

**Excellence and Effectiveness:  
Ordering the Common Goods of Business**

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The rhetoric of the common good in business is prone to a romantic moralism. Its temptation is to praise the virtues or friendship of workers as the ultimate goal of economic cooperation, so assimilate the business association to the family or the parish. This is especially true in today's intellectual climate, since the common good is brought forth in order to counter visions of thriving business that include no human dimensions at all. Quite naturally, here the moral or personal elements of the common good are emphasized. The common good begins to look like a direct competitor with materially-oriented goals of good business. So in deciding upon the overall measure of what makes a flourishing business, we have to choose, it seems, between the common good on the hand, and profit or productivity on the other. One or the other, but not both.<sup>1</sup> This apparent tension damages the credibility of the common good in a business world obsessed with material matters, and it obscures what the common good means.

My goal in this paper is to outline a view of the common good that integrates material and moral aspects of business as common goods in their own right, thus as dimensions of the common good rather than as competing definitions of it. On this view, no single aspect of its flourishing (such as virtue or profit) is identical with the overall common good of a community. Just as the nature of an emergent community can be usefully analyzed as an order of persons and things,<sup>2</sup> so its common good can be analyzed as an order of personal and material goods. The main conceptual tool of my argument is a pair of distinctions (not original to me, but never combined in this way) that concern the common goods of any community. First, a community is oriented to both to the good

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<sup>1</sup> Frequent caveats from Aristotelians about the relevance of profits and other hard-headed concerns fall on deaf ears because, in my view, the typical common good account has no convincing explanation of where material concerns fit in or why they ultimately matter.

<sup>2</sup> See Hoipkemie, "Critical Realism and Common Goods."

condition of the human relations that constitute it, and also to pursuing goals that are beyond itself, rather as an athlete is committed to her own bodily health and also to winning. Second, any community aims both at its distinctive forms of excellence as well as more all-purpose resources such as money and smooth labor relations, rather as an athlete needs both generic speed and strength as well as the skills proper to her sport. Combining these two distinctions yields four types of common goods, which capture the main ways that a business (or any other sort of community) can flourish or fail to flourish. Some look more “moral” and others more “material,” but none exhausts *the* common good of the community, which requires a proper ordering among the goods.

This fourfold theory of common goods is concerned with the core claim of the broader common good tradition, namely its social ontology that explains what communities are and how their goods figure in flourishing lives. The claims advanced here are not specific to business, so if they are sound they apply equally to any kind of community, whether school, family, or church, etc. But it is especially important to develop this argument with respect to business and economic communities, because material and moral flourishing are so often distinguished, and even opposed, in conventional thinking about these domains.

### **The Goods of Social Life: Common and Collective**

Popularly, ‘the common good’ refers vaguely to the overall well-being of everyone (often, everyone in a polity).<sup>3</sup> Whatever this may mean, it adds little to other

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<sup>3</sup> Catholic magisterial documents are not free from blame for the vague rhetoric of the common good, as when they define it as “the good of all people and of the whole person” (CSDC 165) or “the sum total of

terms such as ‘the good’ or ‘human flourishing’ taken in their general sense. But in the longer Catholic tradition, as I read it, there is no such thing as “The Common Good, full stop.” So my use of the term “the common good” will always refer, implicitly or explicitly, to a particular good that some community of persons aims to accomplish together. Different communities have distinct and often quite dissimilar common goods.

What then is a common good? Charles Taylor offers a valuable clarification of the central concept. As he puts it, a common good in the strict sense is something that is good ‘for us’ rather than simply for me and for you. Some aspects of the flourishing life are irreducibly social; they cannot be realized alone.<sup>4</sup> Think of those human goods ‘where what centrally matters to us is just that there are common actions and meanings’: ballroom dancing, ensemble musicmaking, personal friendship. Without a “we,” such goods could not exist. Other things would be good for me alone, but are different and better when they are ‘for us.’ For instance, ‘what raises a smile when I read it alone can put me in stitches mediated in the ritual of telling, which puts it in common space.’<sup>5</sup> It is the community itself—the orchestra, the dance couple, the friendship— that is the agent of such goods; common goods belong to individuals only *qua* members of the group. For the Catholic tradition, the ideas of common goods and community are mutually defining. Any group of persons united around a common good is a community (however transient), and all communities have common goods at their heart.<sup>6</sup> No common good, no community. Furthermore, every community is a form of friendship and the members are

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social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily” (*GS* 26). Of course there is a more precise account for those willing to dig.

<sup>4</sup> See Taylor, “Irreducibly Social Goods.”

<sup>5</sup> Taylor, “Cross-Purposes,” 190.

<sup>6</sup> Russell Hittinger defines a community in this way: ‘wherever there are plural rational agents, aiming at common ends, through united action, *and where the unity is one of the intrinsic goods aimed at*, we have a [community]—something distinct in dignity.’ (“Coherence of the Basic Principles,” 799. Emphasis original.)

rightly said to be friends with each other,<sup>7</sup> because the relation that generates the common good is valued in itself. Since ‘man is by nature a political animal’, as Aristotle famously says, common goods are a constitutive aspect of human good; a flourishing life is inconceivable without them.

It is quite true, even for the Aristotelian, that not all the goods arising in human association are common goods in the strict, irreducibly social sense. Persons may cooperate not out of friendship but because it is a convenient or efficient way to realize some private goal: from building roads to collecting trash. Such “collective goods” are benefits for individuals *qua* individuals that are secured through social action but are not enhanced by or intrinsically related to social relationships.<sup>8</sup> What we see in such cases is not the good of a community, but rather ‘a sum of private interests that happen to be interdependent’.<sup>9</sup> In other words, the social aspect is incidental to what makes such goods desirable. National defense can be taken as a collective good in this sense. Citizens A, B, and C pay taxes to support national defense, and in return they each gain individual security. The security of A, B, and C, however, is not better or richer for having been cooperatively achieved. Such goods can be seen as “commodities whose supply requires collective action... and whose consumption might or might not be shared.”<sup>10</sup> Cooperation around collective goods does not ground a community because they are not intrinsically social; they do not require their participants to be interested in one another.

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<sup>7</sup> This extended sense of “friendship” is sometimes denoted as solidarity or social charity.

<sup>8</sup> The term “collective goods” is from Deneulin and Townsend, “Public Goods, Global Public Goods, and the Common Good.” Charles Taylor names this category “convergent goods.” Alasdair MacIntyre distinguishes public and common goods as follows: “For public goods can be understood as goods to be achieved by individuals *qua* individuals, albeit only in cooperation with other individuals, and to be enjoyed by individuals *qua* individuals, while common goods are only to be enjoyed and achieved... by individuals *qua* members of various groups or *qua* participants in various activities” (*Ethics in the Conflicts of Modernity*, 168–69. ).

<sup>9</sup> Simon, “Common Good and Common Action,” 208.

<sup>10</sup> Deneulin and Townsend, “Public Goods, Global Public Goods, and the Common Good,” 25.

Standard neoclassical economics has a helpful analysis of the different sorts of collective goods available in social life, which helps to explain the rich variety of communities that humans create. The two defining features of all sorts of good, in this analysis, are rivalry and ease of exclusion. Rivalry denotes the extent to which my use of a good diminishes your possibilities of using it. Ice-cream is highly rival; if I eat the cone, you can't eat it. Television broadcasts on the other hand, are non-rival; an unlimited number of people can watch the same show. Ease of exclusion refers to the feasibility of ensuring that all those who consume a good also pay for it. Exclusion is difficult in police protection, but easy when it comes to selling lemonade. Combining the two characteristics yields the following four-item typology.

**Figure 1: The Economist's Table of Collective Goods<sup>11</sup>**

	<b>Exclusion</b>	
<b>Rivalry</b>	<b>Difficult</b>	<b>Easy</b>
<b>Low</b>	Public Goods <i>National Security, Roads</i>	Club/Toll Goods <i>Pay-per-view TV, Country club memberships</i>
<b>High</b>	Common Pool Resources <i>Groundwater, Fisheries</i>	Private Goods <i>Lemonade, Cars</i>

The best-known distinction here divides public goods (security, infrastructure) from private goods (commodities), which are typically ordered by states and markets respectively. But neither state nor market can aptly order the two middle categories of toll goods and common pool resources. Club or toll goods have low rivalry, so they are apt to be shared in groups, but exclusion is easy, so they are suitable for private control. To obtain them, one pays a toll to join in the group that controls them, rather than simply paying the cost of the good itself. The price of a theater ticket, for instance, does not

<sup>11</sup> Ostrom, "Beyond Markets and States: Polycentric Governance of Complex Economic Systems."

reflect the cost to the theater of allowing in one more viewer, which would be almost nothing, but rather a more amorphous calculation of how much temporary participation in the “club” might be worth (or perhaps a share in the fixed overhead costs of operating the club). Common pool resources, on the other hand, are naturally rival but exclusion is difficult. In order to prevent free-riding or overuse—the infamous “tragedy of the commons”—such resources need to be carefully husbanded by the groups that use them, as we see in the severe technological limits that Maine lobstermen impose on themselves. So whereas public goods call for public authority, and private goods for no authority (market order only) the two intermediate categories of club goods and common-pool resources call for what you might call “private authority.”<sup>12</sup> The upshot is that you need different types of association in order efficiently to secure different types of social goods.

### **Particular Goods and Overall Flourishing**

From the point of view of the common good, this matrix of collective goods utterly fails to uncover the basic reason why humans participate in social life—namely to realize essential aspects of human flourishing that are totally unavailable to individuals. The unstated anthropology of the economist, like any social contract view, is that essentially complete persons band together for reasons of expedience, to better realize given “preferences,” where the broad goals in question could in principle be realized alone.<sup>13</sup> All the forms of cooperation that the economist describes are construed as purely instrumental to the sustainable enjoyment of goods by individuals. So, if I want to drive

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<sup>12</sup> For the classic works on these two types see Buchanan, “An Economic Theory of Clubs” and Ostrom, *Governing the Commons*.

<sup>13</sup> See Taylor, “The Nature and Scope of Distributive Justice.”

my car on nice roads, a public good, I require a government to levy taxes. And if I want to enjoy the theater, a club good, I need the help of the Royal Shakespeare Company. These goods are not better because of their social provenance, they are just hard to get any other way. But the Aristotelian view is that certain forms of relationship are prerequisite to becoming human agents in the first place, and to forming good character (i.e. “preferences”).<sup>14</sup> The public goods paradigm is precisely the theory that arises from denying or ignoring that such common goods are at stake.

The typical response, then, from the side of the common good is to point to the social relations, valued in themselves, that are so damagingly absent from the matrix of collective goods. In sharpening this contrast, some theorists offer bottom-line definitions of the common good as “not ‘goods’ ... but sociability itself” (Calvez & Perrin) or “participation in community” (Hollenbach) or a “bond of solidarity and loyalty” (Cochrane) or “communion” (Fessard),<sup>15</sup> all as a means to moral virtue and *eudaimonia*.

These definitions of the common good are not wrong, but they are misleading without a heavy gloss. It is well for proponents of the common good to emphasize the reality and intrinsic goodness of society, against the prevalent views of human associations as mere collectivities organized around convergent individual goods. In the rush to moralize and socialize the goods of human association, however, the common good drifts away from the more concrete reasons why persons participate in common endeavors. Suppose I am working just for a paycheck, and not out of solidarity or a desire

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<sup>14</sup> On the economist’s inability to deal with preference formation, see Yuengert, “The Common Good for Economists.” Alasdair MacIntyre puts the point this way: “it is thus only within those systematic forms of activity within which goods are unambiguously ordered and within which individuals occupy and move between well-defined roles that the standards of rational action directed toward the good and the best can be embodied.” (*Whose Justice?*, 141.)

<sup>15</sup> Calvez and Perrin, *The Church and Social Justice: The Social Teaching of the Popes from Leo XIII to Pius XII*; Cochrane, “Yves R. Simon and ‘The Common Good’: A Note on the Concept”; Fessard, *Authorité et Bien Commun*.



to grow in virtue. Am I traitor to the common good? Or consider a business analogue of a public good: if the air conditioning in a plant is mainly enjoyed by individuals and only faintly related to virtue or team spirit, is it then irrelevant to the common good? Only the pedant or the fanatic would insist that I am a poor colleague to enjoy it as such. But don't they have a point, if the above definitions of the common good are sound? To put the point more generally, common goods are defined as something irreducibly social, and collective goods as fundamentally individual. Are they then totally separate categories, or even opposed to one another?

In response to the romantic threat of losing touch with the basic realities of economic activity, writers on the common good offer frequent caveats reassuring readers that profits and goods and services are not unimportant. But these additions are often made ad-hoc, and their relation to the common good, defined as virtue or communion, is murky and under-theorized. If profit is not the common good, what sort of good is it?

We need a more refined vocabulary of common goods in order to answer this question. A good starting point is Cochrane's three types of expression about the common good.

*A) X is a means to/a requirement of the common good.*

*B) X is a common good.*

*C) X is the common good.*"<sup>16</sup>

If the common good is always irreducibly relational, then it would seem that any collective good, or indeed any human good that is not strictly relational, cannot move past category A. Collective goods might be means to or requirements of the common good, but are not common goods themselves. Among the irreducibly social goods, goods

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<sup>16</sup> Cochrane, "Yves R. Simon and 'The Common Good': A Note on the Concept," 237.

“for us,” the most ultimate, that desired most for itself and not for the sake of something else, would be identified as *the* common good for a given group.<sup>17</sup> Any subordinate social good could be termed *a* common good. But this schema still implies that profit-oriented businesses are either mere instruments, and not real communities, or else that their true good is to become a sort of fraternal organization.

I would like to adapt Cochrane’s vocabulary in proposing a different way of thinking about the common good of (business) communities. I will focus on the agent of the good in question. Rather than focusing on properties of the good in question, such as rivalry, excludability, or irreducible sociality, I will focus instead on who is enjoying the good. If a good belongs to or is enjoyed by a “social person,” a community, I will term it a common good. The easiest and perhaps the only way to define the common good is as the good of a community. With this in mind, let us return to Cochrane’s categories. *The* school, firm, etc. Of course we seldom know just what it means for a family or a firm to thrive, much less how this flourishing fits in with larger communities, but that dimly-grasped excellence is what we name when we invoke *the* common good. A community is a social entity, so its overall flourishing (Cat. C) will have irreducibly social elements.

I will use the good of any thing is to flourish as the kind of thing that it is, so *the* common good of a community is simply to flourish as the kind of social thing that it is: family, polity, indefinite “a common good” or “common goods” (Category B) to refer to aspects of the flourishing community that are not the same as its overall flourishing.

Analogously, I might say that “a clean house is *a* good for me” but “a virtuous life is *the* good for me.” Not every member of this class, I will argue, is irreducibly social in itself. It may be the case that what might otherwise appear as a collective good, some social

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<sup>17</sup> On the common good as a final Froelich, “Ultimate End and Common Good.”

goal that has the potential to be enjoyed individually, also figures as a common good for a given community. The crucial point is that, in order to be conceived as a common good rather than a private one, some desirable thing must be construed as a good for “us” which makes “our” common life flourish, rather than merely as a good for me. This intermediate category gives us a place to locate those non-moral or non-social goods that are often homeless in theories of the common good. To borrow a term from Aristotle, a community can “make common” those goods such as material resources, profit, or productivity, which might otherwise be private.<sup>18</sup>

### **(The) Four Types of Common Goods**

The common good consists in the overall flourishing of a community as the kind of community that it is. To make this framework more tractable, I propose to think about the overall flourishing of any community as flourishing on four dimensions, when these are properly ordered to each other. I identify these particular common goods via two Aristotelian distinctions: 1) intrinsic vs. extrinsic goods, which is of medieval origin, and 2) goods of excellence vs. goods of effectiveness, which is more recent. The distinctions cut across one another, and combining them yields a simple four-item typology that seems to me to capture the intuitive structure of various kinds of common goods.

The first distinction is between goods that are intrinsic to the community and those that are extrinsic to it.<sup>19</sup> Intrinsic goods are aspects of the social order itself,

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<sup>18</sup> Finishing out the categorization, what counts as a means to the common good but not a common good in itself would be those social or non-social conditions that are not aspects or property of the community itself. Needless to say, this is a vast category, but of least interest to us here.

<sup>19</sup> Kempshall, *The Common Good*.

construed as good. In the classical example drawn from Aristotle's *Metaphysics*, the intrinsic good of an army is the order of the army itself: the various ranks of officers and divisions of groups and functions. Every kind of community has intrinsic goods because a community is an order of social relations. Why are these relations construed as good? It is easiest to see this in the case of personal friendship, in which the relationship itself is what is valued. In other relationships, I have interests besides simply enjoying and being with others. Nonetheless, so long as communal relations give rise to irreducibly social goods, they must be seen as analogues to personal friendship. In this sense, all communal relations are forms of friendship; they also give rise to honor, status, and authority, as well as more elusive goods such as a sense of belonging and identity.

On the other side of this first distinction, extrinsic goods are all other goods that are relevant to and involved in the common action, but which are not features of its constitutive social relations. An army, unlike an intimate friendship, does not exist simply for itself; rather its excellence is measured not only by how well the members relate to one another, but by what they jointly achieve. An army exists to win battles, which is not a feature of the social order itself. Achieving an extrinsic goal depends on the good state of the army but also on many other factors – the strength of the enemy, geography, weather, dumb luck, and so on. As a general rule, intrinsic goods are ordered to extrinsic goods: the point of adopting this or that army hierarchy or culture is to win battles better. Winning battles is the best single measure of a good army.

The second distinction among common goods comes from Alasdair MacIntyre. Two types of goods are bound up with common endeavor: goods of excellence and goods

of effectiveness.<sup>20</sup> We may engage in some practice, on the one hand, in order to taste the very particular enjoyment available only to those who take part in it. So, in MacIntyre's example, those who are experienced at chess can enjoy playing and talking with other good players; only they can really understand and enjoy the battles of the grandmasters. Similarly, only those experienced in portrait painting (either as practitioners or connoisseurs) can really grasp and enjoy the achievements of Rembrandt or Reynolds. These are goods of excellence; they are open only to participants in a given practice or community, not by any decision to exclude others, but by the nature of the case. On the other hand, one may engage in a practice in order to achieve more all-purpose goods of power, status, or money. Such external goods are "characteristically and necessarily" (AV 188 or so) the concern of institutions. But practices typically require institutions, such as the chess club or the *école des beaux arts*, if they are to sustain themselves. These institutions provide the material and social resources necessary to sustain most practices. If chess and its goods are going to spread, there must be venues, instructors, and tournaments, and so forth. So the pursuit of goods of excellence requires another class of goods, goods of effectiveness, which to maintain the institutional aspects of practices. The achievement of goods of effectiveness, however, is never limited to those engaging in one particular practice. So I might play chess to earn money, or I might well do it in any number of other ways. Also, goods of effectiveness, MacIntyre notes, are not common to all participants in the way that goods of excellence are; in economists' jargon, they are "rivalrous." We may all have enjoyed a well-played chess tournament for its

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<sup>20</sup> When MacIntyre first drew this distinction in *After Virtue*, he called them "internal" and "external" goods. I use his later terms (introduced in *Whose Justice? Which Rationality?*) so as not to confuse his categories with the intrinsic-extrinsic divide.

intellectual merit (a good of excellence), but if you won, you took home the prize money (a good of effectiveness) and I did not.

Goods of effectiveness are ordered to goods of excellence. The point of prize money or a chess club president is to facilitate the playing of good chess. There is always a temptation to invert this priority, and MacIntyre famously argues that the virtues are just those dispositions that practitioners must have if a practice is to flourish. Corruption sets in when institutional or effectiveness concerns begin to trump goods of excellence.

MacIntyre makes his distinction in terms of practices and institutions, but I would extend it to communities in general. Many voluntary and economic communities are already covered because have an obvious practice at their heart: the birdwatcher's club, or the violinmaking firm. To extend the distinction to all communities, we will need to relax somewhat MacIntyre's definition of "practice." Friendship or marriage, for instance, may not be practices but they are certainly communities. And they certainly have goods of excellence, above all the love that one can enjoy only by being a good friend or spouse. Goods of effectiveness are perhaps less central to such intimate communities, but literature furnishes many examples of marrying for money so we can safely say that goods of effectiveness are also at stake.

We now have a pair of distinctions among common goods: intrinsic vs. extrinsic, and excellence vs. effectiveness. These two distinctions sit across one another, creating a simple four-slot typology (See Fig. 2). Recall the general definition of a common good as the good (the flourishing) of a community, which individuals can only participate in, they cannot carry away. The overall common good of a community is not equivalent to any of

these constituent dimensions, nor to all added up, as I will discuss below. But in order for each dimension to be a common good, it must each answer to the notion of a socially participated good. This is easier to see in the case of the two intrinsic goods, which are necessarily social, while the extrinsic goods are more contingently so. Let us take each category in turn, using the example of a shoemaking firm.

**Figure 2: Four Categories of Common Goods**

	Goods of Excellence	Goods of Effectiveness
Intrinsic to Social Relations	Intrinsic Goods of Excellence <i>Friendship</i> <i>Cooperative Work</i>	Intrinsic Goods of Effectiveness <i>Administration</i>
Extrinsic to Social Relations	Extrinsic Goods of Excellence <i>Products or Services</i>	Extrinsic goods of Effectiveness <i>Profit/Technology</i>

*Intrinsic Goods of Excellence*

The most fundamental dimension of common goods lies in intrinsic goods of excellence. These are the goods that arise within the constitutive social relations of a community (hence intrinsic), in those aspects that make the community distinctively the kind of common activity that it is (hence excellence). This has aspects of mutually-pursued excellence in the practice at hand, of excellent cooperation, and of friendship.

On the example of the shoemaking firm, the intrinsic good of excellence is the good working together of the cobblers. If MacIntyre is right to say that “practical rationality is a property of individuals-in-their-social-relationships rather than of individuals-as-such,” (PPCG 242) then one could even say that the cobblerish virtue of

those at work in the firm is itself one part, even the main part, of its intrinsic excellence. True, virtues are possessed by individuals, not communities, but this virtue both contributes to and benefits from the firm's cooperation. Yet a heap of skilled cobblers does not make a good shoemaking outfit—they must be ordered so as to work together well. The firm needs good cooperation and mentoring if it is going to hum with creative energy. When members learn from and cooperate with one another, they will also develop camaraderie and friendship, which are also intrinsic common excellences. This will be a “certain highly particular kind of friendship” that reflects the realities of the job, and such friendship may or may not translate into amity out of work as well.<sup>21</sup> The importance of this category is such that can be, and has been, mistaken for the common good of the community as such. Though incorrect, this is far closer to the truth than the notion that extrinsic goods of effectiveness, such as profit, could be the chief or sole category of some community's common good.

### *Intrinsic Goods of Effectiveness*

The other side of a good social order is occupied by intrinsic goods of effectiveness. These are also connected to the community as a social reality, but they are concerned more generically with its good structure and smooth operation, not with what makes it the distinctive kind of community that it is. Power, authority, and status are

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<sup>21</sup> MacIntyre notes that our poverty of vocabulary concerning goods of excellence forces locutions such as “a certain highly particular kind of” rather than a more adequate description. Those familiar with the community or practice in question will know what is meant with some specificity; others will not. (AV, 188)



perhaps the paradigmatic examples of the goods that flow from organizations as such, goods that persons often fight to capture for themselves.

Intrinsic goods of effectiveness come to light more clearly in large organizations. If our shoemaking firm is a large one, it is likely to adopt some form of hierarchy and bureaucracy, which clearly assign goods of power and status to well-defined roles. Even if it is a small one, the matter of how to divide the labor and arrange the shoemakers will arise. Authority is a necessary feature of any community, whether it be wielded by one, few, or all. Allocating intrinsic goods of effectiveness is a necessary signal about the priorities of any community, as well as a way to steer it in one direction or the other. In a small firm, perhaps it will be more likely that those who are most qualified in the practice, rather than those who are best placed in the firm, will be the best remunerated with prestige, money, or authority. If so, the institution will tend to corrupt the practice only minimally, whereas if skill in the practice loses its connection with the goods of effectiveness the tendency to corruption will be greater. If the shoemaking firm hires a non-cobbler CEO and compensates her ten times as much as the cobblers, this sends a signal about the how the community regards itself, and will effect how the workers regard themselves as well.

### *Extrinsic Goods of Excellence*

Extrinsic common goods are those objects or states of affairs to which a community is ordered that are outside of the community itself as a social reality. Both categories of extrinsic goods differ from their intrinsic counterparts in that they must be

construed *as common* in order to show up as common goods at all, precisely because they are extrinsic to the social order itself. They could be seen with or without social context. Defeating the Persians may be the goal of the Greek army, or it could be my personal (if rather unrealistic) aim. The extrinsic goods of some communities are quite abstract. The goal of some common action is often that the members act together and relate to one another in a particular way, say as friends or fellow-citizens under the law. In the case of the true friends of virtue, or the fellow-citizens seeking justice, the extrinsic good is not very far, so to speak, from the social order itself.

Extrinsic goods of excellence are just as various as the goals that inventive persons can cooperate in order to attain. They might be educational, recreational, religious, economic, scholarly, military, etc. This dimension of the common good is achieved just when those goals themselves are achieved (by common action).

In the case of the shoemaking firm, the extrinsic common excellence of the firm is simply the production of fine shoes.<sup>22</sup> Or, more briefly, it is fine shoes. They are the object, the *terminus ad quem* of the whole common action of the firm. To know if the firm is doing well in this respect, one need consider only the shoes themselves.

On the other hand, just by examining a pair of fine shoes on a shelf, one cannot draw conclusions about any social realities. Perhaps they were made by a single cobbler, perhaps by persons now dead. In order for the shoes to show up as a common good, they must be considered as the product of common action. But this, I think, is precisely how the members of the firm might regard them. “Look how much better we have gotten at crafting lace-up boots in the past year!” The connection with a given community may be a selling point, at least for certain products and certain buyers: “Hand-stitched by a

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<sup>22</sup> Or is it to make and sell shoes? I’m not sure if this is a big deal or not.

Cooperative of Traditional Artisans!” But of course this has to be added on with a special tag –it is usually rather hard to tell from the product on the shelf what its production context may have been.

### *Extrinsic Goods of Effectiveness*

The final category, extrinsic common goods of effectiveness, concerns goods that are outside the community as a social reality and only generically related to the particular identity and work of the community. If intrinsic goods of excellence are the most fundamental, then extrinsic goods of effectiveness are the least fundamental to the existence and identity of a given community, which implies that the community could continue on without them, at least for a time. If they are only somewhat tenuously connected to the social reality of the common action, extrinsic goods of effectiveness are also most likely to be construed not as common goods at all, but either as private goods of individuals, or mere preconditions for common action. In this category I would place especially all-purpose resources such as profit or money, as well as resources such as real estate or productive capital. Such goods are very useful and sometimes necessary for sustaining any sort of common action, but they are never the heart of the matter.

Is profit a common good at all for our shoemaking firm? I would hazard that it is, if only because every firm that I know counts profit among its goals (though not the only goal). Once again, as with extrinsic goods of excellence, profit or other extrinsic goods of effectiveness have to be construed in relation to common action in order to appear as common goods. If we think of profit as a sign that our company is working well in its

other dimensions, then it obviously has a common aspect. And once the harvest is in the barn, ready for distribution, it can be seen as the object of a common conception of distributive justice. But because profit/money has no form of its own, and is a paradigmatically distributable good, it is easy for its connection to common action to be forgotten or obscured. If it is hard to judge from looking a pair of shoes whether it represents excellent common action or not, it is nigh upon impossible to judge from a heap of money, or a profitable balance sheet. “Hand-crafted, artisan-made profit” just doesn’t command much of a premium among financiers. Once profits have been distributed, it loses all connection what was common.

It is easier to see the connection of extrinsic common goods to common action as investments or inputs rather than ends or outputs. Reinvested income is an indispensable fuel for enabling the common action to continue. This could be buying materials, or tools, or real estate—any of the resources necessary for the existence and activity of the community. From this end, it is quite obvious that extrinsic goods of effectiveness are related to and good for the common action. If we haven’t got a workshop and a workbench, we haven’t got a shoemaking firm. Or if we haven’t got a school building and a library, we can’t have a school. But, again such goods do not really constitute the firm—the workshop could lie empty, or it could be used instead for storage or for making bicycles. There are interesting questions concerning the way that a workshop when it is used constitutes part of the social reality of the community, but I won’t pursue that here.

## Ordering the Goods

One cannot simply add up these common goods and so arrive at the overall common good of a given community; the higher-level concept presupposes a proper order among its constituents. Both dimensions of a typology have a built-in normative tendency.

Goods of effectiveness, as their name suggests, are effective or useful for a further end, namely goods of excellence. To fail to order them as such invites the corruption of a community. Intrinsic common goods are ordered to extrinsic, as an action (playing an instrument) is ordered to its object (the music). To fail in this ordering invites decadence, wherein the point or goal of the community is lost in favor of a kind of “art for art’s sake” view.

With these normative priorities in mind, I suggest a kind of circular ordering among the goods (See Fig. 3). Here (1) profit and resources are ordered to the form of the community itself. They are distributed through (2) the authority embodied in the intrinsic goods of effectiveness for the sake of (3) the intrinsic goods of excellence that belong to the activity of the community. But that excellence is ultimately only definable in terms of (4) its object: the ultimate measure of a good orchestra is the music it makes. In our shoemaking example, (1) any profit or resources are to be used for the good of the common action. They are taken up by (2) the administration of the firm as part of (3) the cooperative shoemaking process, which aims to make (4) excellent shoes. Everything is ultimately done for the sake of the shoes that are made, but not in such a way that the shoes are the only thing that is good itself, or that would be valued by the members, about the life of the firm.

**Figure 3: A Cyclical Ordering of Common Goods**

	Goods of Excellence	Goods of Effectiveness
Intrinsic to Social Relations	3. Intrinsic Goods of Excellence <i>Virtuous Friendship?</i>	2. Intrinsic Goods of Effectiveness <i>Administration</i>
Extrinsic to Social Relations	4. Extrinsic Goods of Excellence <i>Products or Services</i>	1. Extrinsic goods of Effectiveness <i>Profit/Technology</i>

Although the teleology stops with excellent shoes, there must nonetheless be a cyclical movement if the firm is to stay afloat. As indicated by the dotted line, the products of the common action need to feed back into extrinsic goods of effectiveness (i.e. profits, wages, tools, materials and so on) if the life of the firm is to continue. Now, if (4) were ordered back to (1) in the same sense as (3) is ordered to (4), it would make nonsense of notion of the teleology at work here by describing a mere circle rather than a process with an end (*telos*). The point of any of the goods would simply be their own continuance; we would have motion without any real direction. This may describe the institutional inertia or decrepitude of some older, decaying organizations, which seem to exist simply to keep on existing, having lost the original point. But even vibrant communities need to sustain themselves, and it makes sense that one subordinate point of extrinsic goods of excellence is to help furnish goods of effectiveness. This is not their main point or the primary metric by which one should judge them. But, since the overall

common good is not contained in any of the four categories here, keeping the multi-faceted common action going must be an important aspect of overall flourishing.

### **Conclusion: The Moral and Material Aspects of the Common Good**

To return to the initial problematic of this paper, the material aspects of a flourishing business are not mere means to the common good, but nor are they definitive of it. But the same is true of the moral elements of flourishing—virtues, skills, friendships—that also have their place in the thriving community. Communities are complex social entities, and their flourishing has as many fundamental dimensions as their nature. Using proven tools from the common-good tradition, I have identified four such dimensions, which seem to me to capture the key senses in which we understand communities to flourish or fail. Companies fail through lack of crucial competencies or simply from a poor product—i.e. through problems in the goods of excellence. But they can fail just as surely through shortcomings of administration or simple lack of resources, despite competent work and excellent products. To fail on any of these dimensions is indeed to fail in respect of a common good, because by being aspects of a social entity, a “moral person,” what would otherwise be private goods are made common for all the members. They become aspects of a certain kind of friendship, and that friendship suffers when any of these constituent dimensions languish.

It is not easy to say what the common good of any given community is, in a framework that treats the (overall) common good as an emergent, second-order social good. I applaud Sison and Fontrodona’s apt summary of the common good of the firm as

“participatory work,”<sup>23</sup> because the concept of work is both central and capacious. But we must be careful, when we reach for compact summaries of the common good, to avoid reducing it to any single dimension of common flourishing. As an analogy, consider the athlete, though here instead of a strictly social form we are dealing with a physical form. The foundation of the athlete’s success is (1) a healthy diet, a sort of extrinsic good of effectiveness. This contributes to the athlete’s (2) overall health and fitness, a sort of intrinsic good of effectiveness. The main point of being in shape, aside from its intrinsic pleasantness, is to allow the athlete to (3) train and excel in a particular sport, though fitness would help one excel in many different sports (as an all-purpose goods of effectiveness ). The point of excelling in a sport, aside from enjoyment of it, is (4) to compete and to win. For the professional athlete at least, it is necessary to earn enough money from competition to fund a training and dietary regimen, so one can continue to compete. So the constituent need to be properly ordered if the athlete is to have any long-term success. But it is also true, over the longer term, that the flourishing career is not merely about winning. If anecdotal evidence from top players’ retirement stories is any guide, neither money nor even winning (for those who seem to win with ease) is not a sufficient motivation once one has lost “the joy of the game.”

We can coherently say, then, that both excellence and effectiveness, both material and moral concerns, belong inextricably to the common good of an economic community. Though there is a normative ordering among them, none fully reduces to the other, such that we could in principle simply dispose of one element in favor of another. This is perhaps what is intended in *Gaudium et Spes* famous definition of the common good as a “sum of social conditions,” though “an order of social goods” would have been

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<sup>23</sup> Sison and Fontrodona, “The Common Good of the Firm.”



more precise. With a developed account of what its constituent social goods are, theorists of business and the economy are in a better position to put the common good to work.

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