

The contribution of *Caritas in Veritate* to the theory of relational goods

María Eugenia Guerrero Barreto

Lecturer in Catholic Social Teaching and Economics at the University of Piura (Lima Campus)

Abstract

Recent crises have highlighted the need for a multidisciplinary analysis to address the challenges of human development, moving beyond a purely economic perspective. While progress has been made toward a multidimensional approach to development, many factors still remain to be incorporated, such as mental health, freedom, social relationships, political security, environmental conditions, etc. (Ranis et al., 2006).

Catholic Social Teaching proposes solidarity as a condition for development (Girado-Sierra & Rojas, 2022). Benedict XVI (2009) stated that “the development of peoples depends, above all, on a recognition that the human race is a single family working together in true communion, not simply a group of subjects who happen to live side by side” (n. 53).

Although the economic and theological perspectives on development are not mutually exclusive, their integration is not self-evident. This article aims to bridge Economics and Theology by highlighting the contribution of *Caritas in Veritate* to the concept of relational goods, as proposed by Donati (2019) and employed by Bruni (2013). It seeks to shed light on Theology's contribution to Integral Human Development and to reveal the connection between gratuitousness and development.

Donati (2019) argues that relational goods are those generated from relationships, requiring us to move beyond the dichotomy between public goods and private goods commonly used in Economics. Social relations are at the origin of relational goods, these are not mere transactions or interactions, but have a personal or social character. For example, trust can be considered as a relational good. While studies have shown the positive impact of relational goods on development, it remains unclear how the generation of such goods can be incentivized.

The theology underlying the Encyclical *Caritas in Veritate* provides a profound understanding of human relationships. Ratzinger's ideas show that humankind is inherently relational because humans are created in the image and likeness of God, who is relational in essence. This theology reveals the logic of the gift at the foundation of human relationships: gratuitousness pervades human life, from the very origin of existence to all interpersonal interactions. Consequently, relational goods, as emergent elements of human relationships, also have their origin in gratuitousness.

From a development perspective—and therefore in the realms of public policy and business decisions—favoring spaces that foster gratuitousness could facilitate the co-production and co-consumption of relational goods, which, in turn, promote Integral Human Development. One limitation of Donati (2019) theory of relational goods is the lack of practical strategies to incentivize their generation. Theology, by illuminating the concept of gratuitousness, provides a framework for proposing actions that encourage such spaces, ultimately enhancing social cohesion and fostering the creation of relational goods.

Theology offers valuable insights into the dynamics of relationships and human action, which can complement Behavioral Economics by providing a deeper understanding of individual motivations. The experience of the gift, as Theology suggests, generates powerful incentives to act. This understanding could have significant implications for both public and private policies, influencing various levels of decision-making and implementation.

References

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