The Economy of Communion
A Project for a Sustainable and Happy Socioeconomic Future

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Bruni begins by presenting a picture of today's global economic changes and the issues that must be addressed. He discusses the widening inequality and income gap, as well as the higher correlation between inequality and quality of life than between income (GDP) and quality of life. Inequality, he argues, is becoming a major obstacle to socioeconomic development. Therefore, companies need to expand their range of action to include social and community activities as opportunities for enhancing economic success and the well-being of those in the company and community. Bruni then turns to the Economy of Communion, giving its background and its approaches to healing poverty through relational community changes and concrete productive inclusion. The result is workers who are partners and consequently happier and more effective citizens. He stresses the need to build businesses where the poor “produce” goods so that they do not only “consume” assistance. Bruni concludes with reflections on the nature and purpose of communion formed within business and community life.

Introduction: Global Wealth in the Long Term and World Inequality

Let us begin with some macro scenarios and global issues. The proposed Economy of Communion (EoC) finds its full meaning only within the challenges of our time. If we take a long-term view of global wealth creation, we see immediately that Western economic hegemony is, thus far, but a two-century interlude in Asia’s world leadership. As you can see from the following graph,1 Asia is making a comeback. The world’s political and economic arrangements are quickly changing, and new categorizations are necessary to understand and manage these changes.

Long Run Wealth Creation

| Distribution (%) of world GDP in 1990, 2008 & 2030 (forecast) |
|-----------------|-----------------|-----------------|-----------------|
| SHARE (%)       | 1990 | 2008 | 2030 |
| Western Europe  | 22.2 | 16.9 | 11.0 |
| USA             | 21.4 | 18.6 | 14.2 |
| Other Western countries | 3.2 | 2.8 | 2.2 |
| Japan           | 8.6  | 5.7  | 3.3  |
| Rich countries  | 55.3 | 44.0 | 30.6 |
| Eastern Europe  | 2.4  | 2.0  | 1.2  |
| Russia          | 4.2  | 2.5  | 1.8  |
| Other former URSS countries | 3.1 | 1.9 | 1.1 |
| Latin America   | 8.3  | 7.9  | 7.1  |
| China           | 7.8  | 17.5 | 26.2 |
| India           | 4.0  | 6.7  | 11.3 |
| Other Asian countries | 11.4 | 13.9 | 15.3 |
| Africa          | 3.3  | 3.4  | 3.5  |
| Rest of the world | 44.7 | 56.0 | 69.4 |
| World           | 100.0 | 100.0 | 100.0 |

Another global issue is inequality. Income distribution is central to our discussion. Global inequality grew between 1988 and 1993 (from 0.84 to 0.87) before decreasing to 0.82 in 2000. Two contrasting tendencies produce this outcome: First, the wealth gap is decreasing between nations (from 78% to 67%) but increasing within nations. Second, people in more equal and just countries enjoy a happier life. There is a much higher correlation between inequality and quality-of-life indicators (lifespan, health, happiness) than between income (defined as the gross domestic product [GDP]) and quality of life.

In capitalist economies, increasing inequality is the major obstacle to socioeconomic development. The wealth that we produce through vicious processes (mainly in the Western world) increases inequality of opportunity, rights, and freedom and does not create jobs or foster true development. In fact, only labor creates jobs; they cannot be created any other way. The seriousness of the inequality in the market economy becomes evident when we analyze the economy’s evolution since the Industrial Revolution. In the twentieth century, capitalism managed to reduce inequality in Western economies as they transitioned from feudal social and economic systems to market economies, which were much more dynamic. In the past decades, however, inequality has returned almost to the level it was before the Industrial Revolution. In the United States, the twenty richest hedge-fund managers together earn more than the top five hundred managers, who each make an average of $10 million a year. Furthermore, the level of internal inequality in the United States today is close to that of nations only now overcoming feudal social structures. Thus, as far as inequality is concerned, late capitalism is very similar to late feudalism. Two centuries of economic and legal development have been worth very little or nothing at all.

The detrimental outcomes once produced by a lack of markets are now produced by an excess of markets. This serious and critical fact contradicts reformists’ utopian belief in the market as the foundation of the modern political economy. In fact, philosophers of the Enlightenment believed that by developing the market, society would finally overcome feudalism and slowly embrace democracy. It was this democratic spirit that they so craved, the development of which they believed would allow people to live freely and equally. However, four-fifths of the so-called absolute poor (those living on less than two dollars per day) live in medium- and high-income countries, not in “poor nations.” The dividing line between rich and poor is no longer geographic (North-South) but exists within countries. The new and disturbing fact is that globalization has changed global poverty profoundly.

In other words, in terms of lifespan, health, human resources, or capabilities (according to Amartya Sen’s theory), the difference between a British employee and an uneducated Caribbean-descended single mother who has an unstable job and lives in a poor neighborhood in London is much greater than between that British employee and a Peruvian worker. This difference between a high-level British manager and a high-level South American manager is even less significant. But it is not only the poor who suffer
from inequality. In fact, inequality is a serious public problem that affects the rich as well, since, according to recent statistics, it causes greater social resentment, status competition, insecurity, and wretchedness for all. Therefore, if we wish to work for economic renewal and are committed to the common good, we should not worry so much about GDP. Instead, we should reduce inequality.

The Paradox of Happiness
A third challenge relates to happiness. The “paradox of happiness” triggers a reflection on capitalism. See the following graph.2

This graph illustrates three important aspects of the nexus of income and happiness:

1. Income growth produces well-being and happiness for poor people and (low-income) poor countries (see the steep red line).
2. After a certain threshold, which industrialized countries have already surpassed, income growth no longer produces happiness. Rather it decreases quality of life, as excessive economic growth reduces and “pollutes” important resources such as the environment, social relations, spiritual life, and so on.
3. All of us would be better off if income from the right side of the graph (that originating in the rich and unhappier countries) were shared with the countries on the left side. In that case, all nations would move toward the center where well-being reaches its peak. Unfortunately, we know from history that, besides being very complex to implement, income redistribution has not often happened. Besides, poor countries do not need to receive income; rather, they need the conditions to produce it with equity through common and public goods such as schools, roads, hospitals, public services, and so on.

We may conclude that, according to the inverse relationship between wealth and happiness, beyond a certain threshold, income growth matters very little, while income distribution and other factors, such as relational goods, the environment, communities, and social well-being, are crucial.

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Firm Social Responsibility and Shared Values

Up to now we have spoken of macro variables (growth, inequality) and individual variables (happiness). What can we say about businesses? After all, a country’s economy and people’s jobs ultimately depend on them.

It’s crystal clear that a country’s welfare depends on the quality of its companies (in sectors such as production, services, agriculture, trade, etc.) and their operation. We have seen varying approaches to the interactions between business and society. Marx’s socialism played an important role by revealing how capital exploits labor. Generally speaking, companies would operate in their sphere (the economy or the “market”), while the law would mediate their interaction with the common good. If a company respected the law, then it had no further social duty to which to respond. Common good was a political and civil issue only, so companies helped promote it indirectly and unknowingly by following only their interests (profit optimization) within the limits of the law. In fact, according to the famous metaphor of traditional liberal thought that stretches from Adam Smith to Milton Friedman, the market’s “invisible hand” turns entrepreneurs’ private interests into national wealth. In recent decades, however, civil society has demanded more from companies, particularly from large companies and multinationals. It has developed a business concept called Corporate Social Responsibility (CSR), a new idea that calls on companies to work voluntarily for social development. Companies have begun promoting and developing social programs for schools, hospitals, low-income residential blocks, and so on, operating in fields that in the past belonged to others (e.g., the state and voluntary service organizations). It is true that the market (companies) and society (the state, civil society) remained separate, but the former began to trespass on the domain of the latter. For example, companies intentionally and voluntarily began to support projects for the protection of animals close to extinction, although this was by definition still a noneconomic activity.

Then in 2006, CSR moved to a new level. In the influential *Harvard Business Review*, American economists Michael Porter and Mark Kramer published “Creating Shared Value,” which presents a theoretical framework for the “social business” movement (of which Muhammad Yunus’s Grameen Bank in Bangladesh is a well-known example) and other social economic activities located mainly in the United States. What is new in this paper? In an effort to overcome the divide between company and society, Porter and Kramer encouraged entrepreneurs to consider society’s shortcomings (poverty, elderly care, etc.) as business opportunities:

Companies must take the lead in bringing business and society back together. The recognition is there among sophisticated business and thought leaders, and promising elements of a new model are emerging. Yet we still lack an overall framework for guiding these efforts, and most companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core. The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what
The Economy of Communion: A Short Walk Down Memory Lane

The Economy of Communion (EoC), while still early in its development, nevertheless has already attracted the attention of many intellectuals, cultural personalities, and the Social Doctrine of the Church. It grew from Chiara Lubich’s intuitive insights during one of her last trips to São Paulo, Brazil, in May 1991. Shocked by the city’s social problems and great inequality, she sought understanding in John Paul II’s encyclical *Centesimus Annus*—which views the market and businesses as positive, and reflects on the fall of the Soviet communist system. It was a fruitful but painful visit as her spiritual and “charismatic” view came up against hard evidence of a distorted socioeconomic system that allows skyscrapers (some of which she had noticed from the plane) to stand next to millions of starving and impoverished people. Chiara reacted to this disjuncture by launching a project that encouraged entrepreneurs to engage with three tasks:

1. Contribute to a fair economic system by using profits to promote development programs and by starting companies with goals beyond profit-making. These companies should split their profit into three parts in order to help the poor, create new jobs in the company, and promote the “culture of giving.”
2. Create jobs, foster productive inclusion, and support community development (poverty means above all exclusion from productivity, the community, and society).
3. Fight extreme poverty and promote a new “culture of giving.”

The nations of Asia, whose growing economies are led by very talented people, still have a chance to avoid the paradox of happiness and environment that has already ensnared Japan and Western countries, particularly the United States: decades of growth in GDP and decline in happiness and well-being. Since economic growth is not the ultimate goal but a means to achieve a good social and personal life, I propose that Asian nations develop an alternative path to capitalism (or postcapitalism) in which economic growth, social values, equity, and well-being are sustainably reunited. Chiara Lubich’s Economy of Communion can help guide Asian nations through this visionary transition.

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Today there are about 860 EoC companies; most are located in Europe and South America, followed by North America, Asia, and Africa. In the past few years scholars and students have written over three hundred papers about the EoC. The funds raised from profit sharing have financed over one thousand scholarships for young people, various development programs in the southern hemisphere, and the Sophia University Institute. Although these are small numbers, they represent significant experience, because one principle of a charismatic initiative is that, like salt and yeast, it can transform.

What are the Messages of the EoC to the Economy of Today?
If the EoC’s messages are well formulated and people are ready to listen, current politics and economies can significantly benefit from them. Among these messages, the following three are particularly relevant today.

**Healing Poverty**
Poverty, or extreme exclusion (I do not refer here to the charismatic or evangelical sense of the word “poverty” but to humanity’s plague), is once again spreading in the world, especially in the West. The word “poverty,” however, has not always been considered as solely negative, as are terms such as deception, slavery, and racism. After the life of St. Francis (i.e., after Christianity was consolidated) there was more than one type of poverty; the concept included a broad spectrum of states, from the victims of poverty to the blessing of those who choose freely to be poor in order to help others in need. As long as we fail to embrace the characteristics of freely chosen poverty in a simple and selfless lifestyle, communion, and fraternity, global cultures will not be capable of combating new and old kinds of involuntary poverty. St. Francis reminds us that no one can see nor fight against bad poverty before loving its good form.

As long as the responsibility for implementing governmental or private programs to fight poverty is left to the rich, who can afford to fly from their conferences on poverty to opulent vacations, the study of poverty will continue to be ineffective. As long as poverty serves only as a theme for research and conventions, it will be neither seen nor understood, let alone healed.

In wealthy societies, new kinds of “poverty”—such as those experienced by people excluded from public life, suffering mental disorders, addicted to gambling, and struggling with other addictions such as drugs and alcohol—are joining the old ones. All of these impoverishing states have a common origin. Although sometimes caused by a lack of income and wealth, their origin, and therefore their solution, is not economic but rather relational and social. Since its founding, the EoC has insisted that the first step in addressing poverty is to foster relationships, from those of the family to those of the political sphere. Poverty is not the result of a single problem but of a collection of unhealthy relationships. The first treatment for every form of poverty is to foster fraternity and reciprocity. In simple subsistence economies where people have been able to emerge from forms of endemic poverty, family and community relationships are strong and stable, if often unjust and illiberal (consider the status of women). To enable people to escape the traps of poverty, it is first necessary to increase per capita income, public goods (health, infrastructures, and housing) and meritorious goods (especially schools). Today, such relational goods are fragile and rare. If we do not first heal and rebuild
resting until the poor are offered jobs in EoC businesses through concrete productive inclusion.

**Inequality: Communitarian and above all Productive Inclusion is the Answer**

Besides poverty, inequality must also be addressed. In the past few decades, inequality has been growing at a greater rate. The EoC calls on companies to share their profits in a daring project to foster a more equal and brotherly economy and society. In fact, true brotherhood or fraternity comes only with an equal distribution of wealth and income, and therefore of capabilities, rights, and freedoms. Businesses and the market, even when they are guided by the principle of community, are not sufficient to build a more equal society. Public and political action is necessary, especially today when people have come to believe that the liberal market has miraculous powers. The market is an expression of freedom and a means for freedom whenever it collaborates with the public sphere and civil society through wealth redistribution and reciprocity, respectively.

Initiatives such as cooperative movements, both past and present, and the (true and good) social economy in Europe should be re-evaluated and held in higher esteem. Europe, up to a few decades ago, managed to sustain growth with low levels of inequality. This equitable growth was not achieved through the welfare state alone, Europe’s well-known “social market economy,” but through the extraordinary influence of the European cooperative movement. The movement helped develop true democracies while fostering a democratic labor force and economy. The cooperative and social economy movement encouraged people to be productive members of society. They were not miserable employees anymore, dependent on the “generosity” of a few patrons, but workers,
Indeed, labor has promoted democracy before, namely, through broad labor movements. Men and (fewer) women became citizens when they were released from their servant status in the rural feudal system and could start to work in factories, workshops, schools, offices, and cooperatives. Servants and slaves cannot bring about democracy, but free workers can. A democratic society is grounded in labor; otherwise society is based on nondemocratic income and privileges.

**Conclusion: The Need for Communion**

In our capitalist society we are all suffering from a serious “famine of communion.” Today, we are at risk of getting used to its absence, of ceasing to long for it. There is a strong link between communion and community. Communion is formed within the community. But there can be, and are, communities that have no communion, where gifts become merely obligations, without freedom, or gratuitousness. Current studies on happiness and subjective well-being tell us very clearly that the main source of people’s happiness is a life of communion, starting from that first cell of communion that is the family. Living a good life depends on the quality of communal relationships at all levels, including the fundamental experience of communion in work.

I believe it is important to regard business and labor as the core of the EoC. We should not forget that the crisis in which we are living derived not from business profits but from the financial speculation of top managers and protected professionals. This is the cancer in today’s economy. Only a new alliance between workers and entrepreneurs can protect the labor market from the overwhelming concentration of income in the hands of so few. The world urges workers and entrepreneurs to work together. This income bubble is drying up the resources necessary to invest in production that would create sustainable jobs. Today, combating poverty means fighting unemployment (“labor poverty”), above all among young people.

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5. *Paradiso*, vol. IX, 81: “If I were in you as you are in me.”
But there are other dimensions, no less critical to the quality of our lives, that do not require the mutual indwelling of souls but simply fellow citizens who listen to and consider each other as related to and necessary for their own happiness. The world will continue to suffer until the community embraces communion, too. It is the community that supports the declension of our pronouns: I, you, he, she, we, you, they. Communal declension involves the first person plural, “we.” If the first person plural is missing from our syntax, the second person singular, “you,” may disappear and with it the face of the other person. Then we may find ourselves in communities inhabited by the anonymous and lonely third person singular, “he” or “she.”

Communion, to avoid becoming “communionism,” must be lived with equality, freedom, and gratuitousness. Unlike community, communion requires us to move from the communion of goods to communion between people. It is an equality in dignity, a “face to face” recognition, knowing that the other is there, in relationship, because he or she, like me, has freely chosen to be there as an act of gratuitousness. This communion requires the overcoming of status and is not complete until this happens. Communities can exist and endure even in feudal and unequal societies; communion requires much more. When the experience of communion begins inside a nonegalitarian or caste-based community, little by little it will undermine and transform the community from within. This transformation is evident in the early Christian communities and in those born from great religious and secular charismatics; people began as either noble or plebeian but soon found themselves in a new reality of true communion, where there was “neither slave nor free . . . nor male and female” (Gal 3:28). True communion teaches siblings a new fraternity in which they become brothers and sisters outside the family too. Communion is always free, because it is the highest experience of gratuitousness. Wherever this kind of equality, freedom, and gratuitousness is missing, we will know community without communion.

Our world suffers principally from this lack of communion at all levels, starting at the economic level. Communion is necessary if the serious problems of poverty and exclusion are to be resolved. Philanthropy is not enough, and often it is harmful because it is a one-sided affair. Communion calls for much from all of us, from those who give and from those who receive, because it is a form of reciprocity where everyone gives and everyone receives—and where everyone forgives, because communion does not last long without continuous and institutionalized forgiveness.

Communion means happiness, well-being, living a good life. But within and around us is a constant picture of noncommunion. To say that communion is a vocation of humanity requires that we have an idea of the health and diseases of human societies. Judeo-Christian humanism, for example, tells us of the beginning of humanity’s communion, a beginning that is also the end of history, the goal toward which we strive. Noncommunion is neither the first nor the last word on the human condition. We might say that communion is health and noncommunion disease, with an idea of some therapy by which to cure ourselves. However, the dominant culture reverses these associations, transforming disease into health every time it says that rivalry, envy and greed, and conquest of the other are the main agents of economic growth and that harmony, generosity, and equality do not increase the GDP.

Whenever those who believe in communion as a vocation of human beings find that it is not being realized, they might recall the words of Italian priest Don Zeno Saltini, “man is different,”
meaning different from what he or she appears to be. We see in history that humans are greater than the discord that surrounds us. It is the realistic possibility of a “not-yet” universal communion that makes an “already” local communion possible and sustainable. When this broad horizon is rejected as naive utopia, the human factor shrinks. Without this ideal in mind to weather even in the worst situations, politics turns into cynicism, economics into dominance, and sociability into life imprisonment.

The civil, moral, and spiritual quality of the third millennium will depend on our capacity to see more in the human being than what we have seen so far. This means we need to equip ourselves with communal institutions (economic, social, political, cultural, and religious) that promote a communion of peace, harmony, well-being, and the desire to live a good life.

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