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# Marketing and the Common Good: Implications of *Caritas in Veritate*

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## Abstract

*This paper extends the authors' previous work on applying Catholic Social Teachings to issues in marketing to the specific question of the common good. Approaches to studying the social impact of marketing and the challenge of adequately defining the common good are discussed. Attention is next given to key vectors of Catholic Social Teaching and their application to ethical issues in marketing. The focus of the analysis is on specific sections in Caritas in Veritate, Pope Benedict XVI's recent encyclical devoted to providing principles for dealing with the ongoing global economic crisis. A discussion of how these principles might be applied to business and public policy follows. We close with an evaluation of this application.*

Social evaluations of marketing tend to follow one of two paths. The approach exemplified by Willkie and Moore (1999) is to recognize how our daily lives are affected by marketing, mostly in a good way. Case histories serve this purpose as well (See, e.g., Klein, Laczniak, and Murphy (2006). Less grounded apologias – e.g., generalized statements that advertising supports the media – are also common. An alternative approach to social assessment is perhaps best termed “pathological,” i.e., business financial objectives are seen as paramount, while the social impact of, e.g., deceptive advertising, environmentally destructive products and distribution systems, and the exploitation of consumer vulnerabilities is seen as harmful and negative (also discussed in Klein, Laczniak, and Murphy, 2006).

In contrast to what are essentially anecdotal case assessments of situations are statements of *normative principles*, ideally enriched by observations from history and current events that transcend specific cases and take into account community needs and aspirations. An excellent example of this approach has been provided in a body of literature commonly identified as either Catholic Social Teaching or Catholic Social Thought, hereafter referred to as CST. CST expresses a Christian/Catholic perspective on economic ethics that is both rooted in scripture and interpreted articulated in light of contemporary circumstances. One can identify eight earlier papal encyclicals in this tradition, beginning with *Rerum Novarum* by Leo XIII (1891) and extending through works by Popes Pope Pius XI (1931), John XXIII (1961, 1963), Pope Paul VI (1965, 1967), and John Paul II (1981, 1987, 1991). We have explored these sources in the past (Klein 1987; Laczniak 1998, 1999; and Laczniak and Klein 2010). But to focus this inquiry, we shall concentrate on the normative guidelines presented in the most recent social encyclical, *Caritas in Veritate* (Charity in Truth, hereafter abbreviated as CiV), published by Benedict XVI

in 2009, with particularly its reflection of the concept of the common good. This encyclical, Pope Benedict's third, was widely anticipated because of the promise of commentary on globalization and finance in context of the global recession (aspects of which continue today). The final document was comparatively long – 30,000 words, 6 chapters, and 79 numbered paragraphs – stressing the theme that it is the virtue of charity that vitalizes, energizes, and ultimately directs the Catholic intellectual tradition, especially CST.

There may be suspicion in some circles about listening to *anything* that the Catholic Church has to say about moral matters given the spate of priestly abuse scandals as well as recent allegations of money laundering by the Vatican bank. To such comments we would remark that the Catholic Church, like all institutions, suffers from deep human frailties and weaknesses, but that Catholic Social Thought is the product of over 120 years of refined moral reflection about various economic and social issues. Therefore, one can contend that the themes of CST deserve a careful hearing. Moreover, as these reflections are inspired partially by biblical scripture, they also represent the Judeo-Christian moral heritage that is a pillar of US culture.

CST might most efficiently be examined through the lens of seven key principles or values (Compendium 2005). These are:

- Human Dignity
- Common Good
- Subsidiarity (allowing the locus of decision-making to reside at the lowest level in the system where the expertise exists to solve and monitor the situation)
- Preference for Poor & Vulnerable populations
- Worker Rights
- Solidarity (the brotherhood of all persons in their quest for self-improvement)
- Stewardship (Care for the Environment)

In the present treatise, as previously noted, *the common good* is given singular attention as an organizing ethical principle. However, each of the other values can also be seen as ingredients of that concept. For example, the approach followed in Klein & Laczniak (2009) applied these CST principles to selected ethical issues in marketing:

- Products and Services
- Promotion & Pricing
- Consumer Ethics
- Public Policy & Regulation
- Market Globalization

That presentation featured a matrix that juxtaposed the key CST principles against these five problem areas, accompanied by extended discussions of these issues and the application of

these principles to them. This matrix can also be used to frame the application of *Caritas in Veritate*, the latest social encyclical, to those same ethical problems (Figure 1).

**Figure 1. Applying *Caritas in Veritate* to Ethical Issues in Marketing**

<b>CST Principles</b> =====	<b>Human Dignity</b>	<b>Common Good</b>	<b>Subsidiarity</b>	<b>Preferential Option for the Poor</b>	<b>Worker Rights</b>	<b>Solidarity</b>	<b>Stewardship Care for the Environment</b>
<b>Ethical Issues in Marketing</b>							
<b>Products &amp; Services</b>	X		X	X	X	X	X
<b>Pricing &amp; Promotion</b>	X		X	X			
<b>Consumer Ethics</b>	X		X				X
<b>Public Policy &amp; Regulation</b>	X	X	X	X	X	X	X
<b>Globalization</b>	X	X	X	X	X	X	X

## *The Principle of the Common Good*

The general thrust of CST has attempted to transcend personal, selfish interests by recognizing and responding to the needs of others. An important aspect of this thrust is concern for the common good, the focus of this paper. This principle addresses the benefits of the commonwealth and, thereby, the CST doctrine of the “universal destination of goods” (Pontifical Council on Justice and Peace 2005): the goods of the earth should benefit all and not exclusively in economic terms, balancing social, cultural, and community interests. Though CST affirms private property rights, this principle is the foundation for the imperative that “all persons have the right to secure the basic necessities of life,” including food, shelter, and available work, but also access to education and affordable healthcare (Pope John XXIII 1963 [11]). It is imperative to understand that business plays a large role in providing the goods and services that the community requires to flourish. In exchange for undertaking this task, investing its capital, and bearing this risk, the rewards of profit rightly accrue to business organizations. However, the notion that profit should be “maximized” may be a bridge too far.

Businesses necessarily function in relation to the society in which they operate. From society, a business derives economic opportunity - the infrastructure required to operate, periodic government subsidies, the enforcement of contracts, necessary institutionally enforced regulations, and, most important of all, the contributions of its employees and the support of its customers. In this way, business is embedded in society and owes to it abiding responsibilities that go beyond those owed to its shareholders. These responsibilities comprise the “social contract of business” and place its citizens in a permanent brotherhood with all businesses affecting their welfare. Such solidarity with the community is hard to grasp in an economic system that typically operates in an atomistic fashion. “Reason, by itself, is capable of grasping the equality between men and of giving stability to their coexistence, but it cannot establish fraternity (Pope Benedict XIV 2009[18-19].” The common good perspective of Naughton, Alford, and Brady (1995) supports this principle, which also echoes elements of the multicultural and non-denominational United Nations’ Universal Declaration of Human Rights (1948). The recent interest in the virtue of *beneficence* and “the logic of gift” as a framework for business activity (Logic of Gift Seminar Papers 2011) can be derived from this principle. It also evokes the classical notion of *virtue ethics* whereby individuals each ought to seek to contribute to the creation of a “moral community” (Aristotle 1985 ed.) and to cultivate “strength of character” in order to contribute to the common good of an expanding community (MacIntyre 2007).

Considered judiciously, the common good concept is not a simple one. Does it refer to the whole population? Does it imply the whole community must be advanced as a collective or mainly that the majority of individuals within it are better off? Is the common good objectively or subjectively determined - and by whom? What is the typical scope of this community — local or global? These questions are particularly troublesome if one attempts measurements to establish that the common good is advanced. Without putting too fine a point on it, such questions represent a decades-long debate in philosophy and economics that will not be definitively settled here. It is useful, however, to recognize that the scholastic theology that informs the Church’s moral *magisterium*, that of Thomas Aquinas and rooted in Aristotelian ethics, identifies the common good in terms of community, distinguishing it from the concept of individual good that emerged from the Enlightenment (Sison and Fontrodona 2012). That distinction between the good of individuals and community, of course, frames much of the

political debate today. For our purposes in this paper, by the “common good” we mean *when actions, policies or procedures will result in widespread societal benefits, but without individual costs other than those that minor or negligible.*

Given this background, we consider some key excerpts from the CiV (Pope Benedict XVI 2009) that pertain to the previously noted marketing issues, along with their common good implications. (As is conventional with such documents, the bracketed numbers identify paragraphs; customary U.S. spelling and punctuation is adopted.)

### ***On the role of markets, trust, and the importance of distributive justice***

In a climate of mutual trust, the market is the economic institution that permits encounter between persons, inasmuch as they are economic subjects who make use of contracts to regulate their relations as they exchange goods and services of equivalent value between them, in order to satisfy their needs and desires.

The social doctrine of the Church has unceasingly highlighted the importance of distributive justice and social justice for the market economy, not only because it belongs within a broader social and political context, but also because of the wider network of relations within which it operates. [35]

Here Benedict expresses faith in markets as the mechanisms by which people meet needs for most goods and services. But he views a proper market mechanism as one governed by the mutual interests of its participants such that it is fair to those interests. Drawing on the concept of *distributive justice*, he emphasizes transparency and cooperation, taking into account differences in power among market participants and providing due regard for any vulnerabilities experienced by both participants and third parties impacted by market transactions - all elements seen as critical for establishing a just marketplace. Both experience and theory suggest that markets with these properties better serve the common good than the alternatives.

### ***On the role of culture and political action in directing markets to just outcomes***

Economic activity cannot solve all social problems through the simple application of *commercial logic*. This needs to be *directed towards the pursuit of the common good*, for which the political community in particular must also take responsibility ... [as] grave imbalances are produced when economic action, conceived merely as an engine for wealth creation, is detached from political action, conceived as a means for pursuing justice through redistribution.

... Economic action is not to be regarded as something opposed to society. ... The market does not exist in the pure state. It is shaped by the cultural configurations which define it and give it direction. Economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends. Instruments that are good in themselves can thereby be transformed into harmful ones. But it is man's darkened reason that produces these consequences, not the instrument *per se*. Therefore it is not the instrument that must be called to account, but individuals, their moral conscience, and their personal and social responsibility.

... Authentically human social relationships of friendship, solidarity, and reciprocity can also be conducted within economic activity, and not only outside it or “after” it. The economic sphere is neither ethically neutral, nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner.

The great challenge before us ... is to demonstrate, ... not only that traditional principles of social ethics like transparency, honesty, and responsibility cannot be ignored or attenuated, but also that in *commercial relationships* the *principle of gratuitousness* and the logic of gift as an expression of fraternity can and must *find their place within normal economic activity*. ... [36].

In this section, Benedict recognizes both the reality and the need for a more holistic and integrative understanding of economic relationships. Because culture and politics play roles in the marketplace, it is only proper that those roles be governed by more than economic power and greed vested in a few participants in relationships with many dependent and weaker individuals.

***On the moral implications of economic activity – and the need for political and charitable intervention***

*Justice must be applied to every phase of economic activity*.... Locating resources, financing, production, consumption, and ... other phases in the economic cycle ... have moral implications. ... *Every economic decision has a moral consequence*. ... Perhaps at one time it was conceivable that first the creation of wealth could be entrusted to the economy, and then the task of distributing it could be assigned to politics. Today that would be more difficult, given that economic activity is no longer circumscribed within territorial limits, while the authority of governments continues to be principally local. Hence the canons of justice must be respected from the outset, as the economic process unfolds, and not just afterwards or incidentally. Space also needs to be created within the market for economic activity carried out by subjects who freely choose to act according to principles other than those of pure profit, without sacrificing the production of economic value in the process. The many economic entities that draw their origin from religious and lay initiatives demonstrate that this is concretely possible.

... *Economic life* undoubtedly requires *contracts*, in order to regulate relations of exchange between goods of equivalent value. But it also needs *just laws* and *forms of redistribution* governed by politics, and what is more, it needs works redolent of the *spirit of gift*. The economy in the global era seems to privilege the former logic, that of contractual exchange, but directly or indirectly it also demonstrates its need for the other two: political logic, and the logic of the unconditional gift [37].

Continuing the theme of the previous section, Benedict notes that economic decisions always have moral consequences and that the circumstances deriving from economic domains often transcend political boundaries. Therefore, any assumption that political action alone will be

sufficient to ensure justice is misplaced. While political action as well as market forces have roles to play in governing economic activity, charity and the spirit of gift, expressed through the voluntary acts of market participants, are necessary to perfect the economy and further the common good.

***On stakeholders and the importance of social sustainability***

There is a growing conviction that business management cannot concern itself only with the interests of the proprietors, but must assume responsibility for all the stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference. [40]

CiV endorses both the *stakeholder model* of business leadership and an investment approach that looks to longer-term gains, avoiding both undue speculation and short-term financial perspectives. This stakeholder model is comparable to classical utilitarian theory and contemporary benefit/cost analysis - assuming all parties affected by business decisions are given “voice” and representation in the stakeholder calculus. Over time, sustainability is preferable to its alternative. Presumably all these notions are aligned with the common good.

***On the need for institutions reflecting the range of values found among market participants.***

... *Business enterprise* involves a *wide range of values* ... . The ... binary model of market-plus-State has accustomed us to think only in terms of the private business leader of a capitalistic bent on the one hand, and the State director on the other. In reality, business has to be understood in an articulated way. ... It is in response to the needs and the dignity of the worker, as well as the needs of society, that there exist various types of business enterprise, over and above the simple distinction between “private” and “public.” Each ... requires and expresses a specific business capacity. ... To construct an economy that will ... serve the national and global common good, it is appropriate to take account of this broader significance of business activity. It favors cross-fertilization between different types of business activity, with shifting of competences from the “non-profit” world to the “profit” world and vice versa, from the public world to that of civil society, from advanced economies to developing countries.

*Political authority* also involves a *wide range of values*. ... We must promote a dispersed political authority, effective on different levels. The integrated economy of the present day does not make the role of States redundant, but rather it commits governments to greater collaboration with one another. ... In some nations, ... the construction or reconstruction of the State remains a key factor in their development. The focus of *international aid*, within a solidarity-based plan to resolve today's economic problems, should rather be on consolidating constitutional, juridical and administrative systems in countries that do not yet fully enjoy these goods. Alongside economic aid, there needs to be aid directed towards reinforcing ... the *State of law*. ... The State does not need to have identical characteristics everywhere: the support aimed at strengthening weak constitutional systems can easily be accompanied by the development of other political players, of a cultural, social, territorial or religious nature, alongside the

State. The articulation of political authority at the local, national and international levels is one of the best ways of giving direction to the process of economic globalization. It is also the way to ensure that it does not actually undermine the foundations of democracy [41].

Benedict here recognizes the functional relationship between institutional structure and economic conduct and calls for developing richer and varied entities to meet demands that may differ from place to place. He invites marketplace participation by non-profits and cooperatives as well as businesses with explicit social goals. He recognizes the need for institutional development in many nations emerging from poverty or dictatorship, while at the same time invoking the *principle of subsidiarity*, explicitly expressing concern over the development of national governments that are insensitive to local needs. A proper understanding of the common good must recognize the value placed on diversity rather than uniformity, i.e., with subsidiarity being the guide to where control over decisions ought to reside.

### ***On globalization***

The breaking-down of borders is ... a cultural event in its causes and its effects. The truth of globalization as a process and its fundamental ethical criterion are given by the unity of the human family and its development towards what is good.

The processes of globalization, suitably understood and directed, open up the unprecedented possibility of large-scale redistribution of wealth on a world-wide scale; if badly directed, however, they can lead to an increase in poverty and inequality, and could even trigger a global crisis. [42]

Globalization is inevitable. Economic globalization has social and cultural, and, thus, moral dimensions that cannot be ignored. Globalization presents opportunities for reducing poverty that should not be overlooked - and may create negative externalities that should not be ignored. By definition, globalization stretches the limits of the common good, particularly since its dynamic involves exploiting market demand and supply opportunities. The fundamental requirement of the common good is that of mutual benefits for all those affected by globalization.

### ***On the demand for and implications of human solidarity***

... Many people today would claim that they owe nothing to anyone, except to themselves. ... Concerned only with their rights, ... they ... have great difficulty in taking responsibility for their own and other people's integral development. Hence it is important to call for a renewed reflection on how *rights presuppose duties*. ... A link has often been noted between claims to a "right to excess" ... within affluent societies and the lack of food, drinkable water, basic instruction, and elementary health care in ... the underdeveloped world. ... The link consists in this: individual rights, when detached from a framework of duties which grants them their full meaning, can run wild, leading to an escalation of demands which is effectively unlimited and indiscriminate. An overemphasis on rights leads to a disregard for duties. Duties set a limit on rights because they point to the anthropological and ethical framework of which rights are a part. ... Duties thereby reinforce rights and call for their defense and promotion as a task to be undertaken in the service of the common good. Otherwise, if the only basis of

human rights is to be found in the deliberations of an assembly of citizens, those rights can be changed at any time, and so the duty to respect and pursue them fades from the common consciousness. Governments and international bodies can then lose sight of the objectivity and “inviolability” of rights. ... Such a way of thinking and acting compromises the authority of international bodies, especially in the eyes of those countries most in need of development. ... *The sharing of reciprocal duties is a more powerful incentive to action than the mere assertion of rights* [43].

This section poses three related demands that serve the common good. First, universal human solidarity is an essential condition of human development. Second, the Kantian call for balancing rights and duties is invoked. Third, the response to local conditions and values, often subject to change from time to time, may ignore basic needs, i.e., fundamental rights, of others in favor of less basic, even frivolous desires, which also raises the coincidental prospect that international bodies are needed to ensure that those fundamental rights are observed in duties to less developed populations.

In comparing this section regarding the principle of solidarity with the earlier [41] section advocating the principle of subsidiarity, one must recognize some potential conflict. Expressions of need, whether exercised in markets or via political action, are likely to reflect quite unequal circumstances: one’s “need” for a new automobile or extraordinary health care in the developed world vs. the need for minimal diets and potable water in less developed parts of the world. Ethical concerns and institutions that advance a more universal vision of justice are needed to balance these principles in their execution.

### ***On business ethics***

The economy needs [an ethics which is people-centered] in order to function correctly. ... The Church's social doctrine can make a specific contribution, since it 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.

When business ethics [is detached] from these ... pillars, it inevitably risks ... becoming subservient to existing economic and financial systems rather than correcting their dysfunctional aspects. Among other things, it risks being used to justify the financing of projects that are in reality unethical. [45]

This passage underscores the import of ethical concerns in business decision-making. However, mere adherence to an ethical code such as financial utilitarianism or legalism is insufficient. Without referring to it directly, this statement argues for a quasi-Kantian framework for business conduct, but also one in which consequences must advance human welfare beyond the sometimes narrow interests of the individual business organization, i.e., the common good is the metric that must be applied at the macro level.

### ***On the ethical responsibilities of consumers***

The consumer has a social responsibility, which goes hand-in-hand with the social responsibility of the enterprise... It is necessary to explore other paths:

- cooperative purchasing ...
- new ways of marketing products from deprived areas of the world, so as to guarantee their producers a decent return. [66]

The encyclical addresses the prospect of a *consumer ethic* that corresponds to the responsibilities of business enterprise, presumably (at least in our interpretation) mindful of the impact of purchasing, usage, and disposal decisions on the environment and those less fortunate. In short, this appears to be a clarion call for more responsible consumption including “fair trade” marketing initiatives. *CiV* also calls for institution building in the form of consumer cooperatives (in which the Church, historically, has played a major role) and a regulatory environment that advances the common good.

### ***Defining Goals and Objectives***

It is possible to interpret *Caritas in Veritate* as only enunciating normative principles to be followed. It is even conceivable to see the encyclical as only a detailed critique of current circumstances and the arrangements and actions that have led to those conditions. A more aggressive and, we believe, more appropriate interpretation is to translate the criticisms and principles into a set of specific goals, objectives, and approaches by which progress and achievement can be assessed. So what are the essential managerial and public policy “take-aways” from *CiV* that might serve as enlightened goals and objectives for business and public officials?

More than short-term profits. The encyclical stresses an orientation extending beyond immediate financial rewards. Such an orientation requires explicit attention to more than the quarterly and annual results that appear to drive the actions of too many firms. It also requires explicit attention to non-financial measures that contribute to organizational sustainability.

Ethical goals rather than economic constraints. The usual response to that imperative is to treat social and ethical concerns merely as constraints on the decision function, e.g., “Maximize annual profit subject to some limits (often determined by public regulation).” The result is a “negative ethic.” Alternatively, a more positive ethic would recognize an appropriate return on investments in conjunction with such external obligations as improved product safety, environmental improvements, and community relations.

“Triple bottom line” (people, planet, profits). An approach that supports this understanding recognizes the desirability of having multiple objectives, comparable to the “Triple-Bottom Line” (people, planet, and profits) generally attributed to Elkington (1998). Integrating social and business criteria recognizes tradeoffs among financial returns and social outcomes. However, these categories are thereby put on a comparable footing, directing action to yield achievements in the social and environmental realms, beyond the minimum requirements imposed by regulation or custom, often out of date in light of changing technology and practice.

Governance, transparency, & accountability. The investigations of corporate scandals of the past decade, including those in the financial sector blamed for the recent Great Recession, commonly identify serious deficiencies in organizational leadership and structure: conflicts of interest among executives, board members, financial analysts, and regulatory agency representatives; accounting practices intended to hide or deceive rather than inform; and a web of obscure relationships apparently intended to provide organizational leaders with deniability. These deficiencies are correctible through attention to relationships, compensation systems, and policies that advance organizational cultures in which misconduct is penalized, good conduct is rewarded, and transparency is able to provide an environment that fosters responsible behavior.

Positive relationships between marketing and other organizational functions. The desirable elements referred to above help foster organizational integrity. However, organizational integrity is virtually impossible to develop or maintain when organizational units are isolated from one another, competing for attention and resources and guarding rather than sharing information. It is popular to contemplate the “Dilbertian syndrome” whereby product design and quality specifications are compromised by marketing and cost considerations. To the extent that such characterizations are valid, marketing managers and cost accountants have much to answer for. A more positive understanding of organizational integrity is built on both helpful and mutually supportive relationships among units within the organization and with stakeholders represented in the organization’s environment.

Regulatory regimes that avoid the extremes of burdensome administration and compliance optimism. It seems clear that market forces alone are either insufficient or act too slowly to ensure justice and transparency in market transactions and relationships. The CST tradition has emphasized ethical conduct as the primary guarantor of otherwise vulnerable interests. Yet, an objective appraisal of history recognizes, first, that periodic breaches of conduct remain a reality and, second, that even normal expectations require some minimum standard of conduct and enforcement. These conditions, therefore, call for some regulatory regime to protect third party and vulnerable second party interests. The scope of necessary oversight is uncertain, but at one point CiV called for some international body to carry out this role. Whatever the domain of this regulatory regime, we must recognize the two extremes of regulatory failure: (1) burdensome administration with compliance costs that exceed resulting savings and, (2) insufficient resources for enforcement such that compliance is seen as an unnecessary burden and non-compliance comparatively risk-free (See Carman and Harris 1986).

Social benefits and costs. Social benefit/cost analysis provides the technical means to accomplish the task of appraising projected or experienced consequences of both actions and regulations. Klein (1977) provides a detailed examination of alternative perspectives and methodologies for applying this concept.

Quality of life indicators. The quality of life concept provides a more explicit measure of the common good that can also be incorporated into organizational and public policy objectives and benefit/cost analysis. Akin to the social indicators movement of the late 1960s and early 1970s (Seidman and Parke 1978), the use of QOL measures can serve several purposes: identifying opportunities for improvement, assessing progress, and as a basis for social reporting in such areas as community health and perceptions of general well being (Sirgy, Phillips, and Rahtz 2011).

“House of Quality.” An approach to product design that takes account of the desire to balance multiple attributes by weighting them proportionally according to their comparative importance to customers is that of “The House of Quality” (Hauser and Clausing 1988). This concept could also be applied to devising managerial and public policies by adding various *social* concerns to financial criteria in guiding marketing decisions to better serve common good objectives.

### ***Evaluating the Papal Letter***

CiV discusses critical contemporary socio-economic issues, including several that have marketing implications. Its provisions are consistent with secular ethical norms as well as the perspectives of other religious traditions (e.g., Judaism); this adds to the appeal of *CiV* as it can resonate in other cultures. *Caritas in Veritate* contains what may be regarded by some as radical social visions, but it is also generally supportive of private property and the market system. It presents principles, not policy - and is not a “cookbook,” *i.e.*, these principles are subject to interpretation based on local conditions. Although there has been controversy over some of its proposals, (e.g., for some, more robust international governance mechanism that may be in conflict with national sovereignty), its proposals are logical and consistent with Benedict’s overarching approach to moral questions. International governance may be a logical solution to *international* conflict and to the absence of effective regulation in some nations. Most impressively, the papal letter has macro as well as micro implications, clearly linking individual actions to the *principle of the common good*.

As suggested in connection with the proposal for supranational economic governance, the encyclical has stimulated criticism from both pro-business and pro-social perspectives -- suggesting Benedict probably “got it right.” However, critics also uniformly recognize that *Caritas in Veritate* is an important contribution to the conversation about what directions should be taken in responding to the current global economic crisis.

One important reservation remains in applying CiV and, more generally, CST to marketing: It is difficult to integrate the principles. That is, from a business operations standpoint, does one of the principles rise to the top of hierarchy when worthy policy recommendations might conflict? The hierarchy of principles that generally characterizes CST provides an implicit supremacy to the *principle of human dignity*, but that concept often seems too broad to organize the morality of business. CiV, on the other hand, links its propositions to the virtue of charity. We are very sympathetic to the logic of “giving and receiving” as the central metaphor for human relations and co-operation, also embedded in the exchange concept that is the foundation for marketing. However, it is extremely difficult to imagine corporate managers formulating strategies and policies under the “charity banner” when even corporate philanthropy tends to be rationalized in terms of business interests. Other principles of CST face similar obstacles when seeking a guiding principle, but a strong case can be made for the common good benefiting business interests as well, as we have tried to show above.

### ***Concluding Comment***

The reflections here suggest that the *principle of the common good* may provide the integrating force for applying CiV and the other papal encyclicals cited here to bear on issues in marketing. Businesses thrive in an environment of prosperity. The recent global recession proves the difficulty of generating profits, with or without curtailing costs, when business and

consumer spending are in decline and when financing is difficult to obtain. Moreover, behind general economic concerns are problems with adequate personal income, housing, education, and health – key ingredients of the common good - that would be substantially rectified if micro decisions were to contribute to, rather than challenge, general economic welfare, both within and among nations.

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