reader's subjective assessment.

The title is both enigmatic and promising, veiled and transparent. Three-dimensional. Three-dimensional? Three-dimensional?! What on earth can it be? Is it some science fiction story? Yes, in a way, it is. Firstly, because for many people the ethical economy is nothing but fiction, and secondly, because such positive insights, which are presumably well beyond the imagination of the reader, prove themselves right. Nevertheless, the book is not about predictions or an imagined future but about well-founded objective scientific arguments for a human-centred economy based on theoretical and practical research. Having read the book, we can boldly say that a whole economic programme is unfolding before the eyes of the reader.

To better understand the book, it is worth having a look at the career of the author. Sarolta Laura Baritz graduated as an economist in 1983. Thanks to her knowledge of Russian and English, she worked for foreign trade companies and then ended up at Pepsi Cola Hungary. After being a successful manager for many years, her life was radically changed. In 1994 she joined the Hungarian Province of the Dominican Order, where she still serves today. Her leaning towards economics, however, did not end. She started to do theoretical and practical research. With the recognition of her vocation, her mission was also beginning to take shape;

it is – to use her own words – to explore and get to know the virtue ethics-based or anthropocentric economy or, as the title of the book puts it, the three-dimensional economy. She spreads the details of the economic-related social teaching of the Catholic Church among believers and non-believers alike. She wants to make clear that the Church has social teaching, that this social teaching on economics is exceptionally profound and well thought out, and is meant for all people of good will. That is how postgraduate training in Christian Social Principles in Economics (abbreviated as KETEG in Hungarian) started at the Sapientia College of Theology in 2010 and whose little sister – as Sister Laura puts it – is an optional one-semester subject at Corvinus University in 2014.

A manager, then a religious sister. Not a typical career. Difficult and irrevocable decisions. Commitment to Somebody and something. Faith in God and in anthropocentric economics. The fullness of Heaven and Earth in the author's life.

Now, let us turn back to the book. After analysing the title and the author's career, it is worth dealing with the structure of the book and the content of each section. The book is divided into three large and clearly distinct structural units.

The first section deals with the theoretical foundations. The theory, however, covers not only economics but – due to its interdisciplinarity – also provides an exciting excursion into philosophy, psychology and theology. Finally, the theoretical foundations of the three-dimensional economy are presented as a coherent whole made up of different elements and submodels.

The second part of the book focuses on empirical research. Attractive hypoth-

eses, concise explanations and detailed methods are shown as sets in various diagrams and graphs. The reader is not left to their own devices. The questions and hypotheses will not only be addressed but also proved right.

The third section integrates the theory and practice. The river reaches the sea. Theory and practice complement each other to create a common platform for three-dimensional economics.

As an added bonus, we are provided with numerous appendices and supplements which serve partly as keys to the terminology and partly as descriptions of research work.

The book does not start from Adam and Eve, but it does go back to the beginning, summarizing the main points of economic thought and activity from Aristotle through St. Thomas Aquinas to the modern age. The history of the Aristotelian terms 'oikonomia' and 'chrematistics' is presented as a real novelty. The two contrary economic "paradigms", of oikonomia and chrematistics as the two main types of economy can be traced back to Aristotle's *Politics*. They are the archetypes of natural and unnatural economy respectively. The difference lies in their purpose. Natural economy (oikonomia) is to keep and maintain the community, the family and the city state while unnatural economy (chrematistics) is to accumulate wealth. The resemblance between the anthropocentric or virtue ethics-based economy and the profit maximizing or profit-centred economy is not due to chance.

One of the key ideas in the theoretical section is based on Aristotelian thought or rather its Thomistic adaptation. This is the right order of "goods". It was St Thom-

as Aquinas who explored and rethought the right order of "goods". St. Thomas differentiates the useful good, the pleasant good and the moral good. The useful good is a means, not an end in itself. The pleasant good is a type of accompaniment to reaching a goal but never an end in itself either. The moral good is what we love for its own sake, and which comprises non-material values. Therefore, the useful good serves as a means of attaining the moral good. Useful goods include not only profit and material goods in general, but also the economy. What conclusions can be drawn from this? Well, let us see. The economy as a useful good is a means of realising moral good, which means that the economy is useful but only at its own level, as an instrument rather than a goal. Hence, the purpose of the economy is not to maximize profit but to serve the community or – using the relevant Catholic terminology – the common good. The difference between the profit-maximizing and the anthropocentric economy is that the former is reduced to the useful good while the latter is organized around the moral good. From here it is only one further step to understand the three-dimensional economy. This logical step is the moral good itself and whatever is based on it. The three-dimensional economy is one based on morals, where anthropocentrism and morality is the foundation, and this ensures the operation of the economy serves as the regulatory principle of the economic order.

The empirical research is based on thorough, deliberate and solid theoretical foundations. The research findings appear already in the subtitle of the book: *It is Possible to Operate Within a Virtue Ethics Paradigm*. The author played it

safe. Knowing the theory and the practice, she boldly proclaims far and wide that it is possible. This section shows how the research was planned, conducted and analysed as well as the methodology used. Here the reader is sailing into more difficult waters but experienced sailors know that the goal is to reach the opposite shore rather than take a pleasure cruise. And we are not disappointed here either, because we do not have to wait long for the lights on the other shore to appear. We are approaching our destination.

The synthesis of the book comprises two main areas that run through the whole book. One is the connection between the scale of human values and economic order, and the other is the relationship of the individual to the structure. The theoretical and practical implications of both subjects – and, of course, a number of others – are abundantly presented at the reader's table. Meat and potatoes are there. Bread will not be needed. We are full and satisfied. With our doubts and uncertainties disappearing, we unknit our brow. Yes, it is possible.

The synthesis sums up and confirms the findings in the previous sections of the book and answers the hypotheses and other assumptions. The connections are supported not only by the extensive literature of the relevant hypotheses and theories but also by the empiric research – or, if you like, mathematics – done by the author. Countless conclusions and intriguing statements are presented. A man striving for the moral good is able to think and operate within a virtue ethics paradigm. Nevertheless, strong inner motivation itself is not enough to make a virtue ethics-based person; other characteristics are needed, too. What these

characteristics are is abundantly outlined in the book. A virtue ethics-based person thinks of profit in terms of virtue ethics, that is, they consider it as a means rather than a purpose. The same applies to the economy and to the usefulness and instrumentality of the material world. The virtue ethics based-person considers them in terms of virtue ethics.

The philosophical and theological description of natural law also adds to the interdisciplinarity of the book. Natural law, which, unfortunately, has largely been forgotten, belongs to the author's faith, and so it is not surprising that it plays a prominent part in the book. Natural law is based on the simple thesis that man is inclined to do good. Based on reason, he is able to identify what is good and what is evil, follow the former and avoid the latter. Seemingly, these lines are far from the economic relevance of the book. But only seemingly. Recalling what we have read about profit and profit maximisation and comparing it to natural law, a new connection will be revealed. Profit maximisation is not a natural concomitant of economic activity or a natural response of the economic person. The natural attitude is to serve and increase the common good.

The same logic is applied when discussing man's inclination to virtue ethics or happiness. These inclinations correspond to man's potential, desires and purposes. Whether this potential is realised and these desires are fulfilled depends, at least partly, on man's freedom. The dimension of organisation theory dealing with the relationship between structure and the individual appears at the right time and the right place in the book. The circumstances of the individual do mat-

ter, but it is not known how each person is affected by their environment because the structure undoubtedly impacts the individual, who, nevertheless, is still free to make their own decisions not only between good and evil but also to recognise and follow good.

We should not panic. Virtuousness and honesty are not synonyms of starvation in economic life either. On the contrary, they lead to happiness. The book reveals that the virtue ethics-based person is clearly happier than those focusing on material gains. This is not surprising as Aristotle showed that *oikonomia*, that is natural economic activity, is meant to serve the community and the happiness of all its members.

And why is happiness important in the context of this book? Primarily because happiness, which is not to be mistaken for pleasure, also correlates with economic activity. Economic activity is the means by which happiness is to be achieved as a goal. We already saw a similar connection when analysing the correlations of “goods” as defined by St Thomas. Behold, another argument for the instrumentality of economy! We may slowly start to believe that this is how the economy can be most useful with regard to the relationship between the individual and the community or the individual and structure.

And what is happiness? Is it not the yardstick and the very purpose of our personal fulfilment? Of course, personal fulfilment does not occur automatically but presupposes development, which – according to the social teaching of the Catholic Church – can only be complete if it applies to every person and to the whole person.

We have reached our destination. The opposite shore is no longer a loose group of glimmering lights but lightness itself. Development and personal fulfilment. The three-dimensional economy provides both development and personal fulfilment. Man can and is capable of developing and, through this to develop the economy. This development will be accompanied by personal fulfilment if we start to become rich in virtues. Needless to say, it was St Thomas Aquinas who worked out the Christian concepts of cardinal virtues although they were first referred to by Aristotle. The cardinal virtues are prudence, justice, courage and temperance. Quite simply, virtues are the most effective way of reaching our proper goals. When we develop, these effective instruments, i.e. the virtues, become fixed patterns. This is what will enable us to always realise our proper goals prudently, justly, courageously and temperately.

If we perceive and carefully contemplate the interaction between man and the economy, we will also understand that human values are always economic values, too. Man’s development, however, is not an end in itself. Our transcendental destiny and the permanent development of the people living in our environment also need to be taken into account. The key to our personal fulfilment is focusing on others.

Developing the virtues leads not only to the personal fulfilment of the individual but also to a prospering community. Man’s comprehensive development can serve the common good more effectively if he is joined by others. If our good intentions are isolated, we can become fatigued, exhausted and weary. If, however, people with the same scale of values join

forces, they can act as effectively as no isolated individual ever could. The power of this solidarity comes from co-operation and the strength of community. Often, the very fact that you know you are not alone and others also want to develop virtues is a powerful motivation, even if no actual help is available.

Finally, I want to draw your attention to the fact that moral values and the Christian scale of values can be openly undertaken and these values and this scale of values can be represented in the language of the economy, too, which is also evidenced by this book. Yes, discussing moral values is also a philosophical, theological and economic issue.

However, we should not be deceived by the joy of arrival. The book is not easy reading for summer nights or a funny piece in a “colourful news” column but

a synthesis of the author’s lifework, research, publications and her activity as professor and mentor in the postgraduate subject of Christian Social Principles in Economics, and is meant not only for the mind, but also for the soul.

Let us not spare ourselves the time or the trouble. This book is an answer, a clear and definite answer, to our doubts, uncertainties and half-heartedness. The fact that man is able to make radical changes to achieve good is also evidenced by the career of the author, Sister Laura. Let us take courage and start, firstly, to read the book and, then, to change things.

Tough decisions await us.

*Sarolta Laura Baritz, O.P.: Three-Dimensional Economy. It is Possible to Operate Within a Virtue Ethics Paradigm. Kairosz Kiadó, Budapest, 2016, 314 pages.*