Finance for the Common Good: Thomistic Principles and Current Challenges

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This article[1] examines the links between finance and the common good. Firstly, our aim is to reflect upon this notion in the financial order by relying on fundamental writings. The study of the use of money according to the Thomistic approach, through loans and speculation, then provides food for thought to respond to future challenges. Saint Thomas emphasises the importance of sharing money and profit, of free loans, of the finality of the act and of the use value. Finally, we will show how these concepts can be developed today for a finance destined to the Common Good in the philosophical sense, thanks to participative finance, solidarity finance, microcredit, social bonds and green bonds.

Keywords: common good, ethic, loan, interest, speculation, usury, Islamic finance, participative finance, bonds.

INTRODUCTION

Money is not a common good like any other, in the sense of a resource to be shared among the members of a community (in the plural "common goods"). This concept is also very different from the "Common Good" approached at a theological and philosophical level. There are thus various approaches to the common good.

In Roman law, "the *res communes* are for all: their type is the air, or the high sea" (Levy & Castaldo, 2002, p.265). They are part of the *res nulluis*, things that belong to no one, which is not the case with money, which is typically appropriable. However, for some authors (Dardot & Laval, 2014) nothing is inherently common. One thing is made common by forms of management, by cooperative activities that bind us to these things and, at the same time, also bind us to each other. You can take something out of private property as well as public property to make use of it that can benefit everyone. Thus, in the case of microfinance, the money is withdrawn from the market to be reserved for common use. These resource sharing rules, presented in the book *Governing the Commons*, are the subject of the work of Elinor Ostrom (2015), Nobel Prize winner in economics.

In economics, a common good is a non-excludable good whose consumption cannot be excluded for anyone, such as the seabed or water. Necessary to all, it should be offered to everyone. However, money is a priori neither shared nor common. In addition, the American economist Paul Samuelson (1954) defines the "common good" also by the criterion of non-rivalry (the use by an individual does not prevent the same use or any other use by someone else). He gives the example of public lighting. But money does not meet this criterion either. Indeed, finance is a resource whose rivalry is strong (the consumption of one unit reduces the amount available for the others), which implies thinking about its renewal.

Besides, is money even a "good" in the moral and spiritual sense of the word? In and of itself, money is neither good nor bad. Originally, it was created to facilitate barter. Exchanging a bag of potatoes against shoes does not seem easy indeed. Finance itself seems neutral; the American Heritage Dictionary defines it as “the management of money, banking, investments, and credit”. It concerns all the mechanisms and institutions that provide the capital the economy needs to function. “Finance may deal with personal or corporate issues, such as how will an individual or company acquires the money needed to perform a certain act”, according The Farlex Financial Dictionary. Its role is to ensure optimal use of resources and thus improve the well-being of everyone. But for limited resources like money, this optimization will be based on the rate of return, the ratio between the income obtained and the initial investment. Through its frenzied search for the maximization of pecuniary gain at the individual level, finance sometimes no longer seems to serve the community. Also, little known for contributing to the Common Good since the 2008 crisis, it is even rather cited as a common evil and there has been a loss of confidence in financial institutions. How can the philosophical notion of the Common Good therefore be translated into a financial theory and practice which affirms "monetary benefit" as the purpose of action? Indeed, the financial markets aim to increase material wealth in the short term, while the search for the Common Good provides us with long-term human and spiritual growth by increasing the good of others.

Thus, money does not by nature belong to the commons (property in common). But the purpose of this article is to analyze how it can contribute to the realization of the Common Good in a philosophical sense, in particular by destining it for common use through the establishment of rules of sharing on the economic level. This is about giving finance back its true place - being an instrument at the service of the real economy, which itself must be at the service of the community.

The analysis of the notion of common good in the financial order, in the light of the philosophers, is a necessary prerequisite for the study of the use of money for the common good according to the Thomistic approach. The precepts highlighted by the theologian provide avenues for reflection to meet the challenges to come and define new forms of use associated with this resource.

HOW TO TRANSLATE THE IDEA OF THE COMMON GOOD INTO THE FINANCIAL ORDER?

"The construction of finance and currency as a common is much more recent, also more exceptional, than that of the management of so-called natural resources, and is generally located in alternative projects", according to Servet (2015). The emphasis on sharing “allows money and finance to be restored to their largely forgotten or hidden dimensions of commons” (Servet, 2015). But in order to be able to invent commons, it is first necessary to think of the Common Good by introspection on the philosophical level from the work of Aristotle and Saint Thomas Aquinas, the precepts of which can be found in the social doctrine of the Church.

The Common Good and Money in Aristotle's Work

All of Aristotle's practical philosophy tends to respond to his search for happiness, which is the ultimate good that man pursues. He specifies that “the human good becomes an activity of soul in accord with virtue” in Nicomachean Ethics (I, 6, 1098a). The Common Good, identified with what is just and with peace, is the objective of all true politics. Its respect is the absolute criterion of the righteousness of regimes. In Aristotle's teaching, the supreme good is the good of the community.

In the *Politics*, Aristotle then leads us to question the meaning of financial wealth and the value of money. Is it an end in itself or is it just a means of exchange? “That coined money is a mere sham, a thing not natural, but conventional only, which would have no value or use for any of the purposes of daily life if another commodity were substituted by the users. And, indeed, he who is rich in coin may often be in want of necessary food. But how can that be wealth of which a man may have a great abundance and yet perish with hunger, like Midas in the fable, whose insatiable prayer turned everything that was set before him into gold?”(I, 9).

He then distinguishes between natural chrematistics which consists in acquiring goods with a view to the satisfaction of needs and commercial chrematistics, which is more reprehensible, which consists in taking the unlimited accumulation of wealth as a finality. Moreover, he asserts that it is contrary to nature for money to produce money. The main reason for the ban on interest is the sterility of money, the infertility of capital (I,10). In Aristotelian principle, money has no capacity to increase. *Nummus nummum non parit*. It is sterile and not productive. In the *Politics*, Aristotle is very clear: " “The most hated sort, and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural use of it. For money was intended to be used in exchange, but not to increase at interest.” (I, 10).

From the perspective of the good of the community, Aristotle advocates a virtuous economic system, while condemning speculative practices and the frantic pursuit of profit. However, he opposes Plato for whom, in *The Republic*, the guardians of the ideal city do not own anything of their own and are not allowed to acquire gold. Aristotle argues that the community of goods generates more disputes than private appropriation. But the acquisition of wealth cannot be an end in itself. Moreover, Economics is not an autonomous discipline; it belongs to the field of Ethics and Justice. Aristotle wishes to create harmony in the city and believes that happiness can be achieved on earth through the search for an ideal city beneficial to everyone. Detachment from material wealth underlies his desire to improve social life.

A few years after the so-called subprime crisis and at a time when our countries sometimes no longer seem able to repay the interest on their debt without taking on more debt, the sharpness of the Greek philosopher's advice deserves our attention. Could not this Aristotelian ethic be a source of reflection in modern management? We certainly need finance, the circulation of money, the production of wealth, but in the service of man.

The Common Good and Money in the Philosophy of Thomas Aquinas

The concept of the Common Good benefits from a revival in Christian theology, starting with Thomas Aquinas in the 13th century, where it designates the natural inclination of Creation as a whole (including the human community) towards the supreme Good which is God. "Thomas Aquinas receives the structure of his political philosophy from Aristotle. But, as a theologian, he inserts it into a Christian order of political thought” (Daguet, 2014). For Thomas, the supreme good, the end sought can only be God who is both the first and the final cause of everything. As Modde (1949) points out: “We must strive to relive the theocentric attitude of the medieval mind, according to which the whole universe, animate and inanimate, sings the praise of the Creator. Our times are so accustomed to seeing the human community or the state as an autonomous whole […] that we no longer think of attaching great importance to the deeper realities which can govern humanity. Everything darkens then. We no longer see the necessary connection between individual life and the State, between the prosperity of the State and the good of the individual. In his first conception of the Common Good, the Angelic Doctor goes beyond this superficial view”. Thus, for Saint Thomas, the Common Good must be grasped at the same time at the supernatural level and at the natural level since, “God is the transcendent common good, or extrinsic” (Daguet, 2014). The ultimate end of life goes beyond this earth. This does not disqualify the natural order but elevates it.

Saint Thomas protects the person from a total hold of the city, indicating as the guiding standard the position of the city - a relative whole; this goes far beyond Aristotle, for whom the city is the supreme whole. With Saint Thomas "the common good of the city is essentially a means, since it is a common utility; it is at the same time an end, not an ultimate end, but an intermediate end. It is a means towards the final good of the individual, of the full development of his moral personality in the fulfillment of his inner life of charity; it is an end inasmuch as its realization precedes and conditions the acquisition of the final good, ”according to Modde (1949). "The whole social doctrine of Saint Thomas remains incomprehensible if one does not consider this close connection between human activity and beatitude. One is considered as an end, the other as a means" (Modde, 1949). Saint Thomas then affirms in the *Summa Theologica*: "He that seeks the good of the many, seeks in consequence his own good" (II^a -II^{ae}, qu.47, art.10). One of the reasons is that “the individual good is impossible without the common good of the family, state or kingdom" (II^a -II^{ae}, qu.47, art.10). However, he never clearly defines the Common Good, even if the notion is very present in his writings.

In the financial sphere, what can the Common Good consist of? Thomas does not separate ethics and politics. Man is a being of action. His actions must be morally just and therefore ethical, guided by love of neighbor and oriented towards God. From this approach, he tackles the financial questions of purchases and lending by drawing on the notions of justice, sharing and charity insofar as "the good of one man is not the last end, but is ordained to the common good" (I^{a} -II^{ae}, qu.90, art.3). In this light, Thomas Aquinas will not follow Aristotle in his condemnation of trade proper. He admits that moderate profit is not necessarily contrary to virtue, if the merchant's intention is morally good: to support his family, the needy, or his country. In the scholastic theory, profit can also be assimilated to a kind of salary which rewards work, effort or risk.

The Common Good and Money in the Social Teaching of the Church

More recently, the *Compendium of the Social Doctrine of the Church* written by the Pontifical Council Justice and Peace (2005) takes up this notion of the common good (§ 164): “The common good does not consist in the simple sum of the particular goods of each subject of a social entity. Belonging to everyone and to each person, it is and remains “common”, because it is indivisible and because only together is it possible to attain it, increase it and safeguard its effectiveness, with regard also to the future”. However, according to this doctrine, "the common good of society is not an end in itself; it has value only in reference to attaining the ultimate ends of the person and to the universal common good of the whole of creation "(§ 170).

After having specified (§ 7) that “to desire the common good and strive towards it is a requirement of justice and charity”, Benedict XVI’s encyclical (2009) *Caritas in veritate* deals more specifically with financial questions and the ways of development. “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” (§ 36). As ways of development, the encyclical suggests gratuity, solidarity which cannot be “delegated to the State" (§ 38), the development of “commercial entities based on mutualist principles and pursuing social ends” (§ 38), credit unions (§ 65), microcredit (§ 45) and microfinance (§ 65) which recalls the functioning of the *Monts-de-Piété* created to protect “the more vulnerable sectors of the population […]from the risk of usury and from despair ”. The encyclical, however, warns (§ 45) about the existence of "ethical" finance because of external labeling and not intrinsically. It is therefore a question of properly discerning "the spirit". These different avenues and the resulting consequences for the use of money will be further developed.

We regret, however, that today this "common good" has become sufficiently vague to lend itself easily to all political misappropriation, even to the restriction of our freedoms. This notion has invaded public debate and now spills over from the classical conception. Also, this too rapid philosophical and theological detour seemed necessary because it sheds light on the intellectual foundations of the notion of the Common Good which should guide financial decisions.

HOW TO USE MONEY FOR THE COMMON GOOD ACCORDING TO THE THOMISTIC THEORY?

For Saint Thomas, the city is a political organization of a community of people, finalized by the Common Good, informed by justice and governed with prudence. The question then is to know what role finance can play in the pursuit of this Common Good. Saint Thomas probably does not allow us to think of a financial order today, but he perhaps helps to understand the current pathologies of finance. In the Summa Theologica he is interested in the question "of the sin of usury " (IIa-IIae, qu. 78) and in the question "of cheating, which is committed in buying and selling ”(IIa-IIae, qu. 77). We shall therefore examine here the underlying concepts in his doctrine and then defining the development paths of finance towards the common good.

Thomistic Principles in the Loan of Money

First, it seems essential to distinguish, as in Chaldea 4000 years ago, between, on the one hand, loans for production and, on the other hand, loans for consumption. The theologians based themselves on the Roman distinction between non-fungible (or durable) and fungible (or consumable) goods.

Money is like wine, which is a fungible good: one cannot separate its use from its property and sell the two separately to different people as, for example, one can do for a house. "If a man wanted to sell wine separately from the use of wine, he would be selling the same thing twice, or he would be selling what does not exist, wherefore he would evidently commit a sin of injustice", comments Aquinas (II^{a} -II^{ae}, qu.78, art.1). In the same way, money exists to be consumed in exchange for whatever purpose. He then concludes that since money is used only by consuming and dissipating it, it is unjust and illicit to receive something for its use. For fungible goods, the only acceptable contract is therefore the *mutuum* or free loan by which ownership of the good is transferred to the user, who is then obliged to return the same type and quantity of goods. The contract, borrowed from Roman law, is like a sale and not a lease. One cannot therefore demand "two compensations" - the return of the same quantity of money and the price of its use, or "usury". Things that are consumed through use are not subject to usufruct.

On the other hand, for non-fungible goods, such as a house or land, use is separable from ownership. According to Thomas Aquinas, "for this reason a man may lawfully make a charge for the use of his house, and, besides this, revendicate the house from the person to whom he has granted its use, as happens in renting and letting a house" (II^{a} -II^{ae}, qu.78, art.1). In this case, two modalities are perfectly legitimate; one can envisage contracts for a free loan, *commodatum* (the commodate is a contract for a non-consumable good with the obligation to subsequently return the same property), or contracts for a loan not free of charge, *locatio*. In the case of a lease, the owner gives up the use of the property, but keeps the bare ownership and the tenant pays the price for the use of this non-fungible property.

The position of Thomas Aquinas is very clear: it is not permissible to receive in return for the loan something of value for money, unless it is received as a free gift (II^{a} -II^{ae}, qu.78, art.2). He relies on Ezekiel (XVIII, 17), "takes no interest or usury". On the other hand, he admits that "a lender may without sin enter an agreement with the borrower for compensation for the loss he incurs of something he ought to have, for this is not to sell the use of money but to avoid a loss" (II^{a} -II^{ae}, qu.78, art.2). This provision, the *lucrum cessans* (missed gain), is used to allow the lender to obtain the same profit he could have had in a different use of his money. The theologian therefore introduces the notion of remuneration for lost earnings or opportunity cost. He also provides for other "extrinsic titles" that allow the creditor to collect, in all fairness, any surplus beyond the repayment of the sum loaned in order to compensate the creditor for damages suffered by the borrower, explains McCall (2008, p. 570). This may be, for example, a failure to repay on the due date (*damnum emergens* or *poena*) or a loss related to the immobilisation of the sum loaned. For Christian moralists, the spirit of the law prevails.

Paying the counterpart of an opportunity cost is therefore lawful but appropriating the surplus of an exchange through one's bargaining power is prohibited by theologians. It is indeed a question of analysing the intention to determine the moral sense, or otherwise, of the loan.

The other contribution of Saint Thomas concerns the sharing of gain, of growth, according to a key defined *ex ante*. Depending on the purpose of the loans, Aquinas defines different rules: "He who lends money transfers the ownership of the money to the borrower. Hence the borrower holds the money at his own risk and is bound to pay it all back: wherefore the lender must not exact more. On the other hand he that entrusts his money to a merchant or craftsman so as to form a kind of society, does not transfer the ownership of his money to them, for it remains his, so that at his risk the merchant speculates with it, or the craftsman uses it for his craft, and consequently he may lawfully demand as something belonging to him, part of the profits derived from his money" (II^{a} -II^{ae}, qu.78, art.2). Here, the money is productive, and the lender runs a risk; he does not get disproportionately rich in relation to the responsibility involved. In this hypothesis, it is no longer a simple loan, but a partnership contract. Since the lender is exposed to potential losses, by symmetry, the lender must take advantage of potential gains, which is like current shares and dividends. Thus, the presence of a risk concerning the outcome of the transactions "will justify, in the eyes of the moralist, the claim of a specific income when this risk is associated with the property. Of course, this association is fragile and the threats to it suggest the day when ownership and risk will be the subject of separate transactions" (Lapidus, 1991).

Thus, the loan should not be reduced to its material side: the delivery of a certain amount of money to the borrower. It is important to consider its economic side: this capital gives the borrower the ability to acquire instruments of production and consequently to increase the return on its assets. The interest is none other than a part of this growth when the loan is used for investment. It is therefore fair to share the profit resulting from the loan.

The existence of interest in loans fluctuates greatly according to time and religion. In Ancient Greece, interest-bearing loans were not prohibited. In Rome, various laws succeeded one another to limit the interest rate by enacting penalties, without success. They were circumvented by trickery. In France, religious law prohibited interest as well as civil law, until the decree of the National Assembly of 3rd October 1789. After the French Revolution, banking and interest loans became free. However, from 1807, conventional interest was limited by the law of 3rd September to 5% in civil matters and 6% in commercial matters to avoid usury. Today, in France, the Lagarde law of 2010 caps interest at a rate defined each quarter by the Banque de France based on the average effective rates charged by credit institutions for each category of loan. The aim is to prevent abuse and over-indebtedness of households. Thus, the ongoing process of amending the law has often sought to set interest limits to protect the borrower.

Thomistic Principles in Speculation

In its study of purchases and sales, Saint Thomas relies on the notions of purpose of the deed, of fair price and utility. The gain “connote anything sinful or contrary to virtue. Wherefore nothing prevents gain from being directed to some necessary or even virtuous end, and thus trading becomes lawful”, says the moralist (II^a -II^{ae}, qu.77, art.4), who thus distinguishes between two opposing ends: necessity and gain. One could not be clearer and more nuanced. In all things, it is the end that must be sought. Our author thus believes that the profession of trader is dangerous because the search for money, which tends to become infinite, is not in itself a moral goal. Spicq (1934) then writes about Thomas Aquinas: "It is impossible to read these texts without surprise, even without scandal, but they are inspired by the absolute principles of human purpose, and not by the motto of the Roman shopkeepers, *Salve lucrum*!”.

However, Aquinas goes further and clearly accepts the trade. He studies the following question: “in trading, is it lawful to sell a thing at a higher price than was paid for it?” He replies “nothing prevents gain from being directed to some necessary or even virtuous end, and thus trading becomes lawful. Thus, for instance, a man may intend the moderate gain which he seeks to acquire by trading for the upkeep of his household, or for the assistance of the needy; or again, a man may take to trade for some public advantage, for instance, lest his country lack the necessaries of life” (II^a -II^{ae}, qu.77, art.4). He judges trade as a theologian and a moralist, not as an economist.

Indeed, for Aquinas, the value of a good is above all moral. It is the result of an agreement between two people in the context of an exchange, it is determined in relation to others and corresponds to a difficult equilibrium that would not harm any of the contracting parties. He distinguishes here between human law and divine law. Human law allows the seller to increase the price of his merchandise and the buyer to buy it cheaper if there is no fraud and if certain limits are not exceeded. Divine law goes further: it considers it an unlawful act not to observe equality of justice in buying and selling. Everyone must choose not his personal interest but the common good.

He has identified the complexity of the issue: the seller cannot take advantage of the buyer's need to sell something more than it is worth. But Thomas nevertheless accepts a price that varies according to circumstances and places and is not based on the intrinsic value of the property, which can be determined a priori and exogenously to the market. “The just price of things is not fixed with mathematical precision” (II^a -II^{ae}, qu.77, art.1).

Nor does it construct an approach based on competitive price, bringing into play the mechanism of supply and demand that prevails today on the financial market. "It was only quite late, under the influence of the Salamanca School and its founder F. de Vitoria in the 16th century, that market mechanisms were explicitly taken into account" (Lapidus, 1986).

But the theologians point out that the price of goods must be proportionate to the utility that men can derive from them, which refers to their use value. The right price of the thing will depend on the subtle interplay of advantages and disadvantages that selling and buying may induce in one or the other actor.

Thomas distinguishes between commutative justice and useful friendship. In commutative justice, the equality of the things exchanged (the capacity of products to enter into a quantifiable relationship with each other) is considered primarily. In useful friendship, however, one considers the benefit one has derived from it. Therefore, the reward must be proportionate to the usefulness of the thing, while in the purchase it must be equal to the thing. Medieval scholasticism helps to design development paths for finance in accordance with the notion of the Common Good.

WHAT AVENUES SHOULD BE EXPLORED TO MEET THE CHALLENGES AHEAD?

There is a questioning of the current financial system in the academic world and among the public. States are increasingly confronted, to control the actors, with the growing opacity of the markets and globalisation. The phenomena of mimicry lead agents in the same direction and generate speculative bubbles, which are the cause of imbalances in the price of goods, systemic risks, and harmful consequences for the community (Greek crisis, subprime crisis). They are today amplified by technological evolution with algorithmic trading, which optimises investment decision and high-frequency trading, which multiplies the number of stock market orders inaccessible to human analysis and executed in a few microseconds by computer and therefore by virtual operators.

This growing disconnection between the actual need for goods, the real economy and the financial markets is detrimental to price formation and can be the cause of insecurity, uncontrollable dynamics and even famine. For example, in 2007, the doubling of the price of wheat futures contracts caused food riots in forty countries in Africa and Asia.

The *Rapport d'enquête sur les mécanismes de spécultation affectant le fonctionnement des économies*, presented to the French National Assembly (Mancel, 2010), regrets "a deficit in global governance in the face of the magnitude of the issues at stake" in a context where "the lack of coordination of national policies does not prevent instability that is spreading across the planet". The study then proposes to develop "more binding regulations" for the markets, to increase the "resources of the regulatory and supervisory authorities", to rigorously supervise the banks and to promote "transatlantic coordination". Thus, intervention is no longer possible only at the level of the State, presented by Saint Thomas as an instrument at the service of the Common Good, insofar as finance has become supranational in a globalised world; moreover, this is what makes its current excesses difficult to control.

In this context, what are the avenues of development provided by the notion of the Common Good in its prospective dimension and by Thomistic theory to respond to tomorrow's challenge of the social vocation of economic and financial activity? Our reflection is based on the ideas of equitable sharing of profit, mutual aid through donation and use value highlighted by the Angelic Doctor.

The Emergence of Shared Financing Modalities

In Babylon (1793-1750 B.C.) the notion of interest was designated by the word *sibtu*, which means growth, the increase of a capital. As far as cereals were concerned, if the loan was free, the lender would donate all the growth. Otherwise, the lender could ask the borrower to share with him a certain proportion of the growth of the capital. In the production loan, we find in Saint Thomas and in the Islamic finance this notion of sharing, which it would be desirable to promote. Insofar as there is risk sharing, the benefits can be shared *ex post* between stakeholders according to a key defined *ex ante*. In Islamic finance, *moudharaba* or *mousharaka* contracts are based on this principle.

This concept of resource sharing is nowadays found in participatory financing or crowdfunding which is developing and allows the financing of the real economy but in which the key for the distribution of benefits is not defined *ex ante*. In this system of disintermediated financing, many people finance a project that they have chosen to support, often in VSE/SMEs and without the help of traditional actors (financial or credit institutions). Financing platforms are developing thanks to the internet or social networks and 16%

of French people have already contributed to a project on a crowdfunding platform (Financement Participatif France, 2018). This trend is part of a more global movement of collaborative consumption and participatory production. The investor has visibility on the destination and use of his money and gives meaning to his investment. The sharing of finances is also the object of the CIGALES (Clubs of Investors for Alternative and Local Management of Solidarity Savings). These groups of 5 to 20 people save monthly to invest in solidarity in small, often local, business projects and make their skills available to the companies they support.

The sharing of money is also promoted by solidarity finance, whose development is recent in its current institutional forms, even if its values are older. At present, solidarity finance brings together a set of organisations that provide loans or equity participation to other structures of the social and solidarity economy (associations, cooperatives), to people excluded from the traditional banking circuits, to enterprises promoting organic farming or created by people in difficulty, for example. They receive the savings of investors who want their funds, seen as "common", to be put on the basis of solidarity, accepting to receive less financial return. All French banks offer ethical investments based on a logic of exclusion of sectors considered “unethical”: controversial weapons (anti-personnel mines, biological and chemical weapons), tobacco or, in Islamic finance, pork, pornography and alcohol. But they do not all offer solidarity investments, based on an inclusion approach. These funds are developed by Crédit Coopératif. Other cooperative banks, such as Crédit Agricole and Crédit Mutuel, for example, also market them, although this does not represent a significant percentage of their activity. Thus, at the end of 2019, the solidarity savings of the French amounted to 15.6 billion euros, representing only 0.29% of savings household finances (Finansol, 2020).

Finally, we can mention the recent development of social bonds or SRI (Socially Responsible Investment) bonds. Created with a mutual aid objective, these bonds finance projects that have a social impact on the life of communities by facilitating, for example, access to schooling or job creation. In 2012, Air Liquide was the first private issuer to enter this market to finance the Group's homecare activity with a fixed-rate coupon of 2.125%. In 2018, Danone issued a social bond earmarked for research on nutrition and aid for the development of responsible agriculture. The success with investors enabled the issuer to reduce the yield offered to 1.02% for a 7-year maturity.

The notions of the purpose of the act and the sharing of the resource, highlighted by Saint Thomas, are very present in these financial products, albeit marginal. So-called "sharing" products even go further with the donation of part of the account holder's earnings. In this category of solidarity funds, a fraction of the interest is donated to the associations and, in return, the saver benefits from a favourable tax framework.

The Need to Design a "Free" Loan

To justify the need for free loans, the theologians of the Middle Ages relied on religious texts. The Old Testament is unequivocal about the prohibition of interest-bearing loans in the Exodus (XXII, 24): “If you lend money to one of my people among you who is poor, you must not act as a creditor to him; you are not to charge him interest”. Other texts condemn usury: in the Old Testament in Deuteronomy (XXIII, 20-21), and in the New Testament in the Gospel of St. Luke (VI, 34). The Qur'an also condemns lending at interest without ambiguity: "O believers! Fear God and give up what remains of your demand for usury if you are believers. And if you do not, then take notice of war from God and His Messenger" (Sura II, verses 278-279). The idea is to develop mutual help. In history, free consumer loans have been observed to unite the members of the community and contribute to its existence, as shown by the collection of laws promulgated in Babylon by King Hammurabi.

In this spirit, microcredit was created in 1976 by an economist in Bangladesh to grant small, almost "free", small-scale, short-term loans to people excluded from the traditional banking system to enable them to buy raw materials or chickens in order to develop an economic activity. The challenge was to promote an ecosystem that would enable families, tribes, and villages to find an economic balance and meet their primary needs. Microcredit found its rise in developing countries because there was a real need for financing to create businesses and develop infrastructures (wells, schools, etc.) requiring very little capital. Unfortunately, it often failed in its role as a tool to fight poverty because the funds were used for consumption or because of insufficient outlets for the activity or when the financial cost of the loan was higher than the monetary benefit of the additional activity created. Moreover, projects financed by sharing the resource have rarely been managed as common property. Thus, considering the source of funding as a common requires a new focus on the functioning of the structures and the sector. "Money and finance can become commons, but the renewal of a resource in the monetary and financial order is different from that observed in nature. The first condition for the renewal of loans is their repayment: repaid loans can be lent again, either to others or to the same borrowers in a successive series of loans", observes Servet (2015). "Thus, in monetary and financial matters, the defence of the commons does not involve a conservative or protective policy for the resource as such, but rather its renewal. This renewal through a permanent reinjection into the financing circuits is opposed to a sterilisation of the resource in the name of preserving private property rights " (Servet, 2015). Thus, when loans are not repaid, the currency can no longer be used as common currency. However, little by little, households with microcredit have started to take out loans to repay their first loans with a chain of debt and over-indebtedness. Household repayment rates collapsed, and microfinance institutions were hit by a liquidity crisis with disastrous economic and social consequences. In addition, the financial markets revealed their appetite for microfinance and new entrants offered increasingly higher rates, resulting in the partial failure of this lending system.

At a time when half of all households in France are in debt, the idea is to explore fair and equitable forms of loans developed in a spirit of mutual support, following the example of the *Mont-de-Piété*, the forerunner of the Crédit Municipal de Paris. Created in Italy in the 15th century to combat usury and provide access to credit at lower cost, these establishments offered "free" pawn loans, i.e. low interest loans to cover operating costs. Thus, putting finance at the service of the common good could correspond to developing inclusive finance, i.e. finance that helps to combat exclusion with low-cost basic financial and banking services to consumers in difficulty and excluded from traditional services. It is necessary to consider the contribution to social life and not only financial profitability.

The Emancipation of Use Value

For Saint Thomas, the value of a good should not depend on the necessity of the buyer but on the usefulness, the use, the benefit that can be derived from it. It is therefore subjective and depends on the user and the circumstances. However, as medieval ideals have faded away, a problem of commutative justice has arisen, in which the exchange value (determined by the market) prevails, which has never ceased to conceal the use value and the idea of a common good with the utility that the products provide for consumers. Recently, however, the concept of use value has resurfaced in a whole range of theoretical questions about the sustainability of economic development and fears that natural assets cannot bequeath them to future generations. Indeed, “the things which have the greatest value in use have frequently little or no value in exchange […]. Nothing is more useful than water: but it will purchase scarce anything; scarce anything can be had in exchange for it” (Smith, 2008, p.44-45).

But the value of the environment can come from both our present needs and potential future utility. Based on this reflection, finance can play a positive role in major environmental issues with green bonds, issued by a local authority or a company to finance projects with environmental benefits (investment in transport, management of scarce resources such as water), and climate bonds. The latter are a subset of green bonds. They are mainly issued by major international public financiers or companies (EDF, Engie) to finance projects that limit carbon emissions. France is the second largest issuer of green bonds, behind China and ahead of the United States. This promising market has experienced very strong growth since 2013. However, green bonds still represent only a very small fraction (barely 0.4%) of the world’s outstanding bonds.

But let's say it straight away, “there is a positive synergy between societal and financial performance with a “virtuous circle” ”(Marie-Jeanne, 2004) insofar as bad environmental, social and management practices always end up destroying value for the companies concerned, in the form of fines (for pollution for example), compensation or damage to brand image. Environmental SRI funds, based on the theme of water or renewable energy, offered by banks, are therefore often very profitable, hence their financial attractiveness.

Moreover, reintroducing use value seems essential at a time when the price of agricultural commodities is linked to the vagaries of speculation, without considering the needs of the buyer or seller. By way of illustration, the squeeze consists in creating a real or artificial situation of scarcity of the underlying through large volumes of purchases on the futures market and on the physical market, which leads to price rises with high profits on resale for speculators and famines for buyers dependent on the market value, i.e. the price, exchange value.

How can a balance be found so that use value is considered? "For use value to be expressed, it is necessary that the people carrying the collective project assert it in terms of collective well-being and in terms of the means to be mobilised to achieve it, with the setting up of a finance system consistent with it", proposes Paranque (2016).

CONCLUSION

Thus, the Thomistic philosophy invites us to question the presuppositions of the modern financial system based on maximising short-term profitability and to reintroduce the notions of the Common Good and sharing which were increasingly obscured. This study has sketched out some avenues to show how finance can be an instrument for the Common Good, in the framework of participatory finance, solidarity finance or social bonds, and how money can be put to common use to enable communities to develop economic activity and provide for their needs, through microcredit. Furthermore, finance seems to be a valuable support for the preservation of our environment with green bonds and climate bonds.

Jean Tirole (2019), winner of the Nobel Prize in Economics, notes in his book *Economics for the Common Good* that "even in the "free world," the market and its new economic actors have become more influential, at the expense of political power"(p.1), such as independent regulatory bodies, not subject to direct political control. Can this finance that is autonomous and independent of politics have a sense of the political Common Good of a City? Mutualisation or alternative finance can contribute to this by allowing us to move away from this vagabond finance. Although the State sometimes has difficulty in compensating for market failures, particularly for reasons of jurisdictional territoriality in the face of typically stateless finance, it can nevertheless encourage financial investments that contribute to the Common Good by encouraging its companies and citizens to invest in mutual aid instruments. Its intervention can be based on the law which is, according to Saint Thomas, "an ordinance of reason for the common good, made by him who has care of the community, and promulgated" (Ia-IIae, qu. 90, art. 4). In this sense, the law is also the means for a society to devise a constructive response to the excesses of the financialisation of the economy and to order the city towards the Common Good.

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ENDNOTE

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