



"THE SPIRIT OF DEMOCRATIC CAPITALISM": THIRTY YEARS LATER

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In 1982, the American political scientist Michael Novak gave to the press a work that would leave an indelible mark in the years to come: *The Spirit of Democratic Capitalism* (Madison Books). The book was translated into Italian and published in 1987 by "Studium" with the title: *Lo spirito del capitalismo democratico e il cristianesimo*. With this article we wish to emphasize some aspect of this work that greatly influenced the political and economic debate of the last thirty years, noting that *The Spirit of Democratic Capitalism* was printed and distributed secretly in Poland, Czechoslovakia and other countries of the then Soviet bloc.

Novak, winner of the Templeton Prize in 1994, is in the tradition of thought that, in a sense, it is by Polybius to the Federalist Papers and the U.S. Constitution and then from there to the Church's social doctrine, understood as an original method of processing social matters and, therefore, not as a closed system in itself, but instead capable of representing a term of reference for the development of a civil philosophy. In proceeding in this direction, Novak meets the philosophy of politics, economics, political science, establishing a relationship a completely original with them.

The key point on which Novak wants to emphasize in *The Spirit* is that, in addition to the economic system, there is a political sphere that has the responsibility to guarantee the political rights, the strength of the currency, and the regulation of international trade and internal competition. There are also the ethical and cultural system constituted by press, universities, churches and cultural associations, which play a vital role in the life of the economic system, as they provide the values and ethical foundations that the economic system does not have nor is capable of producing. The basis of the above is the belief that no person is good or wise enough to be able to receive power and undivided unit as a result, the division of the major spheres of life in the three systems, like the separation of powers, has the function to protect against all abuses and degeneration of the united power.

A second element, essential to the understanding of the ideal of democratic capitalism, is the role that Novak attributed to sin. There are three practical implications. First, sin, in this system, is considered as an element rooted in free personality beyond the control of any social system. Secondly, it is impossible to eradicate sin from the experience of man. Democratic capitalism has found a way to use his energy in a creative sense, through the operation of unintended consequences. The third implication stems from the fact that, throughout history, there have been two contrasting ways of eliminating

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sin from human experience. In the first case you tried to convert man, in the second it was decided to build a system that imposes virtue by force. Democratic capitalism, for our author, belongs to a third type, which relies on the observation that normally personal intentions, however well designed, produced, in addition to the purposes intended, also unintended consequences. Hence, for Novak, the inability to plan and establish any political, economic and cultural order in a constructivistic way, and a clear aversion to socialism and to the any conservatives systems that deny the allocative function of free market.

In a free society, aware of the importance of unintended consequences, it is necessary to have a core set of commonly shared values and a series of checks and balances that allow for living with a sufficient degree of "goodness" and "decency" and "compassion." This is the conceptual passage in *The Spirit* allows our author to meet the Italian tradition of liberalism of rules, represented - among others - by Luigi Sturzo and Luigi Einaudi and the German Ordoliberalism by Walter Eucken and the social market economy of Ludwig Erhard, Wilhelm Röpke and Alfred Müller-Armack.

With *The Spirit*, Novak gives us an unconventional interpretation of capitalism. He goes beyond the Weberian interpretation and adopts that of the Austrian School of economics who sees in Italian civil law, in the Franciscan School and in the late scholastic of Salamanca the true anticipators of the spirit of modern capitalism. In the Novakian meaning of capitalism, becomes relevant the classical notion of Christian anthropology, dear to the philosopher Wojtyla first, and Pope John Paul II after, of creative subjectivity of the human person. According to this concept is that the right to economic initiative is an inalienable right, because it is founded on the transcendent dignity of the human person, shaped by the Creator in His image and likeness (*imago Creatoris*). Novak speculates that the word capitalism does not derive much from *capita* (cattle) but, indeed, from *caput* (capital), the seat of power such as creativity, diligence and responsibility, ultimately, the seat of "human capital", which is essential to the formation of "social capital." Many have seen in this very explanation of the spirit of capitalism the reasons for the conditioned acceptance of the free market economy by John Paul II in *Centesimus Annus*, no. 42

Thirty years later, many of the historical conditions that shaped the world whom he addressed Novak, *Deo gratias!*, no longer exist. There are new challenges and new threats, but also unprecedented opportunities. What remains of this book is the clear analysis of reality, the precise identification of problems and the lucid and never conformist indication of the possible solutions.

Perhaps it is for this unconventionality today that we feel a desperate need.