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## Pope Francis's Message on Business and the Economy

**W**HAT IS A POPE'S TEACHING competence in economic matters? Of course the pope, any pope, does not teach economics or develop economic theories. The Church has a religious mission, not a scientific or political one. In her recent Magisterium, the Church has underscored the fact that she does not offer technical solutions but strives to attune society to the requirements of human dignity.<sup>1</sup> The Church reserves the right to lift her voice on particular political and economic questions "when the fundamental rights of a person or the salvation of souls require it."<sup>2</sup> Speaking about the social problems in Latin America, Benedict XVI formulated this conviction in his precise language:

If the Church were to start transforming herself into a directly political subject, she would do less, not more, for the poor and for justice, because she would lose her independence and her moral authority, identifying herself with a single political path and with debatable partisan positions. The Church is the advocate of justice and of the poor, precisely because she does not identify with politicians nor with partisan interests.<sup>3</sup>

## The Distinctiveness of Pope Francis

It is not clear that Pope Francis has been moving along the same lines with the same conviction as Benedict XVI in this regard. On the one hand, he has stated repeatedly that it is not his task to analyze or propose concrete solutions for specific social or economic problems<sup>4</sup> and further that “neither the Pope nor the Church have a monopoly on the interpretation of social realities or the proposal of solutions to contemporary problems.”<sup>5</sup> Pope Francis thus leaves enough room for economics in its empirical dimension to objectively gather and analyze data. The facts are the facts, mostly very complex facts; their interpretation is another matter. In his ecological encyclical *Laudato Si'*, Francis makes it clear that a variety of such interpretations and proposals are possible. In discussing climate change and other ecological topics, he is aware that “different approaches and lines of thought have emerged regarding this situation.”<sup>6</sup> He continues: “On many concrete questions, the Church has no reason to offer a definite opinion; she knows that honest debate must be encouraged among experts, while respecting divergent views.”<sup>7</sup> On genetically modified organisms, for instance, he calls for “a broad, responsible scientific and social debate” that is “capable of considering all the available information and of calling things by their name.”<sup>8</sup>

On the other hand, however, following his pastoral hermeneutics, Francis is keenly interested in the socioeconomic context of evangelization and the need to denounce blatant injustice. He therefore intentionally delves into specific questions, more than his predecessors did.

In *Evangelii Gaudium*, Pope Francis affirms that the pastors of the Church “cannot help but be concrete – without presuming to enter into details – lest the great social principles remain mere generalities which challenge no one.”<sup>9</sup> He wants them “to draw practical conclusions” and to “have greater impact” on current controversies.<sup>10</sup> In an audacious formulation, he posits the right of pastors “to offer opinions on all that affects people’s

lives, since the task of evangelization implies and demands the integral promotion of each human being. It is no longer possible to claim that religion should be restricted to the private sphere and that it exists only to prepare souls for heaven.”<sup>11</sup> This statement goes beyond what *Gaudium et Spes*, n. 76 (“the fundamental rights of a person or the salvation of souls”), provided for, as becomes apparent in the immediately following lines: “We know that God wants his children to be happy in this world too, even though they are called to fulfillment in eternity, for he has created all things ‘for our enjoyment’ (1 Tim 6:17), the enjoyment of everyone. It follows that Christian conversion demands reviewing especially those areas and aspects of life ‘related to the social order and the pursuit of the common good.’”<sup>12</sup>

In order to avoid a clericalism that the Second Vatican Council wanted to overcome, these words should be applied to the Church in its entirety, both ministers and the ordinary faithful in the midst of the world. Pastors have the task of formulating the principles of the Church’s social teaching (together with lay experts), while the laity have the task of applying them in freedom in their mission of sanctifying work in a pluralist secular sphere. The Second Vatican Council reminded the laity of their calling to holiness and of their responsibility to shape earthly affairs in light of the Gospel. The sacred ministers and the religious orders have a different mission in the Church. They counsel the laity and give them spiritual support but must not interfere in the laity’s field of competence. Pope Francis does not intend to revoke these prescriptions, as becomes apparent when he quotes Paul VI: “It is up to the Christian communities to analyze with objectivity the situation which is proper to their own country.”<sup>13</sup> He has also spoken against the clericalization of lay Christians, which in many cases is a consequence of a sinful complicity between priests and laypeople. The priest clericalizes, but the layperson asks for and accepts it in order to mimic the clergy in their protected ecclesiastical sphere. This leads to a lack of maturity among laypeople and to an absence of Christian

witness in the world. Laypeople reduce their own prophetic vocation to that of a representative of the hierarchy.<sup>14</sup>

### *Starting from the Peripheries*

We can see what Pope Francis has in mind by looking at his own words and actions, for instance in Bolivia. Pope Francis spoke to the recyclers of paper, old clothes, and used metal; to the small craftsman, the street vendor, the trucker; to down-trodden workers; to the native farmwife; and to the fisherman barely hanging on against the domination of large corporations. He spoke to those who live in shantytowns and hamlets, to the victims of discrimination and the marginalized. He encouraged the students, the young activists, and the “missionaries who come to a neighborhood with their hearts full of hopes and dreams, but without any real solution for their problems,”<sup>15</sup> and called on them to change a global economic system that “has imposed the mentality of profit at any price, with no concern for social exclusion or the destruction of nature.”<sup>16</sup> He wants “change, real change, structural change.”<sup>17</sup>

Even though he has met people who work in business, Pope Francis does not expect this radical cultural change to originate at the center, that is, starting from the businesspeople, economic leaders, and the rich, but from the “periphery,” from the people. This is very much in the spirit of the “theology of the people.” Besides, Jorge Mario Bergoglio, since his youth, has had to work very hard to make a living. The culture of work has shaped his character profoundly, and he shares the “American dream” of immigrants who, like his ancestors, left Europe in order to work their way up. He therefore naturally considers work to be at the core of the social teaching of the Church. One would misinterpret his strong words against a business that only seeks profit if one were to conclude that they necessarily mean he is in favor of big government. Government, says Bergoglio, should foster a culture of work, not of necessarily temporary social assistance. He consequently

criticizes policies that only reduce working hours or only increase social entitlements. The first right step is to create sources of work (“*fuentes de trabajo*”). “The key to the social question is work. The working man is at the center.”<sup>18</sup> Just handing out government aid would be as debasing as excluding the poor through market mechanisms resulting from what Francis call the “idolatry of money.” Francis demands bread and work for everybody: “Moreover there is no worse material poverty, I am keen to stress, than the poverty which prevents people from earning their bread and deprives them of the dignity of work.”<sup>19</sup> As archbishop, every year on August 7, the feast day of St. Cayetan, patron saint of work, he celebrated Mass in the saint’s shrine in Buenos Aires. St. Cayetan is very popular in Argentina, with millions of faithful seeking his intercession so that they can find bread and work.

*Business is a Noble Vocation When it Serves the Common Good*

Certainly, the decisive question, which the pope does not attempt to answer, is how to effectively achieve the creation of work and foster the creation of wealth and prosperity for all. As a priest and member of a religious order, Francis has the advantage of being able to observe—and to criticize—social and economic developments with great objectivity (some might say from a detached vantage point). One sometimes gets the impression that he is speaking from the outside to a system in which he does not participate, whose logic and laws he does not fully understand or even like. He himself is quite outspoken about this: “I am considerably allergic to all things economic, because my father was an accountant and when he couldn’t finish his work at the factory, he brought the work home, on Saturday and Sunday; old books with gothic titles. My father worked... and I would just watch him.... I am quite allergic.”<sup>20</sup>

Nevertheless, Pope Francis is not anti-business, as he has made explicit on several occasions, for instance in his

ecological encyclical: "Business is a noble vocation, directed to producing wealth and improving our world. It can be a fruitful source of prosperity for the areas in which it operates, especially if it sees the creation of jobs as an essential part of its service to the common good."<sup>21</sup> What he has in mind as a positive role model is the entrepreneur who serves others and the community in which he or she lives. He actually considers this to be a path to holiness:

I have known rich people, and here [in Rome] I am promoting the cause of beatification of a rich Argentine businessman, Enrique Shaw, who was rich but holy. Somebody can have money; God has given it to him so that he manages it well. And this man administered it well, not in a patronizing way but in a way which made those grow who were in need of this support. What I always attack is the feeling of security in wealth: don't place your assurance on money.<sup>22</sup>

Pope Francis is against rent-seeking forms of wealth creation, and in favor of principled business and entrepreneurship.<sup>23</sup> He said so explicitly talking to workers, entrepreneurs, managers, and also unemployed people in a factory in Genoa:

"The entrepreneur is a fundamental figure in any good economy: there is no good economy without good entrepreneurs... , without your creativity, without your creation of work and of products... True entrepreneurs know their workers because they work side to side with them. Let us not forget that an entrepreneur is first of all a worker. If he or she has no experience of the dignity of work, he cannot be a good entrepreneur. He shares the fatigue of the workers and also their joy at solving problems together, of creating something together. And when he has to fire someone it is always a painful decision which he would avoid if he could... An illness of

business is the progressive transformation of entrepreneurs into speculators. An entrepreneur must absolutely not be confused with a speculator: they are two different types of person....: the speculator is a figure similar to what Jesus calls “mercenary” in the Gospel and opposes him to the Good Shepherd. The speculator does not love his firm, does not love the workers, but considers firm and workers as mere means to make profit. When the economy is made up of good entrepreneurs, businesses are friends of the people and also of the poor. When it falls into the hands of the speculators, all is ruined. With the speculators, the economy loses its face and it loses faces. It is an economy without a face.... Do not be afraid of entrepreneurs because there are so many good ones! No! Fear the speculators. However, paradoxically sometimes the political system seems to encourage the speculators of work and not those who invest and believe in work..., because it creates bureaucracy and controls on the basis of the hypothesis that all economic agents are speculators....”<sup>24</sup>

The pope appreciates business people because of the good they do. Therefore the impression one sometimes gets that the pope is not interested in business or considers it to be secondary is only true in the sense that his pastoral strategy starts with the existential peripheries. It was and is his conviction that in order to evangelize all, including the rich, you have to start with the poor. This attitude also characterized his ministry in Buenos Aires, where Bergoglio “showed no interest at all in the middle-class world of Catholics – not the world of business, or banking, or the arts or university.”<sup>25</sup> As pope he has made clear where his preferences lie—visiting asylums for the homeless and giving priority to the suffering and poor—but he has also shown interest in businesspeople and questions of finance.

*Looking at the Moral Message Behind Francis's Economic Views*

When Pope Francis speaks or writes on economic topics one is not always sure whether, from a strictly economic point of view, his statements are adequately backed up by empirical data. Nevertheless, the moral message is quite clear to see. In what follows I try to show that the possible flaws in his economic theory do not obscure the moral message that is primarily intended. I am not an economist, so I am cautious in my economic judgments, leaving them to people more specialized than myself. My point in the following pages is the pope's moral message.

In his encyclical *Laudato Si'*, for instance, Francis affirms a "vocation to work" and repeats one of his favorite ideas: that assistance to the poor can only be "a provisional solution."<sup>26</sup> He states that "the broader objective should always be to allow them a dignified life through work."<sup>27</sup> The pope blames technological progress for replacing humans with machines, but there is a debate about whether this is really the case. Is there really enough empirical proof that technology replaces labor? Hasn't technological progress produced more jobs over time than it has eliminated through the process of "creative destruction"?<sup>28</sup> It is not the pope's competence (nor mine) to answer such questions, and the following sentence, which is taken from the paragraph of *Laudato Si'* quoted above, makes clear that the pope is arguing from a moral, not an economic perspective: "To stop investing in people, in order to gain greater short-term financial gain, is bad business for society."<sup>29</sup> This is the moral value Pope Francis aims at: social concern in business decisions.<sup>30</sup>

Other passages are unclear in an economic and political sense: "To ensure economic freedom from which all can effectively benefit, restraints occasionally have to be imposed on those possessing greater resources and financial power."<sup>31</sup> It would be more correct to say that such restraint should always be placed on the powerful, not only occasionally.

Furthermore, this restraint should be exercised by *general* laws, those, for instance, establishing antitrust regulations, rules of fair competition, and the imposition of taxes, in a fair and equitable way for all without singling out individuals. Otherwise, government intervention can easily become arbitrary and abusive.

The notion that “small is beautiful” seems to underlie what the pope writes, for example when he argues against “economies of scale” in order to favor “productive diversity and business creativity.”<sup>32</sup> Economies of scale, however, usually favor the consumer because they lower prices, and are not necessarily opposed to diversity and creativity, which flourish in a regime of freedom that allows adaptation to changing needs and circumstances. Small- and medium-sized enterprises are very important, especially in developing economies, and they should be encouraged and facilitated by public measures.<sup>33</sup> However, there are some business ventures that require the pooling of capital, strong leadership, and disciplined cooperation that can only be provided by a large corporation. There can be little doubt that Pope Francis appreciates the need for big, organized corporations—none of the airplanes he uses for his trips could have been built without them. What he opposes is financial capitalism when it becomes detached from real production and industry.

As regards the relationship between business and politics, Pope Francis states that “politics must not be subject to the economy, nor should the economy be subject to the dictates of an efficiency-driven paradigm of technocracy.”<sup>34</sup> This is true; however, this does not mean that politicians should interfere with economic mechanisms or replace the markets. Arguably many of the problems the pope criticizes (e.g., unemployment and financial crises) have been produced more or less unintentionally by government interference. Actually the pope says in the next line: politics and economics must enter into “a frank dialogue.”<sup>35</sup> Francis denounces bailouts of banks with tax money and in general criticizes the present financial system.

In economic terms, one can rightly criticize the exponential expansion of the monetary and credit sector. However, immediately afterwards, the economist is challenged by the following sentence: "Production is not always rational, and is usually tied to economic variables which assign to products a value that does not necessarily correspond to their real worth,"<sup>36</sup> and "this frequently leads to an overproduction of some commodities, with unnecessary impact on the environment and with negative results on regional economies."<sup>37</sup>

It is true: overproduction or the lack of effective demand can occur. Artificial demand or "bubbles" are frequently the consequences of the greed of financiers, mortgage brokers, builders, real estate agents, and consumers. As human beings, our foresight, willpower, and information are limited, and the economic power of a given person may be unequal to others. Thus the perfect equilibrium of the free market suggested by the economic models is difficult to encounter in reality. However, often overproduction has occurred because of the unintended effects of government intervention, either because demand is created artificially and not sustainably, or because of government subsidies. Thus, the market is distorted. Moreover, the notion of "real worth" seems to allude to the existence of an objective value of goods that opens the vast debate on how to define it. Francis does not think about market transactions in a scientific way, but rather uses common sense. Is it just that the latest singing sensation should make so much money? That a music CD should sell for \$18 when it cost a few cents to make? Economists talk about marginal benefit and the rationality of the market and the individual as determiner of economic value (well, it's worth \$18 to me!). The down-to-earth person, and to these Francis is speaking, says, "Those are just theories, not worth the air you are taking up to expound them. It's just not worth that much, and the fact that you are willing to spend that on what could feed a whole family for a week shows that the market is very good at tricking you." The pope's *moral* message is quite clear: the economy should serve

the common good, produce goods that are really good, and offer services that truly serve the human person.

The pope opposes the domination of financial capitalism and favors work, thrift, and entrepreneurship. He expresses this in another passage: "Once more, we need to reject a magical conception of the market, which would suggest that problems can be solved simply by an increase in the profits of companies or individuals."<sup>38</sup> In reality, free markets limit profits through competition, as Adam Smith showed long ago. Competition in free markets lowers prices for consumers, cutting company revenues and interest rates on capital. However, the pope is not attacking competition, but rather the belief that increasing profits is a panacea. This becomes apparent in the following line of *Laudato Si'*: those who are "obsessed with maximizing profits"<sup>39</sup> are unlikely to take other values into consideration. Of course, competition only exists when businesspeople pursue profit, and that is good. Being "obsessed with maximizing profits," however, means something negative. The obsession with profit maximization can be the cause of the elimination of competition through the creation of monopolies, trusts, and cartels. Adam Smith had no delusions:

To widen the market and to narrow the competition, is always in the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens. The proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest is never exactly the same

with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it.<sup>40</sup>

Ivereigh gives a practical example from the pope's life that illustrates his words. There was a public tragedy in Buenos Aires in 2005: a club burned down killing nearly 200 young people. Afterwards it was discovered that the safety exits had been chained and padlocked to prevent people from coming in without paying, and that the number of people allowed in exceeded capacity. There had been a web of corruption among the police and high magistrates to cover up abuses in the club. An obsession with maximizing profit, with gain, had been put before people's safety.<sup>41</sup>

The consequence the pope draws from the obsession for maximizing profit, however, is problematic from an economic point of view: "That is why the time has come to accept decreased growth in some parts of the world, in order to provide resources for other places to experience healthy growth."<sup>42</sup> This may imply that the world economy is a zero-sum game, which is incorrect: economic growth in one nation does not mean a decrease in others. That was precisely the error of the mercantilist doctrine. Obviously, the pope is not trying to resuscitate mercantilism, nor is he blind to the deficiencies of centralized state planning.<sup>43</sup> He is arguing against wasting money and resources on overproduction and overconsumption, for a "sustainable use of natural resources," and for progress and development with economic benefits in the medium term.<sup>44</sup> These are valid moral aims.

The combination of an economically debatable yet morally strong affirmation can also be found in the pope's criticism of those who say: "Let us allow the invisible forces of the market to regulate the economy, and consider their impact on society and nature as collateral damage."<sup>45</sup> This is an obvious allusion to Adam Smith's invisible hand. Smith's seminal book

on economic theory, *The Wealth of Nations*, has often been oversimplified and reduced to a set of slogans.<sup>46</sup> One of these oversimplifications is that Smith was a libertarian who taught that the market should be left to itself in a naïve belief that it would self-regulate by some mechanism called the “invisible hand.” In reality, Smith was certainly not a libertarian—he posited a political and economic system characterized by natural liberty together with limited government, operating in the context of certain societal and political institutions, the rule of law, and individual virtue, all working together to create social harmony and balance, resulting in benefits for everyone.<sup>47</sup> Like Smith, Pope Francis advocates for an economy firmly limited by a strong ethical, legal, and cultural framework.

The pope is not trying to develop a rigorous economic theory. His words are more about practice than teaching and theory. He is a prophet raising his voice against injustice, exclusion, and unsustainable forms of economic organization, and in so doing he is upholding certain values. This becomes apparent when he makes the moral argument for a sustainable form of development at the service of the common good,<sup>48</sup> and against short-term thinking,<sup>49</sup> and when he warns against externalities,<sup>50</sup> making it clear that a “variety of proposals” are possible for implementing his vision. Francis wants a different cultural paradigm, a “bold cultural revolution,”<sup>51</sup> a “new lifestyle,”<sup>52</sup> that places the human person, including the poor, at the center, and sees material means as a mere instrument; this requires overcoming what the pope calls the “technocratic paradigm” that would exclude ethical considerations from the conduct of business and from the development of technological progress.<sup>53</sup> He makes an appeal for integral development<sup>54</sup> and a new kind of progress, “healthier, more human, more social, more integral.”<sup>55</sup> In this sense, following Romano Guardini (whom he also quotes), the whole third chapter of *Laudato Si’* is a critique of power.<sup>56</sup> The renewal Francis wishes to inaugurate is based on Christian humanism: “We urgently need a humanism capable of bringing together the different

fields of knowledge, including economics, in the service of a more integral and integrating vision.”<sup>57</sup> Christian humanism is “a genuine and profound humanism to serve as the basis of a noble and generous society.”<sup>58</sup>

These and other passages underscore the fact that Francis's message on the economy is moral and evangelical. He is a “Gospel radical” who when asked about specific economic situations and problems quickly employs the category of sin.<sup>59</sup> Asked whether the Argentine situation of exploding poverty was a question of flawed economic policies, Archbishop Bergoglio answered: “I would say that, deep down, it is a problem of sin.”<sup>60</sup> Similarly, when asked in an interview about whether the capitalist system was irreversible in history, Francis said that he didn't really know how to answer the question. He did, however, reject the “idolatry” of money and deplore the throw-away culture of the opulent Western societies. His vision is moral: “Let us strive to build a society and an economy in which the human person and his good, not money, are at the center.”<sup>61</sup>

Francis does not assign this task only to government, much less to bloated bureaucracies. He appeals to the responsibility of everybody in society: we are obliged to share food, clothing, health, and education with our sisters and brothers. Some will call me a communist priest, Archbishop Bergoglio said; however, “what I am saying is pure Gospel.”<sup>62</sup> Jesus will judge us according to our deeds in society. Jesus “will also condemn us for the sin of blaming the government for poverty, when it is a responsibility we must all assume to the extent we can.”<sup>63</sup>

### **Reading Pope Francis Positively**

Some of Pope Francis's statements have been met with concern and confusion: Is the pope against capitalism? Is he criticizing the United States? Why is he considered to be a champion of the left? Is he a socialist? In this chapter I want to show what he positively stands for.

From what has been said so far, the following should have become clear: first, Pope Francis disavows any monopoly on the proper moral interpretation of social phenomena and thus leaves ample room for economists to analyze the objective empirical data; and second, the faithful are free to find their own ways to implement the aims Pope Francis is impressing on the Christian conscience. A number of these aims have already been mentioned: the common good as the overall criterion and guide for all economic activity; the need for integral human development; the necessity of a dignified life through work. Other aims that are dear to Pope Francis can be discovered by “flipping the omelet” from negative condemnation to positive recommendation. In other words, changing his “nos” into “yeses”: every time the Holy Father criticizes certain practices as unacceptable and rejects them as immoral he expresses a value he wishes to protect. If he says “no” to “an economy that kills,” he presupposes the value of human life, and therefore says “yes” to an economy that gives life and happiness. A “no” to an economy that excludes the poor means endorsing an economy that includes them. Condemning an economy without an ethical grounding and “creative” financial capitalism that has lost touch with the real economy is a call for businesses that put ethics at the heart of their mission and serve the real needs of their stakeholders. Condemning corruption implies healing society of this grave affliction and establishing the rule of law. In order to do something positive and worthwhile it is not sufficient to know only what is wrong, but it is necessary to single out the values it is worth struggling for. G.K. Chesterton, who was himself keenly interested in economic affairs, expressed this idea in a book with the provocative title *What’s Wrong With the World*. He answered the question himself: “What is wrong is that we do not ask what is right.”<sup>64</sup> We do not ask what things are *here for*, we are only interested in how efficient they are. In today’s crises we need impractical people, thought Chesterton; we need theorists who tell us what the economy is here for because the economy is a means, and we

should construct the means keeping in mind its end. These thoughts would resonate strongly with Francis. Understood in this way, the objectives the Holy Father proposes for the economy can serve to motivate us. They certainly pose a challenge to the laity in general, and particularly to those who work in business. Lofty goals can discourage if they are utopian; but they can also stimulate human genius to strive for creativity in order to overcome obstacles. The virtue of hope comes into play if the good to be achieved is a real good that is difficult but not impossible to attain.

The pope's moral message on the economy certainly requires intellectual humility. As pope he has waived his own interpretive monopoly. This should stimulate others, both on the right and the left, to do the same. There are already too many people who wish to instrumentalize the pope and Catholic teaching to support their own purposes. The pope himself has declared that he feels himself to be neither on the right nor the left.<sup>65</sup> More than a few Catholics and non-Catholics who praise the pope actually praise their own ideas, measuring the pope's ideas against theirs. They obey selectively, when it suits them, and on the points that fit with their personal agendas. In these cases, we are far from a humble and respectful acceptance of what the Holy Father proposes to the faithful. The same goes for those Catholics who fervently defend innocent unborn life and the family, but do not hesitate to sometimes bitterly criticize the social encyclicals. Pope Francis has something to say to all of us. He reminds the conservatives that poverty and inequality are problems, and that they require not only individual but also collective action, and the liberals that social justice is not enough—the Church is the bride of Christ, not a social institution or an NGO.

So how should we read Pope Francis's moral messages on the economy? What is his contribution to Catholic social teaching? As has already been stated, the pope understands his teachings to be firmly within the boundaries of traditional Catholic social teaching. Pope Francis has not revolutionized

the social teaching of the Church; therefore, new, unheard-of content is hardly to be expected. His “strong moral messages” that I present beginning on page 127 below shock us *not* because the pope’s message is somehow un-Catholic and crypto-Marxist, but because after the 1991 encyclical *Centesimus Annus* many of us thought that being Catholic meant holding a free-market ideology. This is a misinterpretation both of that encyclical itself and of John Paul II’s intentions. Even though Francis refuses to write in “academic-speak” and instead prefers the outrageous metaphor and the unforgettable image, his message is quite as Catholic as anything else in the Catholic tradition, as I try to show beyond a shadow of a doubt. Francis has stressed some topics in a new and forceful way, and he has given an interesting new spin to others. In what follows, I try to point out his main interests relating to the economy and highlight what can be considered original and new. The frame for all of his social teaching is the “preferential option for the poor,” firmly rooted in his “theology of the people.” I therefore discuss the preferential option first, as it is the foundation and background for all that follows.

### *A Poor Church for the Poor: The Theology of Poverty*

Pope Francis did not choose his name only out of devotion to one of the most popular saints in Christian history. His name is symbolic of a program that he is constantly explaining and unfolding in his speeches, and in a particular way in his gestures. From the first days of his pontificate, he has made it clear that he chose the name of the saint of Assisi because of his great love for poverty and the poor. In so doing, Francis was simply continuing his commitment to the poor, prominent among the “holy and faithful people of God.” During his pontificate, this commitment has taken on certain characteristics and connotations on which we now reflect.

Before the millions of faithful gathered in Rome or in front of television screens at home during the simultaneous

canonizations of John Paul II and John XXIII, Pope Francis praised the new saints as men who had been courageous enough to touch the wounds of Christ in the suffering of the people. He urges us to do the same:

Jesus wants us to touch human misery, to touch the suffering flesh of others. He hopes that we will stop looking for those personal or communal niches which shelter us from the maelstrom of human misfortune and instead enter into the reality of other people's lives and know the power of tenderness. Whenever we do so, our lives become wonderfully complicated and we experience intensely what it is to be a people, to be part of a people.<sup>66</sup>

He explains what he means by the expression "to be part of a people." It means overcoming the fracture in our lives between our work, our calling to service, and our private lives: if "we separate our work from our private lives, everything turns grey and we will always be seeking recognition or asserting our needs. We stop being a people."<sup>67</sup> "To be part of a people" means recognizing God's image in each human person for whom Jesus spilled His blood on the Cross. Each person is thus worthy of my dedication: "Consequently, if I can help at least one person to have a better life, that already justifies the offering of my life. It is a wonderful thing to be God's faithful people."<sup>68</sup> For Pope Francis, being "part of a people" means that "clearly Jesus does not want us to be grandees who look down upon others, but men and women of the people."<sup>69</sup> Francis wants humble Christian witnesses to our hope, not aggressive attackers who accuse and condemn others. From these words we can take the positive exhortation to throw away the trappings of the past, to discard any futile concerns over sterile formalisms that remain external to others and do not change or warm their hearts. Francis does not want a Church caught up in self-referential introspection. However, at the same time, the pope's words must not be misunderstood

as a rejection of any form of authority, of moral judgment, or of canon law. Otherwise, the Church as an institution would cease to exist. Belonging to the people also means respecting the institutional nature of the Mystical Body of Christ, with its structures, clear teachings, and rules.

Pope Francis's love for the poor is primarily *Christian* love, understood as both a theological and pastoral category. He himself has said: "Poverty for us Christians is not a sociological, philosophical or cultural category, no. It is theological. I might say this is the first category, because our God, the Son of God, abased Himself, He made Himself poor to walk along the road with us."<sup>70</sup> Here again we can plainly see the influence that the "theology of the people" exercises on Francis: the poor holy people of God are a source of religious experience for all, not passive receivers of our largesse. Francis is thus able to fully insert his love for the poor into the program of cultural transformation we call "the New Evangelization," in continuity with his predecessor Benedict XVI. Francis states:

They (the poor) have much to teach us. Not only do they share in the *sensus fidei*, but in their difficulties they know the suffering Christ. We need to let ourselves be evangelized by them. The new evangelization is an invitation to acknowledge the saving power at work in their lives and to put them at the center of the Church's pilgrim way. We are called to find Christ in them, to lend our voice to their causes, but also to be their friends, to listen to them, to speak for them and to embrace the mysterious wisdom which God wishes to share with us through them.<sup>71</sup>

This is the reason, explains Pope Francis, why he wants a "poor Church for the poor." He does not advocate pauperism, nor does he reduce his vision to the mere remedy of social evils: the poor for Francis are teachers of what Christ wants the Church to know here and now.

In his actions and words, Francis expresses what Benedict XVI taught in his encyclicals, two of which explicitly name charity in their titles: *Deus Caritas Est* (2005) and *Caritas in Veritate* (2009). Charity is the central driving force, the most convincing argument, the aspect that draws people toward personal and cultural transformation. Charity is the heart of evangelization because only true and disinterested love is credible, only love opens minds and hearts to trust in God's and the Church's words. Christian faith by necessity turns into culture, and Christian culture begins with love for the poor. Christ Himself taught as much: "For if you love those who love you, what recompense will you have? Do not the tax collectors do the same? And if you greet your brothers only, what is unusual about that? Do not the pagans do the same?"<sup>72</sup> We do not need Christ in order to love the rich or to return favors. We need Christ who has loved us unto the Cross in order to love without expectation of reciprocity, in sacrifice and pain. We need Christ in order to love the poor. In Pope Francis's words:

The Church has always been present in places *where culture is worked out. But the first step is always the priority for the poor.* Nevertheless we must also reach the frontiers of the intellect, of culture, of the loftiness of dialogue, of the dialogue that makes peace, the intellectual dialogue, the reasonable dialogue. The Gospel is for everyone! This reaching out to the poor does not mean we must become champions of poverty or, as it were, "spiritual tramps"! No, no this is not what it means! It means we must reach out to the flesh of Jesus that is suffering, but also suffering is the flesh of Jesus of those who do not know it with their study, with their intelligence, with their culture. We must go there!<sup>73</sup>

These words can give peace of mind to people who perhaps feel overwhelmed by Francis's appeals and are not immediately involved in caring for beggars and poor people. A middle-class

person who supports his or her family, trying to give them a dignified and happy life, good education and health, is busy all day with intense work and may not be able to dedicate time to other activities. He or she might easily feel confused by the pope's demands to go to the peripheries. It would certainly be contrary to God's will to neglect professional, religious, and family duties to serve the needy. However, all of us can make a personal examination of conscience about our degree of "benevolence," as the Fathers of the Church called the second social principle (after justice, the first). Benevolence means the will to act well. It presupposes the desire to do good and a big heart for the needs of others. This attitude of goodwill and social charity opens our eyes to what each of us can and should do in his or her particular circumstances. Maybe it's the "little bit more" that we can do without abandoning other duties but have put off out of laziness or tiredness.

In this context it may also be useful to recall a maxim of Catholic moral theology: "supererogatory" acts are not strictly obligatory in a moral sense. A supererogatory act is the *better* action that corresponds to every *good* action we take. Whatever good we do we could always have done something better. Instead of going to the movies with a friend, we could have given the money to the poor, or studied, or worked, or done community service with the time. A person who invites his friends to a meal could have given the amount spent on the meal to charity. The list could be extended infinitely, and if taken very seriously, the acting person ends up entangled in perplexities or burdened by scruples. What virtue requires is to *act well* according to the cardinal virtue of practical wisdom, which guides us as to what is good and reasonable, and not necessarily to the "better," supererogatory act. Of course, we are free to do this "better" act, but it is not binding in the sense of an obligation. The Holy Spirit with His gifts and inspirations indicates the moments and situations that do require a heroic action going beyond what is "reasonable" and "normal," as in the case of a call to martyrdom or other extreme self-sacrifice

for others. These acts of heroism need not always result in a cruel martyrdom ending in death. They can also exist in a life of witness to moral truth through obedience to absolute moral norms and in sacrifice at the service of the poor, as was the case of St. Mother Teresa of Kolkata. These Christians are witnesses to the faith that is alive through charity. But Christians in ordinary circumstances are also called to a kind of martyrdom as a consequence of their faithfulness to Christ. Being faithful to one's vocation as a Christian means going against the tide, be it through loyalty in friendship, chastity before marriage, or struggling for peace in situations of conflict.<sup>74</sup> As has been shown, Pope Francis has strongly re-affirmed the Church's preferential option for the poor as a principle of Catholic social teaching. However, we can ask: What about the middle class? Why only talk about the poor? Actually, Pope Francis has admitted to having neglected the middle class in his messages.<sup>75</sup> These considerations on the preferential option for the poor and the role of the middle class pose the question of what poverty is and who is to be counted among the poor, which we will now address. We will see that poverty and "the poor" are much richer as theological concepts than how they are used in everyday common language.

### *Poverty Can Be Either Objective or Chosen*

In its objective dimension, poverty is measured by external and objective criteria such as income. Of course, income is not the only criterion, and is certainly not sufficient by itself for defining human well-being, but it is easy to measure.<sup>76</sup> Regardless of how it is measured, objective poverty can be "relative" or "absolute." Relative objective poverty exists everywhere and at all times because there will always be some people who have more than others. Those who have less are considered to be "poor" compared to those who have more (the "rich"), although the "poor" in rich countries may be better off than the "rich" in poor countries. Nevertheless, the

sting of inequality hurts and is made worse by human insatiability. Even in societies where all have enough to eat, can clothe themselves and their families, have a decent place to live, receive education, etc., there will always be others who have better food, more expensive clothing, bigger and more comfortable homes, and higher levels of education. There is no end to human desires; we are insatiable. And it's not bad to aim higher in life—this desire is an engine of human progress. The problem is our excessive desire to seek ever more things without knowing when enough is enough. It is an error to seek happiness in the possession of material goods.<sup>77</sup> In any case, the battle against poverty should not be identified with an attempt to remove all inequality (relative objective poverty) because it will always be with us.<sup>78</sup>

Absolute objective poverty or misery, however, can and must be abolished: it is the absence of material resources that are necessary for a dignified human life. Pope Francis calls it “destitution,” which “is poverty without faith, without support, without hope.”<sup>79</sup> Of course, the measure of what we may deem necessary for a dignified life varies and, in fact, has changed enormously with improvements to our standard of living. The standard of living many of us now enjoy is luxurious in comparison with the high mortality, poor hygiene, and insufficient nutrition of past centuries. Even so, despite the relativity of the measure of what is considered to be a decent standard of living, there is no doubt that there exists a minimum without which one survives only in misery: constant hunger, illness without medical care, infant mortality, and other evils that trap those who are affected in a situation from which they are unable to break free. The existence of such poverty is a structure of sin that cries to heaven and demands the reaction of human conscience. In fact, thanks to the wealth created by the free globalized market, absolute objective poverty has fallen in recent decades. Even though in official statistics such poverty is mostly defined in quantitative terms (e.g., anyone who falls below a certain amount of money per person per day), Pope

Francis uses a qualitative definition based on exclusion from the possibility of earning a living through work. Absolute objective poverty for Francis means being structurally trapped in a situation of misery and being excluded from the possibility of development, thus stripping people of the dignity of work and their ability to provide for themselves.<sup>80</sup> “For it is through free, creative, participatory and mutually supportive labor that human beings express and enhance the dignity of their lives.”<sup>81</sup> Absolute poverty is a real evil and a terrible scourge for many families.

Chosen poverty is a different concept: this is a voluntary renunciation of material goods practiced by those who want to follow Christ through the virtue of poverty of spirit. By Christ's poverty we have become rich:<sup>82</sup> “Christ's poverty which enriches us is His taking flesh and bearing our weaknesses and sins as an expression of God's infinite mercy to us. Christ's poverty is the greatest treasure of all: Jesus's wealth is that of His boundless confidence in God the Father, His constant trust, His desire always and only to do the Father's will and give glory to Him.”<sup>83</sup> This kind of spiritual poverty is a grace and a virtue, consisting in inner detachment from the goods one uses, in modesty and even austerity in personal material wants. Material goods are available, but the person who chooses to be poor renounces dominion over them.

As pastor, Pope Francis is concerned about both dimensions of poverty, but contrary to the general perception, I think his main interest is in chosen poverty. His strong emphasis on poverty addresses and challenges Christians primarily in wealthy countries, and therefore is a call to acquire or maintain the spirit of poverty as proclaimed by Christ in the Sermon on the Mount. It is a message that the Western world, so strongly affected by practical materialism, greatly needs. Practical materialism leads to forgetfulness of God and gives a sense of false security. It clogs the heart and makes it impermeable to God's subtle calling and grace. The pope is focusing the energies of the Church on this message. A “poor Church for the poor” is

not a church devoid of all material means. If he really wanted that, Pope Francis would have to leave his humble room in the Casa Santa Marta, because it too is the property of the Church. He would have to cancel all trips because they cost a lot of money. This, however, would not be the “poor Church” he has in mind. Chosen poverty is not pauperism; it does not mean becoming “spiritual tramps,” as the pope himself said.<sup>84</sup> A poor Church is a Church that puts all her material assets at the service of the Gospel, the liturgy, and charity for the poor. A poor Church uses material means honestly and according to canon law and good managerial practices in order to advance the Gospel and extend the kingdom of Jesus Christ in conformity with the principles of Catholic social teaching. Being a poor Church and remaining so is a constant challenge, requiring constant vigilance and adaptation to changing circumstances.

Pope Francis adds two special nuances to his call to chosen poverty: he links it with hope, and he connects objective and chosen poverty. Why do hope and chosen poverty go together? Because the spirit of poverty is an antidote to *acedia*, a kind of despair. In some parts of the Western world, particularly in Europe, what is lacking is the divine virtue of hope. Our civilization is in a state of collective *acedia*. *Acedia* is a sickness of the soul, a kind of boredom with the things of God, a spiritual fatigue, a paralysis in the struggle for the good because of the sacrifice involved. *Acedia* causes us to pursue happiness not in God and in His spiritual gifts but in sensual pleasures and the acquisition of money. Instead of drinking from the pure fountain of God’s love, a person who falls into *acedia* begins to lick muddy water from a puddle, trying to quench his thirst for the living God by seeking His dim reflection in His Creation. Pope Francis has used incisive words to express this:

Do not let yourselves be robbed of hope! Please, do not let yourselves be robbed of it! And who robs you of hope? The spirit of the world, wealth, the spirit of vanity, arrogance, pride. All these things steal hope from you. Where

do I find hope? In the poor Jesus, Jesus who made himself poor for us... It is impossible to talk about poverty, about abstract poverty. That does not exist! Poverty is the flesh of the poor Jesus in this hungry child, in the sick person, in these unjust social structures. Go, look over there at the flesh of Jesus. But do not let yourselves be robbed of hope by well-being, by the spirit of well-being which, in the end brings you to become a nothing in life! The young must stake themselves on high ideals: this is my advice. But where do I find hope? In the flesh of the suffering Jesus and in true poverty. There is a connection between the two.<sup>85</sup>

In this passage, Francis alludes to the connection between chosen poverty as a personal and individual virtue and the destitution of the needy. His message is rooted in his experience of the renewal of the Jesuit order as described in Chapter 2: Christian faith has a social dimension that changes the world in which the Gospel is proclaimed through the Christian message of love and compassion. In an analogous way, spiritual poverty, even though it is a subjective and personal virtue, cannot be lived out properly in an individualistic sense, as if it were a private virtue. In order to be truly poor in spirit and exercise the virtue of poverty, we need to confront ourselves with objective poverty in a practical and operative way. "A theoretical poverty is no use to us. Poverty is learned by touching the flesh of the poor Christ, in the humble, in the poor, in the sick and in children."<sup>86</sup> We acquire the beatitude of poverty by apprenticeship with the "humble, the poor, the sick and all those who are on the existential outskirts of life."<sup>87</sup> Pope Francis does not mince words: "We cannot become starched Christians, those over-educated Christians who speak of theological matters as they calmly sip their tea. No! We must become courageous Christians and go in search of the people who are the very flesh of Christ, those who are the flesh of Christ!"<sup>88</sup>

It is worth remembering, however, that these words not only reflect the pope's indignation about the unjust suffering of so many innocent brothers and sisters, but they also summon and challenge our faith in the truly supernatural character of the Church and its mission to spread the Gospel. It is not force and human resources, money and power, that achieve the task of sharing and spreading the faith. We must not confuse the Gospel of Christ with political and social efficiency. The Gospel is spread through fraternal love and solidarity from within and even below the life of society.<sup>89</sup>

### *Poverty for the Laity*

We are trying to break through a wall in order to understand Pope Francis's message, a wall of prejudice and intellectual pride that makes us unreceptive to the inspirations the Holy Spirit wishes to communicate to us through the pope's words. However, the fact that it is necessary to break through a wall may have various explanations besides our own deficiencies. Pope Francis surely would be clearer and less in need of interpretation if he sought and accepted more advice from specialists. And there is also the fact that he speaks from the tradition of a religious order, which may make it difficult for the laity to bring his countercultural program into effect. A member of a religious order or congregation takes public vows of chastity, poverty, and obedience. A lay person does not, and cannot, live poverty in the same way as a religious who renounces possession of any earthly goods. If poverty were to be reduced to the model practiced by religious, then the laity would be excluded from this virtue and would have to settle for a lesser degree of holiness. However, this would contradict the universal call to holiness of all Christians enshrined in the documents of the Second Vatican Council. All Christians are called to holiness; there are no second-category Christians, and thus all are called to live out the virtues corresponding to the evangelical counsel of poverty.

As shown in Chapter 1, in the medieval Scholastic tradition there existed a kind of “pauperism” which condemned the pursuit of profit and economic gain as greed. The Renaissance humanists changed this by their vindication of civic republicanism, thus defining a new relationship between culture and faith. In a long historical process with many twists and turns we have reached the contemporary appreciation of the importance of the political and economic institutions of modernity. Certainly this development was not linear, and there were many failed attempts in this intellectual development. Nevertheless, some attempts, even though unfruitful at the time they were proposed, contributed precious intuitions; for example, Machiavelli’s distinction between political and individual ethics and Mandeville’s recognition of the potentially positive social effects of individually selfish acts. These ideas needed purification and cultural transformation in order to positively shape society. As for how a Christian layperson immersed in manifold worldly tasks, with a family to take care of, can live the spirit of poverty in his or her relationship to earthly goods, it was above all St. Josemaría who conceived not only of a poverty adapted to the laity, but a truly lay poverty. For him, virtues, not vows, were required in order to live poverty.<sup>90</sup> St. Thomas, the universal Doctor, knew no “virtue of poverty.” For him, poverty was an evangelical counsel accepted by the members of religious orders in a public vow.<sup>91</sup> What St. Josemaría taught the laity were the virtues relating to money and the spirit of poverty, well-known also to Aristotle and St. Thomas: liberality and magnificence. Liberality (also generosity or largesse) is the virtue of spending money well: money ought to be spent for the right aim, in the correct amount, and at the right time. Liberality is the virtue which allows us to avoid waste and profligacy on the one hand, and greed on the other. Magnificence (the desire to accomplish great things) is that virtue that makes us devote large sums of money if needed to achieve great goals, especially those undertaken in the

service of the common good. Today we would call it the courage to take economic risks for large projects.

The pagans also knew and practiced the virtues of liberality and magnificence. For Christians, two dimensions are added to these virtues. The first is the preferential love for the poor. It is a characteristic feature of the Bible and the Fathers of the Church that Christians should be actively concerned about the weak, the sick, and those on the fringes of human existence. A beautiful, unbroken line runs from the passages in the Acts of the Apostles describing the life of sharing and generosity among the first followers of the Risen Lord in Jerusalem<sup>92</sup> to the early Church Fathers, who established social centers in their dioceses that tended to the sick, the elderly, the poor, and strangers,<sup>93</sup> and then to the contemporary efforts of Christians to relieve suffering all over the world.

The second dimension in which Christian faith extends the virtues known to paganism is an attitude of inner detachment from everything except God, which Jesus demands of those who wish to follow Him. This is the meaning of the parable of the camel passing through the eye of the needle: it is believed that the "eye of the needle" referred to a small gate through which one could enter into the city of Jerusalem. In order to pass through this narrow gate, one had to remove unnecessary equipment. Only those with "very light baggage" reach heaven. St. Josemaría outlined some specific criteria for those who wish to become saints living in the world, while at the same time aspiring to a certain standard of well-being, which requires the use of material means: own your property in a spirit of responsibility and accountability; possess nothing superfluous; do not complain when something necessary is lacking, provided that you have made an effort to get it; be generous in supporting the Church, aware of the fact that being Christian costs something also in an economic sense; and be magnanimous in community service, tackling pressing social issues on your own and with friends without waiting for others to take the lead or the government to step in.

I now move to summarizing the pope's strong moral messages on the economy. Each of these could be the topic of a monograph. Here I limit myself to summarizing Pope Francis's messages simply, striving to explain and transfer their meaning into the Western cultural context.

### **Strong Moral Messages to Business**

In keeping with the positive perspective offered in the previous section, I strive to summarize Pope Francis's teaching on the economy in seven strong moral messages.

*1. An authentic faith is never completely personal and always involves a deep desire to change the world*

Pope Francis repeats this idea frequently. He is not innovating with this point; he is simply taking up the prophetic, biblical tradition, and the renewal brought about by the Second Vatican Council. Both John Paul II and Benedict XVI said similar things before him. This is not surprising: it has always been the firm conviction of the Catholic Church that the Christian faith has a public and social dimension and cannot be confined to one's private life. Having received baptism, the Christian partakes in a triple vocation or mission: the priestly, prophetic, and pastoral.<sup>94</sup> We see this in the first Christian community as described in the Acts of the Apostles:

They devoted themselves to the teaching of the apostles and to the communal life, to the breaking of the bread and to the prayers. Awe came upon everyone, and many wonders and signs were done through the apostles. All who believed were together and had all things in common; they would sell their property and possessions and divide them among all according to each one's need.<sup>95</sup>

And again in another well-known text:

The community of believers was of one heart and mind, and no one claimed that any of his possessions was his own, but they had everything in common. With great power the apostles bore witness to the resurrection of the Lord Jesus, and great favor was accorded them all. There was no needy person among them, for those who owned property or houses would sell them, bring the proceeds of the sale, and put them at the feet of the apostles, and they were distributed to each according to need.<sup>96</sup>

In these passages we learn that the first proclamation of the faith is followed by the teaching of the Apostles (*didaché*), lived out in liturgy (*leitourgia*), and put into effect in active concern for the needy (*diakonia*). Only when each of these elements is present is there properly the Church as community (*koinonia*). This was the ecclesiological message of the Second Vatican Council: its four Constitutions mirror each one of these essential elements. *Dei Verbum* speaks about revelation and the interpretation and proclamation of the Word of God; *Sacrosanctum Concilium* refers to the liturgy; *Gaudium et Spes* concerns service to the needy; and *Lumen Gentium* describes the Church as the people of God gathered into a community. Certainly holiness is personal, but there is no holiness without love of neighbor, without outrage at injustice, and without concern for those who suffer hardship and trouble. To forget that would mean falling into an individualistic notion of salvation that strives exclusively for a false kind of personal excellence and individual piety. Thus the prophetic mission in particular is essential to the biblical faith: in the name of God, men and women rise to proclaim truth and justice in the face of untruth (or misinformation), injustice, and oppression; and in doing so they oppose political and economic abuses of power. This is the way Francis expresses it:

An authentic faith—which is never comfortable or completely personal—always involves a deep desire to change

the world, to transmit values, to leave this earth somehow better than we found it. We love this magnificent planet on which God has put us, and we love the human family, which dwells here, with all its tragedies and struggles, its hopes and aspirations, its strengths and weaknesses. The earth is our common home and all of us are brothers and sisters. If indeed “the just ordering of society and of the state is a central responsibility of politics,” the Church “cannot and must not remain on the sidelines in the fight for justice.” All Christians, their pastors included, are called to show concern for the building of a better world. This is essential, for the Church’s social thought is primarily positive: it offers proposals, it works for change and in this sense it constantly points to the hope born of the loving heart of Jesus Christ.<sup>97</sup>

2. *“Let us free ourselves from the idolatry of money!”—Wealth must serve, not rule, and consumerism should be rejected*

The service of mammon, or the idolatry of money, means exclusion from the Kingdom of God: “You cannot serve God and wealth.”<sup>98</sup> Practical materialism and consumerism are great and constant threats to Christian life everywhere and in every time, but perhaps especially in our highly developed economies of today. St. Paul wrote that the “spirit of the world” blocks the gifts of the spirit of the Lord.<sup>99</sup> Pope Francis echoes him by warning: “The great danger in today’s world, pervaded as it is by consumerism, is the desolation and anguish born of a complacent yet covetous heart, the feverish pursuit of frivolous pleasures, and a blunted conscience... God’s voice is no longer heard, the quiet joy of his love is no longer felt, and the desire to do good fades.”<sup>100</sup>

Freedom from the idolatry of money means placing spiritual values over material wealth, thus vanquishing practical materialism. Pope Francis expressed this in 2014 in his message to the World Economic Forum in Davos: “Without ignoring,

naturally, the specific scientific and professional requirements of every context, I ask you to ensure that humanity is served by wealth and not ruled by it.”<sup>101</sup> Money is the lifeblood of society and the economy, as San Bernardino wrote.<sup>102</sup> Without money, the exchange of goods would be very difficult. Pope Francis does not doubt this: “It takes money to do all these things! ... The Pope tells you: you must invest, and you must invest well!”<sup>103</sup> However, every human reality can be abused. This is unfortunately all too obvious where money and finance are concerned. Avarice and insatiability poison this lifeblood of the economy. It is the task of financial institutions to ensure that finance is a real public good: “Money must serve, not rule!”<sup>104</sup> The financial system needs to be cleansed of “poison”; that is, of the sinful elements that have caused it to deviate to some extent from its service to the real economy. This effort requires reflection, study, and persuasive arguments that there is a need for both ethical business practices and for integrating an ethical dimension into economic theory.

One of the abuses that Pope Francis has been addressing is taken from the repertoire of Scholastic moral teaching: the struggle against usury. As was discussed in Chapter 1, this is in no way a new topic in the tradition of Catholic social thought; however, we are not used to this kind of language anymore. The pope has given this teaching a new actuality, adding a new twist to the traditional topic of freedom from the idolatry of money: “I hope that these (anti-usury) institutions may intensify their commitment alongside the victims of usury, a dramatic social ill. When a family has nothing to eat, because it has to make payments to usurers, this is not Christian, it is not human! This dramatic scourge in our society harms the inviolable dignity of the human person.”<sup>105</sup>

Along these lines, I think we need to reflect on the moral dimension of debt, credit, and monetary expansion, particularly the illegitimacy of consumer credit. I am not referring to an occasional high charge to a credit card, or the purchase of real estate or of a car through sustainable and realistic loans.

What I have in mind is a style of life where one habitually lives beyond his or her means, and the general atmosphere of consumerism that induces private debt.<sup>106</sup> I also consider excessive public debt to be a real evil that imposes the burdens of contemporary opportunistic and intemperate policies on future generations. The amount of public debt Western nations have accumulated is one of the major sources of rent-seeking. The rich who have capital enough to buy bonds receive interest from the taxes paid by the whole population.<sup>107</sup> Building a normative barrier against credit and monetary expansion, against unwise private debt, and against skyrocketing public debt would be to heed the Bible's warning that "the borrower is the slave of the lender."<sup>108</sup>

Related to this, another aspect of Catholic social teaching to which Francis has given a new accent is his critique of consumerism. This was a theme present in both John Paul II and Benedict XVI; however, Francis attacks consumerism with a new passion.<sup>109</sup> He defines it as the "self-centered culture of instant gratification,"<sup>110</sup> and identifies it as the root of many social and ecological evils. He holds that "the market tends to promote extreme consumerism in an effort to sell its products." As a result, "people can easily get caught up in a whirlwind of needless buying and spending. Compulsive consumerism is one example of how the techno-economic paradigm affects individuals."<sup>111</sup> In contrast, "Christian spirituality proposes a growth marked by moderation and the capacity to be happy with little."<sup>112</sup> The pope is not at all opposed to economic growth and consumption as such. Actually, his vision of an "ecology of daily life"<sup>113</sup> is based on the dreams of many to have a dignified life in a middle-class society. Consumerism, however, extends consumption beyond its reasonable and moral limits by encouraging us to buy new things simply to satisfy our acquisitive urge, causing us to replace gadgets, machines, and other items that still serve their purpose well only for the kick of possessing something new. Consumerism reduces investment, thrift, and savings, thus undermining the basis of

a healthy capitalist economy. It is an evil that certainly stimulates production in the short run but in the long run gobbles up resources through waste and weakens the moral stamina of our society.

It is worth recalling the old adage falsely attributed to Alexis de Tocqueville but nevertheless wise:

I sought for the greatness and genius of America in her commodious harbors and her ample rivers – and it was not there . . . in her fertile fields and boundless forests and it was not there . . . in her rich mines and her vast world commerce – and it was not there

. . . in her democratic Congress and her matchless Constitution – and it was not there. Not until I went into the churches of America and heard her pulpits aflame with righteousness did I understand the secret of her genius and power. America is great because she is good, and if America ever ceases to be good, she will cease to be great.<sup>114</sup>

Consumerism is especially harmful to moral goodness when it reduces sexuality to mere pleasure to be consumed on a whim, without heeding family ties and the true purposes of sexuality. Immoral uses of our sexuality tend to destroy the family, the basic unit of cohesion in society, which is built on the stable foundation of fertile matrimony between a man and a woman. When applied in the context of human relationships, consumerism turns the other into an object to be used and enjoyed for as long as it suits one's fancy, and then discarded. Pope Francis has expressed this conviction with respect to the right to life, combining his economic concerns with the inviolability of the human person. He often repeats his warning against a "throw-away" culture:

We know that human life is sacred and inviolable. Every civil right rests on the recognition of the first and

fundamental right, that of life, which is not subordinate to any condition, be it quantitative, economic or, least of all, ideological. "Just as the commandment 'Thou shalt not kill' sets a clear limit in order to safeguard the value of human life, today we also have to say 'thou shalt not' to an economy of exclusion and inequality. Such an economy kills.... Human beings are themselves considered consumer goods to be used and then discarded. We have created a 'throw away' culture which is now spreading." And in this way life, too, ends up being thrown away.<sup>115</sup>

### *3. The poor must be included in the market economy, giving them access to the creation of wealth*

A lot has been said already about poverty and its importance to the pope's teaching. Francis's vision of the economy is one that is structured to include the poor, and fights poverty by creating prosperity for all. "The need to resolve the structural causes of poverty cannot be delayed, not only for the pragmatic reason of its urgency for the good order of society, but because society needs to be cured of a sickness which is weakening and frustrating it, and which can only lead to new crises. Welfare projects, which meet certain urgent needs, should be considered merely temporary responses."<sup>116</sup>

In other words, Francis does not want more handouts but rather the creation of work and employment. How this is technically to be done is not within the pope's competence, and Francis does not address this question. He does not, however, seek the solution only in government intervention or administrative action but also and primarily in business and businesspeople. It is noteworthy that he appeals to individuals both in the economy and in politics, reminding them of their moral obligations, rather than offering theories about how institutions should operate.<sup>117</sup> He calls businesspeople "artisans of development for the common good"<sup>118</sup> who have a "noble" "entrepreneurial vocation in the true spirit of lay missionaries."<sup>119</sup> Francis scoffs

at offering assistance through small amounts of charitable giving, which is hardly more than a first step. Rather, "it is important to steer economic affairs in the direction of the Gospel, namely at the service of the individual and of the common good."<sup>120</sup> The first among his ethical challenges to the market is "to create good job opportunities."<sup>121</sup>

The consistent thrust of the pope's message on business is to center the economy on the common good.<sup>122</sup> Francis first defines the common good traditionally as "the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment,"<sup>123</sup> but then gives it his own characteristic spin by insisting that it include the preferential option for the poor. He uses strong language: "The principle of the common good immediately becomes, logically and inevitably, a summons to solidarity and a preferential option for the poorest of our brothers and sisters, . . . it demands before all else an appreciation of the immense dignity of the poor in the light of our deepest convictions as believers. . . . This option is in fact an ethical imperative essential for effectively attaining the common good."<sup>124</sup>

What is surprising in this formulation is that Francis does not use the concept of "social justice." Actually, even though he speaks a lot about justice, he has used the expression "social justice" only once in connection with his concern for the poor.<sup>125</sup> This is not a coincidence. "Social justice," in traditional Catholic social teaching, is the basis for an appeal to public authorities to intervene in order to conform human society to the needs of the common good.<sup>126</sup> Francis, in contrast, appeals to the people, to civil society as a whole, including the political and economic elites. This is his way of understanding the preferential option for the poor, in keeping with the theology of the people. It expresses solidarity as love of the common good, and the weak and underprivileged are those who are most in need of a society based on solidarity. Thus it is correct to link the three terms common good, solidarity, and the preferential

option for the poor. The pope becomes quite lyrical in his defense of an economy at the service of the common good that includes the poor:

Business is in the common interest. Although it is a privately owned and operated firm, for the simple fact that it pursues goals of general interest and importance, such as, for example, economic development, innovation and employment, it should be protected as a good in itself. The first to be called to this work of protection are the institutions, but also entrepreneurs, economists, banking and financial agencies and all subjects involved must not fail to act with competence, honesty and a sense of responsibility. Business and the economy need an ethic to function properly; not any ethics, but ethics which place the person and the community at the center.<sup>127</sup>

This leads us to the next of Francis's strong messages.

*4. Justice and solidarity (charity) are necessary elements of a just economy*

In order to be truly free, the market needs a legal framework, ethical norms and virtues, and a culture that promotes human dignity. Only an ethical market deserves to bear the name "free market" because true freedom requires a moral aim and sense in order for it to be exercised reasonably. A person in a desert without knowledge of where to go to find the next oasis is free in the sense of being unconstrained; however, one would hardly call wandering lost in the desert real freedom. Only when the path can be clearly seen are we free to walk on it or not. Ethical norms and virtues are this path in the desert. Ethics is not an optional add-on to business for those who have a weak conscience, like a sauce one can pour or not over the roast according to one's taste; it is an integral part of the economy. Among the virtues and norms that sustain

our markets, justice and charity are those virtues that regulate our actions affecting other people, and are therefore foremost among all other virtues. Justice and charity transform mere power and force into true authority, which empowers others and enables transformative leadership. They preserve peace and harmony in our societies. The motives of our decisions must go beyond mere utility and pleasure. The business of business is not just *business*; only *just* business is business. Pope Francis puts it thus: "It is the duty of all men and women to build peace following the example of Jesus Christ, through these two paths: promoting and exercising justice with truth and love; everyone contributing, according to his means, to integral human development following the logic of solidarity."<sup>128</sup>

The mission of the Church and of Catholic social teaching is not the imposition of some foreign doctrine on others or on society as a whole. It is not Catholic indoctrination of people of other religions or moral traditions. In a long and sometimes painful process, the universal Church has learned, in part from the American tradition of religious liberty, that she cannot *impose* her teaching through the intervention of government or by legal coercion, but should instead freely *propose* to societies her message of faith and meaning. Her mission can be compared to a lighthouse on the shore or a control tower at the airport. In themselves, these buildings might be quite attractive, especially a lighthouse perched on a cliff or braving the onslaught of the waves, covered with the froth of the ocean. In nice weather, we can admire lighthouses for their beauty or simply ignore them as we might any other building. However, when it gets dark and the sea is stormy, the lighthouse shows us the way into the harbor and saves our lives. It helps us exercise our freedom for our own good. Only a madman would accuse the lighthouse or the airport control tower of limiting his freedom.

Catholic social teaching is an appeal to *see* how our actions affect others—especially the poor and marginalized—to *judge* with principles that encourage business to promote the full

integral development for which it is responsible, and to *act* with a renewed energy to bring forth God's equity and justice in concrete places of business. Political, social, and economic injustice, wherever it appears, calls Christians to action, to compassion, and to solidarity. This is especially true for Christians with the privileges and responsibilities of leadership. Businesses should produce goods that are truly good, services that truly serve, and wealth that truly creates value. These three maxims show that businesses are multidimensional realities. They should not be reduced to a single objective such as maximization of profit. Rather, application of these three maxims can order business in such a way that its benefits (and burdens) are shared in common with multiple stakeholders. It is precisely in this ordering that business can participate in the common good.<sup>129</sup>

Pope Francis has given this traditional teaching of the Church an added color in *Laudato Si'* by his use of the concept of "integral ecology."<sup>130</sup> This is an understanding of the way we should protect the environment and exercise our stewardship over the natural resources of Creation that integrates the different aspects of life in society, aware of the fact that all these aspects and fields of action are interrelated. Francis calls for an "economic ecology"<sup>131</sup> and a "social ecology,"<sup>132</sup> implying that "every ecological approach needs to incorporate a social perspective."<sup>133</sup> The pope envisages a win-win situation in which the environment and society are not thought of as costs but rather as opportunities for sustainable business in the long run. The basis of an "integral ecology" is the commitment of all to the common good. It is important not to think in exclusive dichotomies, but to discover alternatives to our usual practices. There is always a solution. In India, for instance, some years ago hungry elephants were marauding the fields of poor farmers. In order to protect their crops the villagers resorted to killing the elephants until they discovered a simple remedy: threads drenched in chili peppers tied around the fields were enough to chase the elephants away. The smell of the peppers

seems to be so unbearable to these giants of Creation that they come nowhere near it.<sup>134</sup> In a similar way, we can find modes in which business, the just demands of people and families, and the environment are not seen as opposed or mutually exclusive but rather can be integrated to create a beneficial system for all.

##### 5. *"Inequality Is the Root of Social Ills"*<sup>135</sup>

Globalization has reduced poverty but increased inequality.<sup>136</sup> "Inequality is the root of social ills," Francis affirms. In this sentence, the original Spanish word "*inequidad*" expresses the Holy Father's concern better than the English translation "inequality": what he criticizes is *unjust* inequality, inequity, and unfairness that is the result of hardheartedness or exclusion.<sup>137</sup> Injustice always refers to morally wrong human acts, to sin and its consequences, not to natural situations or differences. God has created all people equal in dignity and rights; but he has also created us unequal and different in those natural qualities, talents, and strengths that individuals through their free will and effort develop to different degrees. In a certain sense, God Himself created inequality in the history of salvation: a specific people was chosen over and above others; from this people God chose Moses over and above others to be the mediator of the covenant on Mount Sinai; Christ was born in a specific village to one maiden and not anywhere or to anyone else, and the list goes on.

The prospect of reaping the fruits of one's own labor is highly motivating, and different degrees of effort will result in different outcomes, and consequently, *just* differences. The attempt to equalize the situation of everyone, regardless of differences, ends in totalitarianism. Even a society that managed to grant absolute equality of opportunity to all (which is impossible) would still be unable to guarantee equal outcomes in the use of this opportunity because the diligence, motivation, and skills of people differ. We can therefore rightly

doubt that it is a problem when some live in great abundance and others do not as long as those who are relatively poor possess what they need for a dignified and happy life. Relative poverty will always be with us, and begrudging others their prosperity simply because they have more would be engaging in the capital sin of envy. In other words, the moral issue is not achieving equality in all things but rather fighting misery, because misery, not inequality, debases human dignity. Inequality is something we must accept and bear, and yes, harness to promote the cause of development.

However, inequality or divergent levels of prosperity can also be the result of wrongful acts or unjust structures. Whoever tips the scales in his own favor such that the playing field is no longer level for all, or whoever rigs the rules in order to exclude others creates unjust inequalities. Unfortunately, our world is full of such unjust inequalities. Pope Francis desires prosperity and integral and sustainable development for all.<sup>138</sup> This is achieved by reasonable opportunities for all under conditions of fair competition based on ethics, trust, and cooperation. Furthermore, the capacity to make use of existing opportunities needs to be justly distributed: access to education and health care, a culture of life, and solid families are essential elements of economic development.

Finally, when inequality exists to such an extent that some live in absolute poverty and misery while others next door live in overabundance, then the consciences of the rich or relatively well-off should compel them to act: refusing help in humanitarian emergencies or failing to strive toward including the poor into the networks of production and prosperity would be a manifestation of hardheartedness, which is a sinful consequence of avarice and a lack of justice and mercy.

### *6. A "Pure Market" Does Not Work*

A "pure" market is not the same thing as a free market. The free market is not simply the most effective way to organize an

economy, but the form of organization most in keeping with human dignity. Only in freedom can individuals develop their creative potential and express their preferences concerning consumption and the kind of occupation they should have; only in freedom can people associate in businesses they themselves found and own. Only a free market is an ethical market. But the reverse is also true: only an ethical market is a free market. The free market is not just an economic fact, but a cultural achievement. In order to be free, a market needs a legal framework, virtues, and a culture of creativity, work, and enterprise. Ethics is an integral part of the economy that structures it from within. Without a shared core of moral values there is no real trust, and without trust society lacks what is most important for a functioning economy: social capital.<sup>139</sup> Trust is a prerequisite for economic exchange, for credit, and for any form of economic cooperation. To establish trust within a society it is not enough for its members to be able to predict the behavior of others. Foreseeing that I will be cheated grants me reliable knowledge of the future and I adapt to this knowledge, but this does not create trust. It makes me cautious and withdrawn. In order for mutual trust to exist, both sides to an exchange must keep their promises and fulfill their duties; in a word, they must be morally reliable. Widespread trust in a society is a result of a long-standing record of such morally reliable behavior. The government also plays an important role in the creation of trust. The enforcement of just laws and the protection of private property and individual freedoms ensure the fulfillment of contracts and redress for tort, thus stimulating exchange. In addition to this, in all the major developed countries of the world, the State offers a social safety net to protect people who cannot work due to illness, age, or involuntary unemployment. With a well-designed safety net, more people dare to move freely into the heights of life and enterprise, without—maintaining the metaphor—fear of falling in case of an accident or catastrophe. However, it is not at all easy to find the right balance between providing a safety net

and creating a social system that encourages individual effort. In Europe, and also in the United States, despite the best of intentions, we have created “handout” systems that often induce “learned helplessness” and rob us of the joy of deserved personal success.<sup>140</sup>

Pope Francis is against this kind of “handout” system, as has been stated above. So why does he lash out against “pure markets,” and what are they? What makes Francis furious is when people are treated as mere soulless pawns that can be sacrificed callously to the idol of profit by large anonymous mechanisms. He expresses this anger in words that convey a forceful and just moral message: “As long as the problems of the poor are not radically resolved by rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality, no solution will be found for the world’s problems or, for that matter, to any problems.”<sup>141</sup> We have too often absolutized the market, to which God appears as an “unmanageable” threat,<sup>142</sup> the poor and the environment become nothing more than a nuisance to the “interests of a deified market.”<sup>143</sup> Francis’s solution is that by serving the poor we will be set free from this idolatry. Certainly this is nothing new in the tradition of Catholic social thought—it does not go beyond what Cardinal James Gibbons and others demanded in the last quarter of nineteenth-century America.

The new spin that Pope Francis adds to the discussion on markets, I think, is his accent on relationality. With this expression, we refer to the notion that the human person is essentially not only an individual substance but is also constituted by his or her being in relationship with others. “Relation,” in the Aristotelian categories, is an accidental; that is, something that is non-essential and only exists in something else, like color or size. However, when applied to the human person, relation, relationship, is much more than this because we are created in the image of the triune God. We are persons because we exist in relationship to others. Sociability and relationship not

only do not diminish our personhood—sharing with others and accommodating their needs are not merely limitations on our desires for personal growth—in fact, they constitute our nature as human beings. Being human means being part of a mesh of human relationships. This notion should cause us to rethink the way we conceive of society.<sup>144</sup> The Second Vatican Council formulated this idea in its Pastoral Constitution:

Indeed, the Lord Jesus, when He prayed to the Father, “that all may be one...as we are one” *opened up vistas closed to human reason*, for He implied a certain likeness between the union of the divine Persons, and the unity of God’s sons in truth and charity. This likeness reveals that man, who is the only creature on earth which God willed for itself, cannot fully find himself except through a sincere gift of himself.<sup>145</sup>

Pope Benedict XVI elaborated further: “The Trinity is absolute unity insofar as the three divine Persons are pure relationality. ...In particular, in the light of the revealed mystery of the Trinity, we understand that true openness does not mean loss of individual identity but profound interpenetration. ...The Christian revelation of the unity of the human race presupposes a metaphysical interpretation of the ‘humanum’ in which relationality is an essential element.”<sup>146</sup>

Pope Francis frequently repeats the idea that “everything is related.”<sup>147</sup> He underscores our relationship to one other, to God, and to the whole of creation, in which we are constituted as persons, and his vision culminates in a Trinitarian reading of the universe:

The divine Persons are subsistent relations, and the world, created according to the divine model, is a web of relationships. Creatures tend towards God, and in turn it is proper to every living being to tend towards other things, so that throughout the universe we can find any number

of constant and secretly interwoven relationships. This leads us not only to marvel at the manifold connections existing among creatures, but also to discover a key to our own fulfillment. The human person grows more, matures more and is sanctified more to the extent that he or she enters into relationships, going out from themselves to live in communion with God, with others and with all creatures. In this way, they make their own that Trinitarian dynamism which God imprinted in them when they were created. Everything is interconnected, and this invites us to develop a spirituality of that global solidarity which flows from the mystery of the Trinity.<sup>148</sup>

The theological novelty in Benedict XVI's and Francis's formulations consists in their having brought the Second Vatican Council's opening to "vistas closed to human reason" to its logical conclusion. At the council the preparatory draft of *Gaudium et Spes* proposed to make the analogy between the Trinity and the relationship between human persons explicit. However, 148 Fathers rejected the formulation in the draft as "obscure," four as "untrue," two as "incomprehensible," and one even as "reckless."<sup>149</sup> The time was not yet ripe for relationality. This has changed, and Francis has taken it to its limit.

The risk of such a vision is that it is too grandiose and thus becomes vague and impractical, something that Francis fears. Applied to the economy, however, the idea of relationality has many concrete consequences. This is not the place to analyze this question in detail because Pope Francis has not done so.<sup>150</sup> However, as noted, his predecessor Benedict XVI made suggestions along these same lines that can help us understand what Francis is talking about. Francis explicitly refers to Benedict's teaching and builds on it.<sup>151</sup> Benedict XVI framed business as a space of human relationship, not only of material transactions. If there is a climate of mutual trust, the market is the "economic institution that permits encounter between persons, inasmuch as they are economic subjects."<sup>152</sup>

The economy, in such a vision, is not simply a mechanism of the *homo oeconomicus*, following the harsh logic of profit maximization at all costs, and is not a mechanical apparatus at all. It is a network of human relationships, certainly governed by self-interest rightly understood, and by justice in contracts, but open to the human dimension. This includes the possibility of generating honest, caring friendships, whereas the usual “friendships” in business are purely utilitarian: usually, business “friendships” last no longer than the mutual monetary gains to be had by the parties. Businesspeople who are open to authentic relationships will be capable of true friendship beyond their expectations of material advantage. Relationality enriches business with a human sense of fraternity that Benedict XVI called “gratuitousness,” “gift,” and “reciprocity.”<sup>153</sup> He formulated his message as a challenge, not as a detailed directive for action, because the goals he sets out are difficult to attain: their implications for business are not immediately obvious, and quite to the contrary, they may seem difficult to put into practice. However, gratuitousness and gift do not imply giving things away for free—that would not really be possible in business. Giving a gift is not identical to giving a present. Benedict’s “logic of gift” and “gratuitousness” express that the human person has no price but dignity, and must therefore be at the center of all economic activity as its foundation and aim. Our business relationships can be of a very different character: exploitative, domineering, unjust, hostile, etc.; or, to the contrary, empowering, helpful, just, friendly, etc. The way we enter into the market is a consequence of a choice we make in our interior life: Who do we want to be? What kind of person am I choosing to become through my business activities? If we decide to respect others in their dignity, even to love them as brothers and sisters, then we have made the “gift” Benedict XVI is talking about: we have gratuitously decided to renounce any powers of dominion over others but instead to serve them. This implies a long-term, sustainable vision of business, and rejects short-term

greed which does not consider human costs. It also affects the way we conceive of competition.

Pope Francis regrets that “today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless.”<sup>154</sup> Following his predecessor in this too, he proposes a new approach to competition as an essential element of the free economy. Fair competition always and everywhere lowers prices, thus making goods and services available to the poor. It also stimulates creativity and drives businesspeople to be faster than their competitors in offering new and better products. Initially, when a product is introduced, its price may be high because the inventor retains his or her patent, and therefore has a monopoly position, but as soon as competitors enter the market, prices decrease and the product is made widely available. What at the outset was a luxury only the rich could afford (this was true for cars, refrigerators, cell phones, computers, and many other products) ends up being part of the normal standard of life for the vast majority of people, thanks to competition. These goods now define Western culture in its technological dimension. Competition is certainly tough because ineffective businesses fail, and others will take their place in the market. It is hard for the entrepreneur and the investor to lose money and to have expended effort in vain; however, even as long ago as the fifteenth century, St. Bernardino of Siena (died 1444) said that in the interest of the common good inefficient businesses must be allowed to fail in order to ensure the best use of resources.<sup>155</sup>

On the other hand, moral boundaries apply to competition. There are two ways to be better than someone else: either by really being the best, or by cheating and ruining the competitor's reputation. Cheating hurts the consumer; denigrating others is destructive and unfair. The social teaching of the Church calls for a form of competition that is constructive of the common good, not destructive. It is up to each individual entrepreneur and manager to find ways of engaging in fair

competition, but the government also has the important task of oversight for the purpose of enforcing the rules of fair play.

Even in the heat of competition, we should not forget that we are all brothers and sisters. Fraternity (we could also call it social charity, solidarity, or love) is the social principle which fosters a constructively competitive environment. In the Bible there are two pairs of brothers that exemplify the positive and negative forms of competition in a paradigmatic way: Jacob and Esau, and Cain and Abel. In the first case, Jacob wins the competition for the birthright: it is he and not his brother who receives the blessing of his father. Moreover, he achieves this cunningly, using all available means, but he does not forget that Esau is his brother. Jacob not only lets Esau live, but gives him great gifts and good pasture. In the other case, in contrast, one of the competitors, Cain, fails to live up to the demands of fraternity, and kills his brother Abel. That is an example of destructive, fratricidal competition. In business one can push a competitor out of the market by honestly offering better products and services, but a businessperson should never forget that his or her competitor is a brother or sister, not a thing or a commodity.

Even though we do not really want to return to organizational forms from the past and want to avoid adopting a romantic attitude like distributism and other dreamy movements of social reform,<sup>156</sup> the guilds and fraternities of the past might contain useful lessons for us today. Craftsmen in the same trade (tailors, carpenters, blacksmiths, and others) were united in a brotherhood. They remained competitors, but in the case of illness, death, or disability they helped one another. Thankfully, in the Western world many similar institutions have been created in modern times, often unwittingly applying the social wisdom of Christian fraternity. The same spirit has animated cooperatives, a form of organization which Pope Francis seems particularly fond of. He has great hope that cooperatives will assist with the development of the weakest sectors of society, especially unemployed young people. The pope told members of Italian cooperatives:

This great leap forward which we propose the cooperatives take, will give you the confirmation that all that you have already done is not only positive and vital, but also continues to be prophetic. For this reason you must continue to invent — this is the word: invent — new forms of cooperation, because the maxim, “when a tree has new branches, the roots are deep and the trunk is strong,” also applies to cooperatives.<sup>157</sup>

### *7. Corruption Destroys the Free Economy*

We come to the last point of our summary of the pope's strong moral messages on the economy, and we can be brief. The widespread phenomenon of corruption is a pressing moral concern brought up frequently by Pope Francis. Already as archbishop of Buenos Aires he spoke out against this social cancer, and as pope he has raised his voice on many occasions to denounce the global scourge of corruption.<sup>158</sup>

Corruption destroys the free market. In corrupt systems, personal effort is not rewarded because the crony with connections to politicians is given precedence over the person who has employed the country's scarce economic resources in a better and more responsible way. In a corrupt society, there is no fair competition under which consumers choose who best serves their material needs; material goods in these societies tend to be low-quality and restricted in quantity because the system of production is warped by politicians and local chieftains. Corruption squanders economic means in an unproductive way and thus impoverishes society. It weakens and undermines the common good. It can rightly be called the cancer of the economy. As cancer cells sap the vital energy of the human organism, corruption diverts the energies of the social body away from the common good, using them parasitically without any beneficial effect for others. An economy that is corrupt and unethical cannot be free in a Christian sense; it is in the hands of an oligarchy. Corruption can be forgiven

only if what was taken is given back. This principle is a basic tenet of the rule of law, a basic ingredient of any market economy founded on inclusive institutions. And although Pope Francis has repeatedly denounced corruption as a sin, rather than a destructive economic principle, its indirect effect on the economy can be great.

The pope does not mince words: parents who feed their children with “unclean bread” earned through bribes and corruption starve their children of dignity, because dishonest work robs everyone of dignity.<sup>159</sup> The implications for social life are clear in the following passage of the document in which Francis proclaimed the Extraordinary Jubilee Year of Mercy:

This festering wound [of corruption] is a grave sin that cries out to heaven for vengeance, because it threatens the very foundations of personal and social life. Corruption prevents us from looking to the future with hope, because its tyrannical greed shatters the plans of the weak and tramples upon the poorest of the poor. It is an evil that embeds itself into the actions of everyday life and spreads, causing great public scandal. . . . If we want to drive it out from personal and social life, we need prudence, vigilance, loyalty, transparency, together with the courage to denounce any wrongdoing. If it is not combated openly, sooner or later everyone will become an accomplice to it, and it will end up destroying our very existence.<sup>160</sup>

Returning to the beginning of this chapter, and linking it to the next one, we reaffirm the centrality of poverty for grasping the pope’s message on the economy and business. Chosen poverty, understood as inner detachment from material possessions and love for the poor, is the key to overcoming our crisis of materialism and maintaining the spiritual health of the West. A spirit of poverty is a prerequisite for the “awe-filled contemplation of creation”<sup>161</sup> that we need to face the challenges of the future.

## Notes to Chapter Three

1. Benedict XVI, *Caritas in Veritate*, 9: "The Church does not have technical solutions to offer and does not claim 'to interfere in any way in the politics of States.' She does, however, have a mission of truth to accomplish, in every time and circumstance, for a society that is attuned to man, to his dignity, to his vocation."
2. Vatican Council II, *Gaudium et Spes*, 76.
- 3.. Benedict XVI, *Inaugural Address at the Fifth General Conference of the Bishops of Latin America and the Caribbean*, May 13, 2007.
4. See for example, Francis, *Evangelii Gaudium*, 51, 182, 184.
5. *Ibid.*, 184.
6. See Francis, *Laudato Si'*, 60.
7. *Ibid.*, 61.
8. *Ibid.*, 135.
9. Francis, *Evangelii Gaudium*, 182.
10. *Ibid.*, quoting CSDC, 9.
11. *Ibid.*
12. *Ibid.*, quoting John Paul II, *Ecclesia in America*, 27.
13. *Ibid.*, 184, quoting Paul VI, Apostolic Letter *Octogesima Adveniens* (May 14, 1971), 4.
14. See Francis, *Address to the Leadership of the Episcopal Conferences of Latin America*, July 28, 2013. See also Francis, *Letter to Cardinal Marc Ouellet, President of the Pontifical Commission for Latin America*, March 19, 2016; Juan Vicente Boo, *El Papa de la Alegría* [The Pope of Joy] (Barcelona: Espasa, 2016), 40–41.
15. Francis, *Address at the Second World Meeting of Popular Movements*.
16. *Ibid.*
17. *Ibid.*
18. Sergio Rubin and Francesca Ambrogetti, *Pope Francis*, 21. See also Mariano Fazio, *El Papa Francisco*, 21–23.
19. Francis, *Address to the Centesimus Annus Pro Pontifice Foundation*, May 25, 2013.
20. Francis, *In-Flight Press Conference of His Holiness Pope Francis from Paraguay to Rome*.
21. See Francis, *Laudato Si'*, 129.
22. Francis, "Interview for Televisa, March 6, 2015," in Jorge Mario Bergoglio-Papa Francesco, *Interviste e conversazioni*, 326.
23. "I urge you to follow his [Enrique Shaw's] example, and that Catholics ask for his intercession to be good business people." Francis, *Address to Participants in the International Conference of the Christian Union of the Business Executives (UNIAPAC)*, November 17, 2016.
24. Francis, *Pastoral Visit to Genoa: Encounter with representatives of the world of work*, May 27, 2017. (My translation.)

25. See Austen Ivereigh, *The Great Reformer*, 303, quoting a senior priest.
26. Francis, *Laudato Si'*, 128.
27. *Ibid.*
28. This expression is usually associated with the Austro-American economist Joseph A. Schumpeter, even though he was not the first one to use it. It refers to the cycles of growth and innovation that imply overcoming what is old or outmoded. See Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper, 2008), 81–87. The book was first published in 1942.
29. Francis, *Laudato Si'*, 128.
30. In his homiletic style he sometimes drives a point home by using a rhetorical ellipsis, leaving out words or ideas that need to be added by the reader. See e.g. *ibid.*, 106 and 109.
31. *Ibid.*, 129.
32. *Ibid.*
33. See CSDC, 291.
34. Francis, *Laudato Si'*, 189.
35. *Ibid.*
36. “*Valor real*” in the Spanish original of *Laudato Si'*, 189, and again at 190.
37. Francis, *Laudato Si'*, 189.
38. *Ibid.*, 190.
39. *Ibid.*
40. Adam Smith, *The Wealth of Nations*, vol. 1, I.xi, 267.
41. Francis, *Laudato Si'*, 276.
42. *Ibid.*, 193.
43. See *ibid.*, 195.
44. See *ibid.*, 191.
45. Francis, *Laudato Si'*, 123. See also the other examples he gives.
46. See Kenneth E. Carpenter, *The Dissemination of The Wealth of Nations in French and in France 1776–1843* (New York: The Bibliographical Society of America, 2002).
47. See Athol Fitzgibbons, *Adam Smith's System of Liberty, Wealth, and Virtue: The Moral and Political Foundations of The Wealth of Nations* (Oxford: Clarendon Press, 1995); Knud Haakonssen, ed., *The Cambridge Companion to Adam Smith* (Cambridge: Cambridge University Press, 2006).
48. Francis, *Laudato Si'*, 43–52.
49. See *ibid.*, 36.
50. See *ibid.*, 34–41.
51. *Ibid.*, 114.
52. *Ibid.*, 203.
53. See *ibid.*, 108–10.
54. See *ibid.*, 13.
55. *Ibid.*, 112.
56. See especially *ibid.*, 104, 108; also Romano Guardini, “Das Ende der Neuzeit: Ein Versuch zur Orientierung,” in Romano Guardini, *Werke*, ed. Franz

- Heinrich (Paderborn: Schöningh, 1989), 9–94; Romano Guardini, “Die Macht: Versuch einer Wegweisung,” also in *Werke*, *ibid.*
57. Francis, *Laudato Si'*, 141.
  58. *Ibid.*, 181.
  59. See for instance Francis, “Interview for Televisa, March 6, 2015,” in Jorge Mario Bergoglio-Papa Francesco, *Interviste e conversazioni*, 326: “Wealth can become unjust if we don't pay a just wage. That is a mortal sin.” He also said in this interview that failing to fund pensions and benefits is sin.
  60. See Rubin and Ambrogetti, *Pope Francis*, 129.
  61. Francis, “Interview given to Andrea Tornielli for La Stampa in 2015,” in Jorge Mario Bergoglio-Papa Francesco, *Interviste e conversazione*, 255.
  62. See Rubin and Ambrogetti, *Pope Francis*, 130.
  63. *Ibid.*, 130–131.
  64. G.K. Chesterton, *What's Wrong With the World* (Leipzig: Tauchnitz, 1910), 13.
  65. “Nowadays left and right is a simplification that does not make sense. Half a century ago, it made sense, now it doesn't” (my translation). Francis, “Interview for Televisa, March 6, 2015,” in Jorge Mario Bergoglio-Papa Francesco, *Interviste e conversazione*, 326.
  66. Francis, *Evangelii Gaudium*, 270.
  67. *Ibid.*, 273.
  68. *Ibid.*, 274.
  69. *Ibid.*, 271.
  70. Francis, *Address at the Vigil of Pentecost with the Ecclesial Movements*, May 18, 2013. Words to the same effect can be found in *Evangelii Gaudium*, 198.
  71. Francis, *Evangelii Gaudium*, 198.
  72. Mt 5:46–47.
  73. Francis, *Address to Participants in the Ecclesial Convention of the Diocese of Rome*, June 17, 2013, emphasis added.
  74. See John Paul II, Encyclical Letter *Veritatis Splendor* (August 6, 1993), 93; John Paul II, *Address at the Fifteenth World Youth Day*, August 19, 2000.
  75. See Francis, *In-Flight Press Conference of His Holiness Pope Francis from Paraguay to Rome*.
  76. See Angus Deaton, *The Great Escape: Health, Wealth, and the Origins of Inequality* (Princeton and Oxford: Princeton University Press, 2013), 24. Amartya Sen has argued convincingly that income or possession of goods cannot be the sole measure of well-being. Instead, he proposes that the decisive factor is the capabilities we have to lead worthwhile lives. Amartya Sen, *The Idea of Justice* (London: Penguin Books, 2010), 226–33.
  77. This is the focus of Robert Skidelsky and Edward Skidelsky, *How Much is Enough? Money and the Good Life* (London: Penguin Books, 2013).
  78. For an economic analysis and an attempt at predicting the future of inequality, see Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 2016).

79. Francis, *Lenten Message*, December 26, 2013, 2.
80. See Francis, *Address to the Centesimus Annus Pro Pontifice Foundation*.
81. Francis, *Evangelii Gaudium*, 192.
82. Cf. 2 Cor 8:9.
83. Francis, *Lenten Message*, 1.
84. See Francis, *Address to Participants in the Ecclesial Convention of the Diocese of Rome*.
85. Francis, *Address to the Students of the Jesuit Schools of Italy and Albania*, June 7, 2013.
86. Francis, *Address to the Participants in the Plenary Assembly of the International Union of Superiors General*, May 8, 2013.
87. *Ibid.*
88. Francis, *Address at the Vigil of Pentecost with the Ecclesial Movements*.
89. See *ibid.* This is an idea that Francis repeats frequently.
90. See Josemaría Escrivá, *Conversations with Monsignor Escrivá de Balaguer* (Dublin: Ecclesia Press, 1972), 111.
91. The subject of poverty referred to as a “counsel” appears in the *Summa Theologiae* in the discussion of issues relating to the “state of perfection” (religious life). Cf. Thomas Aquinas, *Summa Theologiae* II-II, q. 186, a. 3.
92. Acts 2:42–45; 4:32–35.
93. See for example Gregory Nazianzen, “On St. Basil,” in *Funeral Orations by Saint Gregory Nazianzen and Saint Ambrose*, trans. Leo P. McCauley et al., *The Fathers of the Church* 22, eds. Roy Joseph Deferrari et al. (Washington, D.C.: The Catholic University of America Press, 1953), n. 63.
94. See Vatican Council II, *Lumen Gentium*, 10–12.
95. Acts 2:42–45.
96. Acts 4:32–35.
97. Francis, *Evangelii Gaudium*, 183, quoting Benedict XVI, *Deus Caritas Est*, 28.
98. Mt 6:24.
99. See 1 Cor 2:12–14.
100. Francis, *Evangelii Gaudium*, 2.
101. Francis, *Message to the Executive Chairman of the World Economic Forum on the Occasion of the Annual Meeting at Davos-Klosters*, January 17, 2014.
102. See Bernardino of Siena, “Sermo 42” and “Sermo 43,” in *Quadragesimale de Evangelio aeterno*, vol. 4, S. Bernardini Senensis, *Opera Omnia, Quadragesimale de Evangelio aeterno* (Quaracchi: Collegio S. Bonaventurae, 1956), 365–66 and 383. The reader should be aware that in these same passages, Bernardino expresses some deplorable anti-Semitic convictions. What I cite as his worthwhile contributions do not rely on this prejudiced rhetoric.
103. Francis, *Address to Representatives of the Confederation of Italian Cooperatives*.
104. Francis, *Evangelii Gaudium*, 58.
105. Francis, *General Audience*, January 29, 2014. The officially translated summary is available in English. The full text is available in Italian.

106. See the profound historical analysis of Brad S. Gregory, *The Unintended Reformation: How a Religious Revolution Secularized Society* (Cambridge, Mass.: Harvard University Press, 2012), particularly 235–97. Gregory posits an intrinsic link between capitalism and consumerism. I do not fully agree with this—good capitalism based on work and virtue tends to reduce consumption in favor of investment. In capitalism as it actually exists, though, I believe his judgment is correct.
107. At the dawn of the modern economy, Adam Smith already foresaw the growth of public debt, and David Hume warned: “Either the nation must destroy public credit or public credit will destroy the nation.” See “Essay of Public Credit” 360–I, quoted in Christopher J. Berry, *The Idea of Commercial Society*, 183.
108. Prov 22:7.
109. See the impressive list of references in *Laudato Si'*, at 34, 50, 184, 203, 209, 210, 215, 219, 232.
110. *Ibid.*, 162.
111. *Ibid.*, 203.
112. *Ibid.*, 222.
113. *Ibid.*, 147–54.
114. The actual source of this quotation is unknown.
115. Francis, *Address to the Italian Pro-Life Movement*, April 11, 2014. The Pope quotes his own *Evangelii Gaudium*, 53.
116. Francis, *Evangelii Gaudium*, 202.
117. See for instance what he wrote in 2014: “The international business community can count on many men and women of great personal honesty and integrity, whose work is inspired and guided by high ideals of fairness, generosity and concern for the authentic development of the human family. I urge you to draw upon these great human and moral resources and to take up this challenge with determination and far-sightedness.” Francis, *Message to the Executive Chairman of the World Economic Forum*.
118. Francis, *Speech to the Christian Union of Business Executives*, October 31, 2015.
119. *Ibid.*
120. *Ibid.*
121. *Ibid.*
122. See Francis, *Laudato Si'*, 156–58.
123. *Ibid.*, 156, quoting *Gaudium et Spes*, 26.
124. *Ibid.*, 158.
125. See Francis, *Evangelii Gaudium*, 201.
126. See e.g., Pius XI, *Quadragesimo Anno*, 110.
127. Francis, *Speech to the Christian Union of Business Executives*.
128. Francis, *Address to the Participants in a Conference Sponsored by the Pontifical Council for Justice and Peace Celebrating the 50<sup>th</sup> Anniversary of Pacem in Terris*, October 3, 2013.

129. See *The Vocation of the Business Leader* (Vatican City: Pontifical Council for Justice and Peace, 2012), 2–3. See also Francis, *Letter to H. E. Mr. David Cameron, British Prime Minister, on the Occasion of the G8 Meeting*, June 15, 2013.
130. See Francis, *Laudato Si'*, 137–201.
131. *Ibid.*, 141.
132. *Ibid.*, 142.
133. *Ibid.*, 93.
134. This story appeared in several news outlets, see e.g., Shib Shankar Chatterjee, “Thread Barrier and World’s Hottest Chill to Keep Asian Elephants At Bay,” *NewsBlaze*, November 16, 2010, <http://newsblaze.com/story/20101116124707shan.nb/topstory.html>.
135. Francis, *Evangelii Gaudium*, 202.
136. See, for example, “Poverty and Equity Data,” The World Bank, <http://povertydata.worldbank.org/poverty/home/>.
137. In Spanish “inequality” is *desigualdad*. In *Evangelii Gaudium* the Pope does not use this word but *inequidad*, which implies an element of injustice. The official English translation of *Evangelii Gaudium* nevertheless rendered it simply as “inequality.” The official Vatican translation of the encyclical *Laudato Si'* has learned from the error and uses the word “inequity.”
138. See Francis, *Evangelii Gaudium*, 192.
139. See Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (New York: Simon & Schuster, 1995), 7–26.
140. See Arthur C. Brooks, *The Road to Freedom: How to Win the Fight for Free Enterprise* (New York: Basic Books, 2012), 30–31, quoting Martin Seligman.
141. Francis, *Evangelii Gaudium*, 202.
142. *Ibid.*, 57.
143. *Ibid.*, 56.
144. See Pierpaolo Donati, *Relational Sociology: A New Paradigm for the Social Sciences* (London: Routledge, 2011); by the same author, *La matrice teologica della società* [The Theological Matrix of Society] (Soveria Mannelli: Rubbettino, 2010).
145. *Gaudium et Spes*, 24, quoting John 17:21–22 (emphasis added).
146. Benedict XVI, *Caritas in Veritate*, 54–55.
147. See Francis, *Laudato Si'*, 92, 120, 137, 138, 142.
148. *Ibid.*, 240.
149. The Latin text of the draft is: “Excogitare licet personas humanas, cum ad imaginem Dei unius et trini creatae sint et ad Eius similitudinem reformatae, aliquam imitationem Eius in se praebere.” See Francisco Gil Hellín, ed., *Constitutionis pastoralis Gaudium et Spes: Synopsis historica* [Pastoral Constitution Gaudium et Spes: Historical Synopsis] (Pamplona: EUNSA, 1985), 211–13.
150. For this see Pierpaolo Donati, “Beyond the Market/State Binary Code: The Common Good as a Relational Good,” in *Free Markets and the Culture of*

- Common Good*, ed. Martin Schlag and Juan Andrés Mercado (Heidelberg: Springer, 2012), 61–81; by the same author, “Azione morale, riflessività e soggetto relazionale,” *Annales Theologici* 26, no. 2 (2012): 275–304.
151. See Francis, *Evangelii Gaudium*, 51.
152. Benedict XVI, *Caritas in Veritate*, 35.
153. *Ibid.*, 36: “The great challenge before us ... is to demonstrate, in thinking and behavior, not only that traditional principles of social ethics like transparency, honesty and responsibility cannot be ignored or attenuated, but also that in commercial relationships the principle of gratuitousness and the logic of gift as an expression of fraternity can and must find their place within normal economic activity.”
154. Francis, *Evangelii Gaudium*, 53.
155. See Oreste Bazzichi, “Postfazione” in San Bernardino da Siena, *Antologia delle Prediche volgari: Economia civile e cura pastorale nei sermoni di San Bernardino da Siena*, eds. Flavio Felice and Mattia Fochesato (Siena: Cantagalli, 2010), 217. For sources see San Bernardino da Siena’s sermon on commerce in *Antologia*, 151–161; and his “Sermo 43,” in *Quadragesimale de Evangelio aeterno*, 379, where he rejects the morality of loans at interest to save paupers because they only increase the economic weight they have to bear.
156. See for instance Hilaire Belloc, *The Servile State* (London: Constable, 1927), 49.
157. Francis, *Address to Representatives of the Confederation of Italian Cooperatives*.
158. For data showing the spread of corruption on an annual basis, see [www.transparency.org](http://www.transparency.org).
159. Francis, *Meditation: Dirty Bread of Corruption*, November 8, 2013.
160. Francis, Bull *Misericordiae Vultus* (April 11, 2015), 19.
161. Francis, *Laudato Si'*, 125.