CATHOLIC SOCIAL TEACHING
AND ECONOMICS
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The USCCB
and Catholic Social Teaching

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The question is how the American bishops should teach about Catholic social thought. We might start, though, by asking another, and prior, question: Is it a wonder that there is such a thing as “Catholic social thought,” at all?

By Catholic social thought (hereafter, CST) I mean nothing synthetic or creative. I mean the sequence of papal encyclicals starting in 1891 with Rerum novarum, up to and including Pope Benedict’s Caritas in veritate. These “social” encyclicals have self-consciously pursued a common subject, namely, the basic structures of political societies; in fact, those issued after Rerum novarum invariably say that they continue a teaching inaugurated by Leo XIII. The more specific focal points of these papers have been: the organization of productive assets; public authorities’ distribution of society’s goods; state policies and laws pertaining to economic development; military actions; relations among the world’s political societies, especially with regard to trade and economic aid; and, even, the prospect of one world government. CST has mostly been about markets, labor unions, socialism, communism, collectivism, consumerism, globalism, the end of colonialism. CST has been the story of earthly states of affairs, and of the affairs of earthly states.

CST has been – according to the encyclicals – about the “social question,” to which “social justice” is the answer. So the distinctive critical evaluative terms of CST have been social, too. These terms have long been “subsidiarity,” “solidarity,” and the “common good”; they were joined in the late 1960s by “participation” and, to a lesser extent, by concern for “development” (chiefly, economic). I say that these terms are “social” because they obviously refer to large-scale, cooperative undertakings. They do not in any straightforward way pertain to the concrete choices of individuals, who are rarely faced with morally
significant decisions in which the norm of “subsidiarity” or of “participation” is the deliberation-stopper. In fact, these CST-distinctive terms are scarcely norms at all. They are more like rich concepts, around which one could build a political theology, a party program, or a public policy perspective. But they would need a considerable amount of *determinatio* before they could serve to resolve concrete problems.

The wonder about having such a thing as CST at all owes to the fact that the gospels are either silent or entirely uncritical about all these matters. Our Lord insisted that his Kingdom was not of this world. About this earthly world of ours Jesus offered no program of political reform. He did not supply or even evince an inchoate political theology. Jesus took for granted – mind you, I do not say that he *endorsed* – the Roman imperium, the conditions of servitude in his milieu (some of which amounted to slavery), and the other structures of his seriously unjust political society. One could read through the gospels with care and scarcely suspect that there was a thing such as “social justice.”

The rest of the New Testament is little more engaged with the issues which constitute CST. Saint Paul did teach that the earthly powers were somehow divinely sanctioned, and that the Christian’s duty was, basically, to obey them. But neither Paul nor any other New Testament writer had much to say about what those exercising political power ought to do with it.

Perhaps CST is, then, like Dr. Johnson’s dog, when standing on its hind legs. It is not done well, Johnson quipped, but one is surprised to see that it is done at all.

Well, things do get curiouser and curiouser. My topic is (as I said) how a national bishops’ conference – the USCCB – should teach CST. But there is very little in CST of that which the bishops are most clearly competent to teach, namely, *doctrine* concerning faith and morals. The relevant provisions of canon law, as reinforced by the Apostolic Letter of Blessed John Paul II on the “Theological and Juridical Nature of Episcopal Conferences,” make it clear, moreover, that a national conference does not exercise “*authentic magisterium.*” The most frequently recurring motif in all CST, and the most important thing to know about it, is in addition a confession of *incompetence*, a disclaimers which would startle us but for the fact that we are so used to hearing it.
Gaudium et spes 42 is a terse expression of it: “Christ did not bequeath to the Church a mission in the political, economic or social order: the purpose he assigned to it was religious.” John Paul II expressed this recurring theme of CST in Centesimus annus: “The Church has no models to present . . . and is not entitled to express preferences for this or that institutional or Constitutional solution [to social problems].”

So: is it a wonder that we have such a thing as CST at all? Is it all the more wonderful that a bishops’ conference teaches any of it as part of its pastoral duties?

The answer to both questions is: yes, and no.

It is a bit of a wonder that we have the CST that we do, as a matter of fact, have. About that body of thought (about huge social enterprises and especially about the state and its power) we should be ambivalent, and critical. Much of it is justified by our pastors’ divine commission, and I shall identify in general terms what that portion is. But there is much in this CST which is beyond the bishops’ competence. I shall identify some of it, too, especially several instances where the USCCB has gone too far. I shall look especially carefully at the conference’s intervention in the recent healthcare reform debate, for it contains much of the former, and even more of the latter: it is an instructive mix of good and bad work by the USCCB. Perhaps most important, I shall highlight in this paper two fundamental components of a proper CST which have been neglected by the USCCB, and by the whole tradition of CST of which the American bishops’ work is a part.

The arguments throughout this paper stay close to a spine of thought running all the way through CST. This vine (if you will) holds much of CST together. Pope John Paul II described it this way in Centesimus annus: the Church’s “contribution to the political order is precisely her vision of the dignity of the person revealed in all its fullness in the mystery of the Incarnate Word.” The heart of CST is theological. CST must always cleave closely to – and grows out of and depends for its cogency upon – the Church’s religious purpose, namely, to “spread the Kingdom of Christ throughout the earth for the glory of God the Father, to enable all men to share in His saving redemption.”

My thesis is this: the Church’s pastors (including when they are organized into a national conference) ought to teach and preach the
integral gospel, so that they might discharge their divine responsibility to evangelize everyone, including nonbelieving public officials, and in that context teach moral truths, including those bearing upon social life and the organization and conduct of political affairs.

This norm reflects the theological nature of CST. It supports the two purposes of pastoral teachings of it: to instruct the laity and to spread the Good News to all the world. It is the standard according to which particular pastoral interventions should be judged as suitable, or instead as beyond the proper bounds of episcopal competence.

I

Principles and Rules. The first rule governing any national bishops’ conference’s teaching of CST is: do not misstate or mangle Catholic teaching. Leaving aside for the moment the proper competence of the bishops when it comes to temporal affairs, this is the minimum requirement: at least do not get it wrong. So, substantively mistaken interventions by the USCCB, such as Always Our Children (1997), the year 2000 pastoral on criminal justice (Responsibility, Rehabilitation, and Restoration), and the most unfortunate of them all – at least, the most pabulum-laden, by far – When I Call for Help: A Pastoral Response to Domestic Violence Against Women (2002), must never be repeated.

What’s wrong with these interventions has nothing to do with the “role” and “limits” of bishops teaching CST. For there is no account of those “roles” and “limits” which could salvage these documents. They are disastrously mistaken about – even, ignorant of – Catholic morality and the tradition of reflection behind it. These disasters owe much, no doubt, to runaway staff and inattentive bishops. So, I propose this Rule 2: no bishop should vote in favor of a CST document unless he has read every line of it, and unless he is convinced to a practical certainty that everything asserted therein is true.

Rule 3 comes in three parts. The USCCB should limit itself to three basic modes of expression when teaching on CST. The first two are demonstrably part of the bishops’ duty to evangelize everyone so that all might be saved in Christ. They pertain immediately to the Church’s
religious purpose, and so they have all the authority and force pertaining thereto. The third is more distant from the gospel than the first two. It is fraught with tendencies toward episcopal overreach. This one comes with bolded warnings on the label: Use sparingly. Handle with extreme care!

The first approach is to state the moral norms relevant to a social question, and then to apply them (if at all) to hypothesized factual scenarios. Call this the prescriptive genre. The guiding thought here is the bishops’ limited competence when it comes to temporal matters. The Church’s pastors are called to state clearly “the principles concerning the purpose of creation and the use of temporal things and must offer the moral and spiritual aids by which the temporal order maybe renewed in Christ.” But matters of sociological, economic, demographic, and scientific fact are not within their distinctive competence. It is not that the pastors ought to present themselves as altogether innocent of these realities. It is rather that they should incorporate into their prescriptive declarations facts which are, to all fair minds, practically certain, or they should rely upon hypothetical factual scenarios. In either case there is no realistic possibility of usurping the proper freedom and competence of the laity. In the first case the relevant facts are undeniable. In the second, the laity remain free to judge for themselves what the relevant facts are.

The bishops might therefore rightly take to be true the reliably reported blast radius of certain munitions, or that the birth rate of most developed countries has dipped below replacement level, and then teach accordingly about morally acceptable collateral damage or about the advisability of pronatalist public policies. They could say: “if it is the case that these (or those) facts obtain, then it would be gravely wrong for anyone to perform such-and-such an act.” The bishops should teach in all such instances that persons faced with such momentous choices are under a strong moral duty to do all they reasonably can to get the relevant facts right. The most distinctive pastoral contributions here are identification of the pertinent moral norms, the clarification (within limits) of the nature of certain acts in particular scenarios, and the instructive (even if hypothetical) application of norms to facts.

This first genre includes the task of clarifying – and sometimes thus developing, even refining – established moral norms in light of changing circumstances. One example of sound episcopal guidance of this sort has
involved new reproductive technologies, to which the bishops have rightly (albeit creatively) applied moral norms about not treating persons as-they-come-to-be as things or property.

In my judgment, the USCCB could helpfully teach more than they have to date about the morality of the various tactics in the war on terror. Is killing via armed drones merely a technological development without peculiar moral significance (beyond the welcome improvements it promises in limiting collateral harm)? Or does unmanned weaponry of this sort present novel and distinctive moral challenges? Note well: to answer this question the bishops would have to ascertain or suppose some facts about how drones work. They should do so, by relying upon uncontested facts about this universally known but officially classified weapons program, or by supposing operational features necessary to arriving at moral judgments, or both.

Other terror-related questions about which the bishops could competently teach but about which they have so far been silent include the moral licitness of targeted assassinations of terrorist leaders, especially when those targeted are distant from the “battlefield,” and may not be in direct contact with any forces engaged in lethal violence. Perhaps most important, the bishops could profitably address the basic moral considerations governing a just distribution of resources when a prosperous nation such as our own has the security concerns that we have. Is it morally justifiable to spend billions on a very marginal increase in security for the traveling public in America? Very plainly put, the central question is the justice of spending tens of billions of dollars annually to gain some very marginal increase of personal security for Americans.

The second basic mode of expression arises, too, from a pastor’s duty to be vigilant over the faith of those entrusted to his spiritual care. There is a great deal of this genre in the CST corpus. Pius XI said in Quadragesimo anno: “[T]he whole scheme of social and economic life is now such as to put in the way of vast numbers of mankind serious obstacles which prevent them from caring for the one thing necessary, namely, their eternal salvation.” 2 His immediate successor marked the fiftieth anniversary of Rerum novarum with a radio broadcast in which he affirmed “the indisputable competence” of the Church to “decide whether the bases of a given social order are in accord with the unchangeable
order which God . . . has shown us through the Natural Law.”

Call this the *incompatibility* genre.

This mode of expression is a corollary of what Cardinal Ratzinger described, in the Congregation for the Doctrine of the Faith’s 2002 Doctrinal Note on Catholics’ participation in political life, as the “legitimate freedom” of Catholics to “choose among the various political opinions that are compatible with faith and the natural moral law, and to select, according to their own criteria, what best corresponds to needs of the common good.”5 This freedom arises from the nature of political life itself. For “politics are concerned with very concrete realizations of the true human and social good in given historical, geographic, economic, technological and cultural contexts.” A “plurality” of morally acceptable options is bound to be present, the Note concluded.

The tasks here include those of identifying the anthropological, metaphysical, and ethical presuppositions of a particular proposal, practice, institution, or body of political or social thought; then of identifying the implications of these presuppositions and the proposals they support for the moral and spiritual welfare of persons; then of describing the morality of actions required of persons in order to maintain the system or activity under consideration; and, finally, to evaluate all of this as it pertains to persons’ salvation. The CDF’s two Instructions concerning liberation theology (1984, 1986) are good examples of this genre.

One important field for “incompatibility” directives by the USCCB remains seriously underdeveloped. This field is populated by false conceptions of the human person embedded in so many cultural and legal norms about abortion, euthanasia, embryo-destructive research, and sexual behavior. Now, the bishops have taught forcefully in season and out of season the wrongness of the moral norms (about abortion, and so on) proposed by so many sectors of our culture and promulgated or presupposed by so many civil laws. But they could do more, in my judgment, to identify and to criticize in the strongest terms possible the body-self dualism which is (in turn) assumed or presupposed in these proposals. For this dualism is not only false; it is a barrier to making sound moral judgments, and it is also a threat to the faith. Body-self dualism threatens to undermine the faithful’s belief in the dignity of bodilyness, and in the presence of Jesus in the Eucharist, the virginal conception and birth of the
Lord, the resurrection of the body, even original sin.

I think it very important that when teaching in this second mode the bishops resist the temptation to rank or otherwise handicap the competition among options which pass muster as compatible with the faith.

A third genre is another staple of CST teaching documents. It is the more speculative effort to identify and interpret “the signs of the times,” what Paul VI called in Octogesima adveniens, “the new needs of the changing world.” The locus classicus is surely Gaudium et spes 4: “[T]he Church has always had the duty of scrutinizing the signs of the times and of interpreting them in the light of the Gospel. . . . We must therefore recognize and understand the world in which we live, its expectations, its longings, and its often dramatic characteristics.” Paul VI repeated this passage in Populorum progressio, noting that the Church was founded to establish the Kingdom of Heaven and “not to acquire earthly power.” Nonetheless, Paul VI added, because “the Church is situated in the midst of men,” and because she “desires to assist [men] to attain to their greatest fulfillment,” the Church “offers to them what she alone possesses, that is, a view of man and of human affairs in their totality.”

Call this the discernment genre. It is nicely described by Pope John Paul II in Sollicitudo rei socialis (there, as a preamble to the incompatibility genre or, perhaps, as an aspect of it):

The Church’s social doctrine is . . . the accurate formulation of the results of a careful reflection on the complex realities of human existence, in society and in the international order, in the light of faith and of the Church’s tradition. Its main aim is to interpret these realities, determining their conformity with or divergence from the lines of the Gospel teaching on man and his vocation.

Describing the “signs of the times” is not a matter of producing a newsreel or of collating statistics, as if the telling “signs” were a long, encyclopedic loop of uninterpreted events and occurrences. It is rather evaluative work upon certain (more or less) descriptive information, but also upon cultures, institutions, customs, practices – in short, the world made by men. It is – as these excerpts from papal teachings say or imply – a highly interpretive undertaking.
There is an appreciable risk of misinterpretation and of overinterpretation in this third genre. These risks include the possibility that, in describing the “signs of the times,” the Church’s pastors will either settle some matter of fact which truly lies beyond their competence, or they will invade the laity’s province by selecting from among eligible options, implicitly ranking them, or disfavoring at least some. Pastors should be very studious about seeking and declaring these “signs,” for we are here distant from the gospel and thus perched near the outer edge of pastors’ competence. These risks are somewhat ameliorated by the fact that “signs” teachings typically steer clear of clear-cut judgments about what the faithful are obliged to do or must never do.

With these caveats registered we can endorse the discernment genre as a needed preamble (if you will) to both the laity’s performance of their temporal duties and the bishops’ performance of the tasks set before them by genres one and two. In the words of Pius XI, from Quadragesimo anno: this genre helps “Christian communities to analyze with objectivity the situation which is proper to their own country, to shed on it the light of the Gospel’s unalterable words and for action from the social teaching of the Church” (4). A current example of genre three is Pope Benedict’s recurring attention to secularism as the central challenge to discipleship and to evangelization in our time.

II

When to Teach? My assignment has to do with the teaching competence of a national bishops’ conference, namely, what we now call the USCCB. One part of an answer to that question pertains to timing: when (under what circumstances) is a USCCB intervention on CST required by canon law or by inalienable pastoral responsibilities? The answer is, I think, never. The national conference is a construct; it has neither ontological existence nor divine commission. The USCCB is itself a latecomer to the American episcopal scene. It was originally conceived as and continues to be rightly understood as a support for, and aid to, the ministry of the ordinaries of the United States. It is an amenity.

Some scholars have tried to find and develop a distinctive and more
decisive *charism* for a national conference. Most of these efforts have circled around the concept of episcopal *collegiality*, from which one might then derive a unique and unmediated authority for the conference. But the relevant provisions of canon law as well as *Apostolic sous* (and the public views of Benedict XVI) show that a national conference is neither a natural nor a divinely established entity, and that it is entirely the creature of positive law. Its identity and value are secondary to, and derivative of, the ministry of the diocesan bishop.

The question of *when* a USCCB intervention on a matter of CST is necessary is really the question: when would it be *appropriate*, that is, really helpful to the ministry of local ordinaries? It seems to me that there are at least two sorts of requirements to this appropriateness. The first is subject matter. Is the topic proposed one of national scope (so that variations of local conditions or pastoral needs do not suggest that a uniform teaching would interfere with the diocesan bishop’s prerogatives)? Subject matters of this sort would include immigration, foreign policy, defense and national security issues, many features of the economy, the proper response to almost any Supreme Court opinion, the perils of the Internet and especially of digitalized obscenity. It would also include the recent comprehensive healthcare overhaul, which we shall consider below.

The second limitation is much more practical. What is the capacity of the bishops to *conscientiously* issue teaching documents on CST? There is good reason to think that it is less than it is commonly thought to be, because the quantity of such documents has outpaced the quality of them. The number of interventions should be no more than the number which each and every voting bishop can read and evaluate with care, which each and every one can critically judge, and which the vast majority of them – for I think that the “consensus” which the USCCB strives for in these matters is appropriate – can affirm as true and pastorally needed. And it might well be that *less* than capacity is better than *at* capacity.

III

*Why Such a Limited Competence? A Neglected Pillar of CST.* Someone might lament the bishops’ limited competence and the division of
labor between the bishops and the laity which that competence entails. This someone might be a staff member of the USCCB, or a Catholic operative within one of the major political parties. He or she might hanker for a more robust, less inhibited charter for the USCCB when it comes to CST, if only because everyone else opining about budget cuts and military ventures is either partisan or a talking head or morally bankrupt. (And sometimes all three.) This objector might argue that limitations upon the bishops’ CST interventions are rules which depend upon extrinsic considerations of principle and policy and expertise. These rules – according to this view – should, perhaps, generally be followed. But there can be and frequently are sufficient grounds for exceptions (and perhaps should themselves be amended). The main idea here is the bishops are held back from teaching CST by all this talk of “the Church” and its specifically “religious” mission, to the detriment of the political society in which we live, and to no advantage to lay Catholics.

This view is seriously mistaken. It is precisely by being “the Church” that its pastors contribute mightily – and distinctively, and irreplaceably – to the political common good. The division of labor between pastors and laity is not a conventional rule. It is grounded in a number of truths, paramount among which is Jesus’ constitution of his Church – such as he intended it – and the nature of the Kingdom which he calls us to help him build – such as God envisioned it from the beginning. The distinctive competence at issue is not chiefly about the contingent fact (if it is indeed a fact), that the bishops and their advisors lack the expertise to collect statistics and to make hard judgments about what is so. It is rather that the bishops speak for the Church, and that the Church has a very specific job to do. This might not be the job which our objector or even some pastors would prefer to have, or the job which they think best suits their talents and interests or the needs of society. It is nonetheless the job which Jesus assigned to the apostles and their successors.

We have already considered in these pages the bishops’ competence. There are countless effective expressions in the papal corpus of the specific vocation of the laity, too. They reside “in the midst of the world and [are] in charge of the most varied temporal tasks.” Among the most forceful of these many passages is this from Paul VI’s *Evangeli nuntiandi*: while it is the “specific role of the pastors” to establish and develop the
ecclesial community, the laity’s “primary and immediate task” is “to put to use every Christian and evangelical possibility latent but already present and active in the affairs of the world.” Lay men and women are called to evangelize. But their field of activity “is the vast and complicated world of politics, society and economics, but also the world of culture, of the sciences and the arts, of international life, of the mass media.” Their range of operations also extends to “other realities which are open to evangelization, such as human love, the family, the education of children and adolescents, professional work, suffering.”

To these sublime and sufficient considerations, I should like to add that the specific and limited competence of the Church’s pastors is not a (perhaps regrettable) extrinsic limitation upon the bishops’ expertise or value as teachers on matters political and social. It is rather an important but neglected component of CST. The separation of church and state is, as many have observed, original to Christianity: “Render therefore to Caesar the things that are Caesar’s, and to God the things that are God’s” (Mt 22:21) came upon an ancient world very differently minded. It entered a world which theretofore treated the state as sacred and God as a wizard to be flattered into vouchsafing earthly victories for the city. The novel Christian distinction between this world and the heavenly Kingdom, and the presence in a well-ordered society of the two “swords” or competent authorities – the spiritual and the temporal – exploded the accustomed manner of thinking about God and politics.

It is not that I think that the “two swords” concept (or “separation,” as it is most often termed in the United States) has been neglected by our pastors, or by the laity for that matter. It is that it is rarely viewed as the vital part of CST that it is. The Council Fathers wrote in the second half of Dignitatis humanae that “[a]mong the things that concern the good of the Church and indeed the welfare of society here on earth, . . . this certainly is pre-eminent, namely, that the Church should enjoy that full measure of freedom which her care for the salvation of men requires.” The Fathers concluded that “the freedom of the Church is the fundamental principle in what concerns the relations between the Church and governments and the whole civil order.”

The teaching of Dignitatis humanae has been the unvarying message of the Magisterium at least since Immortale Dei (1885). Yes, in that
encyclical letter Leo XIII endorsed the language of Gregory XVI in *Miari vos* (1832), by which Gregory criticized “those who desire that the Church be separated from the State.” But what Gregory (and Leo) understood by that phrase is then made immediately clear in *Immortale Dei*: the “dissolution” of the “concord between the secular and ecclesiastical authority.” In the very next paragraph Leo affirms the separation of jurisdictions – the “two swords,” if you will – and, in questions of what he called “mixed jurisdiction,” he called for “complete harmony” between them, “such as suited to the end for which each power exists.”

Joseph Ratzinger wrote in his “Theology and the Church’s Political Stance”: “the fundamental task of the Church’s political stance . . . must be to maintain this balance of a dual system as the foundation of freedom.” “[T]he Church must make claims and demands on public law and cannot simply retreat into the private sphere. . . . [I]t must also take care on the other hand that Church and state remain separated and that belonging to the Church retains its voluntary character.” Pope Benedict XVI has spoken often of what he calls a “healthy secularity” – which he sharply distinguishes from “secularism” – and has repeatedly affirmed the separation of church and state, for the benefit of both. By jealously guarding itself against close identification with any particular culture or political, economic, or social system, the Church not only promotes its universal commission, it also “can be a close bond between the various communities of peoples and nations, provided they trust the Church and guarantee it true freedom.”

America’s bishops have consistently stepped up to the plate on this one. They do not, perhaps, speak very often in approving terms of church–state “separation.” But that would be because “separationism” has now become a synonym for a secularism which the bishops rightly oppose. Now the manner in which the bishops should, and do, speak of the “two swords” is by championing religious liberty, especially (though far from only) by defending the rights of institutional ministries to give effective and integral witness to the truth of Catholic faith.

Indeed, the American bishops are proprietors (if you will) of a huge institutional infrastructure, and they rightly consider themselves responsible to speak in defense of them. In addition, a decent regard for the commonweal requires that the bishops give notice of the consequences
which they foresee and, even, which they will be obliged to help bring 
about by virtue of their obligation to bear perspicuous witness, of certain 
proposals for state action (such as Obamacare). We can now see, too, that 
the bishops promote CST precisely by teaching the truth about religious 
liberty, and the corresponding limited nature of the state’s competence in 
matters of the common good.

IV

Walking Through the Healthcare Debate. America’s Catholic bishops 
were conspicuous participants in the national debate over fundamental 
reform of the nation’s healthcare system. This debate culminated in the 
2010 adoption of the Patient Protection and Affordable Care Act, often 
called “Obamacare.” The bishops were right to be so involved. The reform 
proposal promised to reorganize a full sixth of the American economy. It 
was going to affect every American, every American Catholic included. 
The Church’s vast healthcare apostolate would also be seriously affected 
by comprehensive reform. The substance of the proposed reform 
implicated, too, some fundamental moral concerns, such as government 
funding of abortion. Depending on what any enacted law provided in these 
regards, the continued existence of Catholic healthcare institutions as 
perspicuous witnesses of moral truth might be at stake. Without adequate 
conscience exemptions, these Catholic apostolates might be obliged to exit 
the field, just as Catholic Charities had been obliged to do when local 
political authorities decided to require them to arrange adoptions for 
same-sex “married” couples.

The bishops’ mode of expression during the healthcare debate was, 
basically, the incompatibility genre. The USCCB repeatedly said that 
(quoting their October 8, 2009 intervention), “[i]f final legislation does not 
meet our principles, we will have no choice but to oppose the bill.” As 
USCCB President Francis Cardinal George stated after the fact: “[I]t was 
our moral obligation as teachers of the faith to judge whether the means 
pass moral muster.”

From the opening bell of the reform debate the bishops set down three 
moral requirements (the “muster”) for any acceptable reform bill. These
were no abortion funding, and health insurance coverage of all immigrants, and “adequate” conscience protection. Cardinal George said on December 9, 2009: “Failure to exclude abortion funding will turn allies into adversaries and require us and others to oppose this bill.” The bishops “support[ed] inclusion of all immigrants, regardless of status, in the [so-called] insurance exchange.” Even “undocumented immigrants,” according to the bishops, “should not be barred from purchasing a health insurance plan with their own money.” It was not so clear what “adequate” conscience protection amounted to, and where the nonnegotiable bar (of “adequacy”) was located. The USCCB repeatedly said or implied that any one of the three issues was a deal-breaker.

The bishops’ resolve was amplified by the unity with which they spoke. The USCCB spoke almost exclusively through three representatives, namely, Cardinal DiNardo and Bishops Murphy and Wester. They were, respectively, chairs of the Committee on Domestic Justice and Human Development, on Pro-life Activities, and on Migration. This is an ecumenical coalition as these things go; these three prelates come from parts of the conference which range from progressive to conservative. The three representative episcopal voices were one, insofar as all signed all the statements released on behalf of the conference. They stayed relentlessly “on message.” Their expression was muscular and spare. Their interventions have been terse press releases (normally, 200–300 words) applying the three essential criteria to the latest proposed version, and rendering judgment: thumbs up or thumbs down.

This remarkable set of circumstances gives rise to a worry, namely, that the tripartite litmus test was not so much a coherent, complex position held by all the bishops, so much as it was the stance of a coalition. I do not suggest that many bishops silently but in truth opposed coverage for immigrants or conscience protection, or that any bishop clandestinely supported abortion funding. I suggest instead that elevation of all three to equal status as deal-breakers was not so widely preferred by the bishops, save as the price of keeping the whole conference in line. Again: it is intuitively plausible to figure that the USCCB’s stance was a brokered position. Very likely some and perhaps many bishops truly held that all three nominated deal-breakers were genuine moral minima. But it is naive to think that all of the bishops thought so. And it is logically possible that
The bishops did not expressly pledge to support any bill which cleared the minimum moral hurdles. But they made noises which came so close to conditional support that one could reasonably have concluded that is precisely what they were, in fact, saying. The USCCB said, for example (on October 8, 2009) that they looked forward to working productively with Congress “toward genuine health care reform,” that they would “work tirelessly to... help pass real reform that clearly protects the life, dignity and health of all.” But nowhere did the bishops issue an unequivocal promissory note of future support. Cardinal George said, after Obamcare passed and in his final Opening Remarks as conference president: “The goal of basic healthcare for all continues to be a moral imperative... [B]ut it is not now and has not been up to the bishops to decide the means to realize that goal... for this is more properly the work of lay people.” Just so. In my judgment, however, the bishops should have made it clearer than they did during the debate that they operated strictly in the incompatibility genre.

Turning now to the substance of the bishops’ position, let us first consider the requirement of universal coverage for immigrants. Even assuming that universal coverage is required by justice, the bishops were wrong to say that the bill had to cover all immigrants – or else. I cannot think of any reason why a bill which covered, say, 90 percent of America’s immigrant population should be opposed for failing to cover the remaining 10 percent. Less than fully just legislation certainly can be supported without moral peril, even if we grant that the Church as such or at least its bishops’ conference does not wish to associate itself too closely with it (for fear of scandal or of giving false witness). Perhaps the bishops thought that universal coverage was a worthy ideal, and that they wanted to stand with the idealists on this one.

Cardinal George said (again, in his last Presidential Opening Address to the USCCB, in November 2010) that the “goal” of universal healthcare could be achieved by “many means: everything publicly funded, everything privately funded or a mixture of the two,” and that “any” of these “could be moral” and thus eligible for choice by “lay people.” He added that it is the laity who are in charge of “decid[ing] the best means to see to it that everyone is cared for.” Indeed. But it seems to me better to
say that universal coverage is an “ideal,” not a “goal” which all Catholics should affirm in the context of a legislative debate.

The reason for this reservation is that, while everyone is radically equal when it comes to life and health – mine is as good as yours and that of an immigrant is equal in value to ours – it does not follow from this moral truth that universal health coverage is somehow a moral truth too. Even if we say that universal coverage is an “ideal” – and in some sense it probably is – it could still be abandoned as a “goal” in many situations. These situations include but go beyond triage conditions, or where security concerns trump almost all other worthy social goals. In many other circumstances of want and need, too, conscientious Catholics could rightly judge that the worthy needs of all cannot be met, much less can they all be met for everyone. It is not hard to imagine societies past and present in which local authorities choose to feed and/or defend everyone, recognizing that medical care would thereby be seriously diminished. In less dire situations, those in charge of resource allocation could rightly decide to support maternal and neonatal and children’s medical services, to the practical neglect of care for the elderly. Besides, conscientious Catholics could rightly reject the “goal” for fear that it would dangerously expand the power of the state over the American economy and the American people, or bankrupt the American people. Or both.

The bishops’ position on abortion funding was consistent and clear throughout the debate. There was to be no such funding. Or else. I certainly agree that there should be no public funding of abortions. Here is one place where the bishops could have done more than they did. They should have explained why all such funding must be opposed, and then why any abortion funding was a deal-breaker, an injustice so great that the entire reform would be disqualified by it.

They failed in both respects. On the first, as to why: the bishops mainly appealed to the status quo. They justified their view chiefly by saying that the proposed reform would introduce a novelty where the Hyde Amendment and other laws had blocked it. They also said that funding would violate the consciences of prolife taxpayers. Neither argument is cogent. Novelty is morally neutral. And the taxpayer argument is unsound: all of us are required to pay for some public works which we think immoral. The keystone of the USCCB’s opposition should
have instead orbited very tightly around the moral truth that it is always wrong to will that any abortion take place. That much is established Church teaching, and natural moral reasoning shows it to be so. What remained was for the bishops to show how all the claimed rationales (of Catholic legislators, among others) for supporting abortion funding are rationalizations, subterfuges, and evasions. The bishops needed to indicate that there is no valid argument for the position that support for abortion is funding is not necessarily support for abortion. In other words, the bishops needed to show that no one could support abortion funding without willing that at least some abortions occur. This would have involved just the kind of act analysis and identification of pertinent moral norms which (as we saw briefly in part 1 above) the prescriptive mode puts on offer.

This was a case tailor-made for teaching in the prescriptive mode of expression. The bishops might have said: “Some people say that public funding just permits poor people access to the same services as rich people.” Or: “funding just takes the same number of (inevitable) abortions and moves them from the back-alley to the clinic.” Or: “the funding is meant for the safety of the surgical procedure; it is not for the abortion itself.” Then the bishops should have unmasked all these arguments as evasions, and concluded: one cannot support funding abortions without willing that some abortions occur, even if only as a means to an end.

Even so: the bishops should not have taught – as they seemingly did – that abortion funding required opposition to the whole reform. They could have said that Catholic legislators were obliged to oppose funding, and that if that specific matter alone were put to a vote, that any Catholic was bound to vote “no.” The bishops could further have said that all Catholic members of Congress (and any other Catholic in a position to make a difference) were bound to seek precisely that sort of referendum on abortion funding. In the end legislators were left with an up or down vote on a 2000-page bill, with its mix of the good and the bad. Perhaps the right answer was to oppose the whole thing. But there is no necessity or obviousness to it. Anyone can see that someone could and some probably did support the comprehensive reform in spite of the abortion funding provisions. The argument for opposing the whole bill depends upon much more than the exceptionless norm against willing an abortion. Many facts and several value judgments would have to be added to the nonnegotiable
moral norm against formal cooperation in abortion to sustain the conclusion that voting for the reform bill amounted to unjust material cooperation in abortion – which was apparently the bishops’ own conclusion.

But the bishops did not supply the middle terms of the argument. Nor could they in an authoritative way, for those additional essential considerations would surely include some matters (of fact and of moral judgment) which lay beyond their pastoral competence.

V

The Bishops Speak. My last criticism of the bishops’ interventions over Obamacare has to do with the manner in which they spoke. This is not a petty concern with locution or phrasing. It is rather about how the bishops appear to understand their purposes when they speak as teachers of CST. The bishops invariably intervened speaking as we, stating our position. Are they instructing the Catholic laity so that lay men and women may better do what Jesus calls them to do, which is to be gospel leaven in the midst of the temporal order. Are the bishops evangelizing the whole political order, so that everyone may come to know and to see what it is that Our Lord came to accomplish?

The bishops’ expressions during the healthcare debate indicate that they lost their grip upon these purposes. They did not instruct or evangelize. They simply announced a collective stance. They spoke consistently about what we – the bishops – could or could not or would support. To my knowledge there was never an assertion of the sort one would expect, namely and in so many words: Catholic faith requires, or No one may, or The Church holds, or All Catholic legislators must. The good news about this absence is that it may signal the bishops’ recognition that they were sailing far from port, that neither the gospel nor the natural law nor the requirements of social justice compelled the position that they took, and so Catholics could not be put under any duty to do as the bishops were doing. The bad news is that the bishops were sailing far from port, that neither the gospel nor the natural law.

Cardinal George spoke directly to this question of authorship and
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intent in remarks to the USCCB after the healthcare episode was concluded. He said: “We bishops have no illusions about our speaking for everyone who considers himself or herself Catholic; but that is not our job. We speak for the apostolic faith, and those who hold it gather round.” But if it was indeed the faith speaking then the bishops’ failure to make that abundantly clear – along with the consequent claims upon the consciences of Catholics – is all the more troubling. The USCCB appears to have offloaded onto the faithful a burden which should be borne by the bishops: of discerning what pertains to the faith and what does not.

The bishops’ manner of speaking during the healthcare debate adhered to a pattern of similar troubling address. In Economic Justice for All the bishops said that they issued a “personal invitation to Catholics . . . to shape a society that better protects [human] dignity.” Later they said that they had “presented the biblical vision of humanity and the Church’s moral and religious tradition as a framework for asking the deeper questions about the meaning of economic life.” They also said that “the twofold aim of this pastoral letter [was]: to help Catholics form their conscience on the moral dimension of economic decision making and to articulate a moral perspective in the general societal and political debate that surrounds these questions.”

In the year 2000 criminal justice pastoral the bishops declared that “[i]t is time for a new national dialogue on crime and corrections,” that “our tasks are to restore a sense of civility and responsibility to everyday life,” and that we need “new approaches” including “a Catholic approach” and the title is “a Catholic perspective.”

Cardinal Bernadin described the purpose of the deterrence pastoral as trying “to raise fundamental questions about the dynamic of the arms race and the direction of American nuclear strategy.” The letter was acutely responsive to “the public place the Church presently holds in the American civil debate,” and the “relationship of our Catholic moral vision and American culture.” “We wanted to provide a moral assessment of existing policy which would both set limits to political action and provide direction for a policy designed to lead us out of the dilemma of deterrence.”

These statements indicate that the bishops’ self-referential manner of address during the healthcare debate was no fluke. During that debate the
bishops did very little more than to state their stance, their position, their conclusion. In these earlier instances they do more. But the “more” that they do is no more authoritative than registering their judgment. They did not enter these earlier debates as authoritative teachers of the laity who are obliged to be guided by what the bishops say, because the bishops articulate requirements or entailments of the faith. In these earlier cases, the bishops expressed an opinion, offered a perspective, articulated a moral vision, all (so far as it appears) with a view to moving America and its political class toward a certain point of view. These essays have often been enlightening and helpful. But they are nonetheless not the sort of thing which the USCCB should be doing.

Perhaps the bishops are increasingly recognizing that the laity are not really interested in what the bishops say about social and political matters. (For what it is worth: I think this view of the laity is correct.) Perhaps the laity are formed by the same media voices and cultural influences that form most other Americans. (Again: true.) Perhaps that is why the bishops enter political debates more and more on their own account, speaking for themselves and as one important constituency or interest group. But just to the extent that this is so, a vicious circle comes into play. The laity do not listen, and so the bishops say more than they should, and in a manner in which they should not speak, to (as they see it) bring an authentic Catholic voice into the arena. But then the laity listen even less, to what they perceive to be the bishops’ political opining. And so the bishops feel more urgently the need to speak more than they should, and in a way which in truth invades the province of the laity.

VI

A Second Neglected Pillar of CST. John Paul II said in Evangelium vitae that “[e]ach individual in fact has moral responsibility for the acts which he personally performs; no one can be exempted from this responsibility, and on the basis of it everyone will be judged by God himself.” And so Romans 14:12: “Each one of us is to render to God an account of himself.” As the Congregation for the Doctrine of the Faith’s Doctrinal Note on lay participation in political life puts this same point:
“The social doctrine of the Church is not an intrusion into the government of individual countries. It is a question of the lay Catholic’s duty to be morally coherent, found within one’s conscience, which is one and indivisible. . . . There cannot be two parallel lives in their existence [spiritual and secular].”\textsuperscript{18}

It is thus pastoral care for souls which most fundamentally justifies and holds together CST. John Paul II rightly said (in \textit{Sollicitudo}) that the Church’s social doctrine “belongs to the field, not of ideology, but of theology and particularly of moral theology.” And so one might begin to suspect that the most important papal encyclical on moral theology since Vatican II – \textit{Veritatis splendor} – belongs in the CST canon. In fact, \textit{Veritatis splendor} contains the most important statement by the Magisterium bearing on social and political questions \textit{ever}. It is the keystone in the arch of CST, even though this statement is not about any of CST’s leading themes – solidarity, subsidiarity, and the meaning of the political common good. Nor is it about the economy or constitutions or “just wars” or Marxism or economic development.

In \textit{Veritatis splendor} 96 Pope John Paul II said: “When it is a matter of the moral norms prohibiting intrinsic evil, there are no privileges or exceptions for anyone. It makes no difference whether one is the master of world or the ‘poorest of the poor’ on the face of the earth. Before the demands of morality we are all absolutely equal.”\textsuperscript{19} Blessed John Paul offers this \textit{unicity} of morality as the basic measure of personal rectitude. But he offered it as more than that. In \textit{Veritatis splendor} 97 the late pope wrote that the “commandments of the second table of the Decalogue in particular – those which Jesus quoted to the young man of the Gospel (cf. Mt. 19:19) – constitute the \textit{indispensable} rules of all social life.” And: “[C]ivil authorities . . . \textit{never} have authority to violate the fundamental and inalienable rights of the human person.” There too: “[e]ven though intentions may sometimes be good, and circumstances frequently difficult, civil authorities and particular individuals \textit{never} have authority to violate the fundamental and inalienable rights of the human person.”\textsuperscript{20}

In \textit{Veritatis splendor} the Holy Father asserted that “genuine democracy” “can come into being and develop only on the basis of the equality of all its members.” The “master of the world” statement establishes this \textit{equality}; it supplies one powerful answer to the question: what does it
mean to say that all persons are equal in dignity? The answer is: when it comes to basic aspects of human flourishing which the exceptionless moral norms protect, every single human being is the equal of every other, both as beneficiary and as the bearer of moral duties.

As I said earlier in connection with the first neglected pillar of CST: it is not that the Church’s pastors do not speak of the “two swords.” They do so often enough in other words, principally by championing religious liberty. It is that they do not speak of it as the foundational component of CST that it really is. So too with the “master of the world” passage of Veritatis splendor. The bishops do speak of public authorities’ obligation to respect unconditionally the exceptionless moral norms, chiefly in connection with questions about the sanctity of life. But they do not speak as frequently or as forcefully as they should about it as the basic component of CST that it is.

VI

Conclusion. I should finally like to mention three more ways in which the USCCB could effectively promote CST. These suggested actions would promote CST somewhat obliquely. But they would do so, in my judgment, very effectively nonetheless.

The first is a matter of bishops’ keeping their own house in order. I do not mean here the USCCB, though it might need some work, too. I have in mind rather the Church’s branches which extend into and grow in the midst of political society. These are staffed overwhelmingly by lay people, whose competence is (unlike the bishops) precisely to “penetrat[e] and perfect . . . the temporal order through the spirit of the gospel.”

I speak here of institutional apostolates – chiefly, hospitals, universities, and social services. These bear the name Catholic. They are part of the Church. Diocesan bishops bear the grave responsibility under canon law and before God to be sure that which is called Catholic is, in truth, Catholic. These apostolates exist primarily not to teach or to heal or to serve. They exist primarily to carry the gospel to the world by teaching and healing and serving in a way that bears perspicuous witness to the truth of the Catholic faith. Apostolicam actuositatem 2: the laity’s
“temporal activity openly bears witness to Christ and promotes the salvation of men.” The record here is mixed, if it is not simply disappointing.

The second and third ways of promoting CST involve educating the laity, not about the content of CST, but of the unsurpassable – indeed, eschatological – importance of doing what they can to implement it.

The second is by preaching and teaching about *personal vocation*. This concept – or, rather, this reality – seems to have been rediscovered at Vatican II. But it continues to receive far less attention from the Church’s teachers than it deserves. Pope Benedict quoted these words of Newman at the beatification ceremony last year: “God has created *me* to do him some definite service. He has committed some work to *me* which he has not committed to another. I have *my* mission.”

This a distinct and unrepeatable assignment is one’s *personal vocation*. Pope John Paul II described it this way: “What is my vocation means in what direction should my personality develop, considering what I have to offer, and what others – other people and God – expect of *me*?” These are all unmistakable references to an individualized way of following Jesus, in season and out of season, in life’s choices, large and small. John Paul II wrote in 1992 that “each one of the faithful must be helped to embrace the gift entrusted to him or her as a completely unique person, and to hear the words which the Spirit of God personally addresses to him or her.” The “helpers” here are the Church’s pastors. They can help the laity to see all that they do – including their efforts to build a better world – as collaborating with Jesus in building up the Kingdom of heaven.

The third “oblique” way of promoting CST is by promoting greater understanding of and appreciation for the truths expressed in *Gaudium et spes* 39:

> When we have spread on earth the fruits of nature and our enterprise – human dignity, sisterly and brotherly communion, and freedom – according to the command of the Lord and in his spirit, we will find them once again, cleansed this time from the stain of sin, illuminated and transfigured, when Christ presents to his Father an eternal and universal kingdom of truth and life. . . . Here on earth the kingdom is mysteriously present; when the Lord comes it will enter into its perfection.
Among the many good effects of the greater lay confidence in *Gaudium et spes* 39 is the enhanced attractiveness – and the greater sense and point – of adhering to the “master of the world” passage no matter what the consequences, for it makes visible through faith uniquely important and everlasting consequences.

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2. *Quadragesimo anno*, 130.
3. My emphasis.
6. Here the dating is only a little less precise than it is with the advent of CST itself with *Rerum novarum*. In the beginning was the American hierarchy’s Pastoral Letter of 1919, authored by James Cardinal Gibbons, announcing the formation of the National Catholic Welfare Council (later, Conference), successor to the more *ad hoc* “War Council” and the first persisting *national* body of bishops. The aims identified there (see especially 20) show that the projected NCWC was expected largely to protect and further Catholic interests, and to better coordinate the activities of, if not quite to govern, Catholic apostolates and institutions.
9. Ibid.
10. *Immortale Dei*, 34.
The bishops’ sparse prose may reflect a lesson learned from the 1993–94 healthcare reform effort, the one instigated by President Clinton and tasked to the First Lady. (It was called “Hillarycare”?) The bishops may have learned that their staff simply could not issue pronouncements about every aspect of the bills – although they tried! I am reliably informed that one conference staffer was charged with writing evaluations of every single major bill/proposal, nearly every provision, and coming up with “this bill is marginally better than that one, which is marginally worse than the next one . . .” sorts of judgments. In that earlier instance the conference acted like a senior technical adviser to the White House Task Forces working up the reform measure. This whole approach was – thankfully – abandoned with Obamacare.


Emphasis in original.
Corporate Social Responsibility
and the Role of Business in Society

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In the decades since the collapse of communism and rise of the current phase of globalization, the world has witnessed the development of increasingly commercial societies in Asia, Africa, and Latin America, and seen millions of people lift themselves out of poverty. Business and entrepreneurship have played a significant role in this development. Yet the last decade has been marked by volatility, real estate and technology bubbles, ethical failures, and massive financial crises that have created skepticism about the role of markets and questioned the contemporary understanding of business. As Pope Benedict XVI wrote,

“Today’s international economic scene, marked by grave deviations and failures, requires a profoundly new way of understanding business enterprise. Old models are disappearing, but promising new ones are taking shape on the horizon. Without doubt, one of the greatest risks for businesses is that they are almost exclusively answerable to their investors, thereby limiting their social value.”

One of the dominant models of business ethics in the last several decades has been the corporate social responsibility (CSR) movement. The CSR movement is rooted in a “stakeholder” vision of business as opposed to a “shareholder” view. CSR proponents argue that companies have responsibilities beyond mere profit and have constituencies that extend further than the shareholders. The movement stresses what is often called the “triple bottom line” that measures profit, people, and the environment. CSR models do not reject the importance of profit but add to the “bottom line” the impact a corporation has on the environment and a
wide range of “stakeholders” which includes not only shareholders but also employees, consumers, the local community, and anyone on whom the operations of the company has an impact. The CSR model calls on corporations to be attentive to real and potential negative externalities that arise from its business operations, such as environmental pollution or other negative impacts on the community in which it operates, and to take an active role in the community by promoting social welfare and supporting charities and a variety of causes.

The CSR approach draws attention to several important elements. Corporations do have a social responsibility beyond profit, and have the responsibility to be attentive to negative externalities caused by their operations, and should attempt to prevent or mitigate them and make restitution when necessary. Corporations should pay attention to the unintended consequences of their actions and should see themselves as an integral part of a larger society with ethical and social responsibilities to that society. There is, as Benedict XVI noted in *Caritas in veritate*, “a growing conviction that business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production.” In light of the financial crisis that began in 2008, and the ethical failures of corporations in the early 2000s, this conviction has grown stronger, and there is an evident need for a renewed ethical dimension to business. As Pope Benedict noted in Lisbon on May 11, 2010: “The events of the last two or three years have demonstrated that the ethical dimension must enter into economic activity. Now is the time to see that ethics is not something external, but internal to economic rationality and pragmatism.”

While Catholic social teaching had not spoken directly about “corporate social responsibility” until Benedict XVI used the term in *Caritas in veritate*, there has always been an implicit understanding that businesses have a social responsibility beyond mere profit. We can see this in modern Catholic social teaching from *Rerum novarum* to the present, and in the Church’s long tradition of moral and social teaching seen in the ancient Fathers, and specifically in Saint Thomas Aquinas and throughout the scholastic period. While the CSR movement is only several decades old,
the idea of business as a “community of persons” deeply rooted in society with rights and duties is a part of the Catholic tradition.

The CSR movement highlights important concerns, and because of this there has been some enthusiasm for the CSR movement among some Catholic circles who see it promoting a holistic vision of business that fits in well with Catholic social teaching. At first glance this in understandable, yet a closer look the current CSR model has some serious problems that undermine a robust business ethics, misunderstand the nature and purpose of business and its role in society, weaken respect for private property, and often end up supporting causes that directly support activities that are morally evil. As Benedict XVI wrote:

Today’s international capital market offers great freedom of action. Yet there is also increasing awareness of the need for greater social responsibility on the part of business. Even if the ethical considerations that currently inform debate on the social responsibility of the corporate world are not all acceptable from the perspective of the Church’s social doctrine.5

While the CSR movement does encourage awareness of the social implications of business, I will argue that the current approach is deeply flawed and does more harm than good.

II

Critique of CSR. Perhaps the most well-known critique of the CSR movement comes from the late Milton Friedman, who wrote a scathing piece on CSR in The New York Times Magazine in 1970. Friedman’s argument was summarized in the title of his essay, “The Social Responsibility of Business Is to Increase Its Profits.” In this essay and in his book Capitalism and Freedom, Friedman argued that in a free society

there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.6
He argued that the corporation was not the property of the managers but property of the shareholders, and therefore the managers do not have the right to use other people’s property for a purpose other than that which was entrusted to them, even if it is to attain so-called social goals.7

Friedman makes some important points, but is incorrect to state that the “one and only social responsibility” of business is to make a profit. It is clearly one of the social responsibilities of corporations: profit is an important indicator of whether the business is serving the needs of others and whether managers are exercising good stewardship over the resources that have been entrusted to them by the owners (shareholders) of the company. This is one of the primary duties and social responsibilities to the shareholders who have entrusted them to be stewards of their capital productively.

However, making a profit is not the only social responsibility. Friedman himself maintains that corporations have a responsibility to obey the law, to not defraud, and so forth. These are not mere instrumental activities that serve profitability. They are clear social and moral responsibilities of the corporation that, if disregarded, have a negative impact on the common good and undermine the moral fabric of a free society. The actions of businessmen and women are moral actions that have repercussions on themselves and on the larger society. Business is not somehow morally different from other types of activities. Following the “rules of the game” is a social responsibility of business.

Secondly, because business operates within society, it has the responsibility to be attentive to any possible negative externalities that may arise – whether it be environmental pollution or something that significantly reduces the quality of life or harms the moral ecology of the area – and business should be ready to remedy these situations and/or make restitution. For example, if a corporation pollutes the local river by its use of pesticides and so directly causes illness, it has the responsibility to make restitution to those individuals or communities negatively affected. Indeed, it could be argued that such restitution is merely making up for the business facing what might be described as “incomplete rules of the game”: if the government does not properly protect people’s property rights, businesses should not simply ignore those rights. Simply making a
profit for shareholders does not fulfill the social responsibility of corporations. These types of negative externalities motivate the CSR model of the “triple bottom line,” even if it has, as I will argue, been deeply compromised.

Further, while profit is important, this idea misses the underlying purpose of a business. Catholic social teaching understands businesses as communities of persons that produce goods and services that meet human needs (that is, benefit society) and meet the needs of the people working in them. As John Paul II writes:

The Church acknowledges the legitimate role of profit as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm’s condition. It is possible for the financial accounts to be in order, and yet for the people who make up the firm’s most valuable asset to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm’s economic efficiency. In fact, the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society. Profit is a regulator of the life of a business, but it is not the only one; other human and moral factors must also be considered which, in the long term, are at least equally important for the life of a business.

III

CSR and the Problem of Private Property. While Friedman’s understanding of the social responsibility of corporations has limitations, he makes the important point: corporate philanthropy amounts to managers using someone else’s private property to achieve social goals that are distinct from the ends and purpose of the business. A public company does not belong to the managers, but to the shareholders. Friedman argues that “a corporate executive is an employee of the owners of the business.
He has direct responsibility to his employers. . . . [I]n his capacity as a corporate executive, the manager is the agent of the individuals who own the corporation or establish the eleemosynary institution, and his primary responsibility is to them.”

When a corporate executive uses company funds that belong to shareholders to support a particular cause, it raises a serious question about the fiduciary responsibility of the managers not just to the shareholders but to other stakeholders. As Friedman notes, when a corporation engages in philanthropy, “the corporate executive would be spending someone else’s money for a general social interest. Insofar as his actions in accord with his ‘social responsibility’ reduce returns to stockholders, he is spending their money. Insofar as his actions raise the price to customers, he is spending the customers’ money. Insofar as his actions lower the wages of some employees, he is spending their money.”

One of the replies to the objection that CSR is a violation of private property is that shareholders are aware that companies have CSR policies and therefore give implicit approval to corporate philanthropy when they purchase stock. As noted above, shareholders may not simply try to maximize profit, but this observation seems to fail to address the problem on a number of levels. Firstly, just because people are aware of something does not make the action morally acceptable. Secondly, CSR has crept in as a social norm over time, and many individual shareholders and pension fund holders know very little about it, and some bought stock before it was widely accepted. Further, individuals or even funds of shareholders have very limited means to alter a system dominated by very strong interest groups and activists. I will discuss the interest group problem below. One could argue that the only real form of protest against CSR is through a choice not to buy stock of a certain company, and it is certainly practical for shareholders to exercise that option. A possible alternative solution could be a type of “opt-out” clause where shareholders could choose to participate or not to participate in corporate philanthropy and the “losses” or “expenses” of CSR would fall only on those shareholders who “opt-in” – yet sorting out the value or losses from CSR would be impossible. This is especially so, as customers might value certain actions taken by the company under the guise of CSR, and so those actions may raise sales and profits. In this case, it should be noted, CSR does not
achieve anything different from a policy of profit-maximization.

Another problem related to the property rights issue and corporate executives engaging in corporate philanthropy is the problem of subsidiarity. The responsibility of charity lies first with individuals and families, not corporations. It is sub-optimal at best to outsource charity to corporate executives who neither are close to the problem, nor have any apparent competency for doing charity. When corporations give out philanthropy the effect is that the owners’ profit is reduced. This in turn reduces their capacity to engage in charitable work and increases the likelihood that charity will be captured by powerful interest and pressure groups.

The private property argument is one of Friedman’s strongest critiques of the CSR model – at least with regard to the corporate philanthropy element – and should be taken seriously by those concerned with business ethics and the social role of business – especially those who work within the traditions of Catholic social doctrine. Modern Catholic social teaching beginning with *Rerum novarum* takes the issue of private property very seriously. Leo XIII makes gives a long defense of property in *Rerum novarum* that is echoed by other modern popes. Furthermore, private property is presupposed in the Decalogue, clearly understood in the Old and New Testaments, and strongly defended by Saint Thomas Aquinas. The idea of charity itself presupposes that we are giving something that belongs to us. We cannot be properly “charitable” with someone else’s property.

**IV**

*Four Additional Critiques of CSR.* In addition to the private property critique of CSR I will discuss four other overarching weaknesses of the way CSR is commonly understood and practiced.

*Relativism.* The first and fundamental weakness of the current CSR approach, and one that is at the root of most of its other weaknesses, is a lack of any coherent ethical vision based on a robust concept of truth and the existence of clear moral absolutes. The problem of relativism is a
problem that plagues much of modern ethics, and it is no surprise that it finds its way into applied ethics in the field of business. We see the same problems in politics, education, and medical ethics.

One of the dominant methods of teaching ethics in business schools is to set before the student a variety of ethical approaches and encourage them to choose one. Ethical relativism is so widely accepted and ostensibly inescapable that the only option is for individuals to choose paths that “follow their own integrity” or to come to some agreement how corporations should be “good corporate citizens.” The CSR movement is a product of genuine concern about the role of business in society mixed with relativism that generally avoids controversial issues that deal with moral law. It therefore ends up reducing ethics to whatever is socially or politically fashionable. Since people disagree about morality and a vision of the good life, CSR turns its attention to those things that are currently socially in fashion. Thus we see quite a bit of CSR focused on environmentalism, support for popular charities, and the promotion of diversity.

The idea of the “triple bottom line” has much to commend, but unless it is rooted in a clear ethic of right and wrong and one that accepts the existence of moral absolutes, the “bottom lines” will be dominated by current fashions and fads rather than by what is actually the right or most prudent course. This is precisely what happens in much of the CSR movement.

This underlying relativism plays out in several ways. Firstly, it is a distraction from serious reflection about ethics. While there are some unique problems that are specific to business ethics, in general most of the issues in business ethics revolve around perennial ethical issues such as lying, stealing, cheating, fraud, greed, avarice, lust for money, sexual misconduct, and so on. As John Maxwell’s book title aptly states, *There Is No Such Thing As “Business Ethics.”* The dominant CSR approaches provide very little in the way of a foundation to address moral issues because there is no coherent vision of truth or the good. Any business ethics worth its salt must engage key moral issues and should provide a template to resolve – or at least engage – them whether it be a religious authority (for example, this company abides by the moral standards set out in the Bible or the Koran); a natural law approach; or other philosophical alternatives such as the Kantian categorical imperative. The CSR model’s
underlying relativism provides no means to discuss moral issues beyond fashion, the assertion of emotion, or personal predilection.

As noted above, a lack of a coherent and robust understanding of truth often results in CSR models substituting ethics with fashionable social policy. We can see the evidence of this through the types of programs, charities, and movements that receive support from many of the companies that practice CSR. While the impression of CSR is that monies are going to needy organizations or to support clean environments, even a cursory look at corporate philanthropy reveals the tendency for philanthropy to be directed toward those causes which generate the most publicity or that can exert pressure on a corporation.\textsuperscript{14} A less insidious explanation may be that the people who fill CSR roles at corporations tend to come from backgrounds and worldviews that support these policies, though this is only speculation.

Attention to the external impact of a corporation is a positive development. Yet even more important for business ethics is attentiveness to the ethical behavior within the company and the individual and personal moral responsibility of executives and employees. Fashionable social policy is not business ethics. Thus we have seen how CSR regimes have been often ineffective in dealing with ethical problems. Enron is a perfect case in point. The energy company was well known for a very active CSR program but was unable to deal with a culture of lying, fraud, sexual promiscuity, and cheating that brought down the company and financially destroyed thousands of employees and shareholders. When ethics is reduced to philanthropy, it creates an easy path to moral breakdown because one can equate morality with charitable giving and supporting the right causes rather than with following ethical norms of right and wrong. Supporting a clean environment is good, but it is not a substitute for personal moral responsibility, which requires a commitment to truth and clear standards of right and wrong.

\textit{CSR Misunderstands the Social Nature of Business.} The second major flaw of the CSR movement is that it misunderstands the social nature of business and fails to appreciate sufficiently the positive contributions that business makes to the common good.\textsuperscript{15} This misunderstanding manifests itself in a number of ways.
One of the common themes in discussions of CSR is that of businesses “giving something back” to the community. As noted earlier, firms do indeed have a social responsibility and duties to the communities in which they operate. However, the idea that firms need to “give something back” reveals an attitude that presupposes that firms have somehow taken something away from the community in the first place – that their success was somehow built on the backs of the community and that they now “owe” the community something because they were able to succeed as a business.

While it may be true that a company is able to be successful because it enjoys an attractive business climate, secure property rights, a just and efficient legal system, an educated workforce, and so on, the firm fulfills its duty (that is, gives back to the community) by being a successful company. Indeed, in such an environment a business, in the course of business activity, will be giving something to the community. It tends to be in environments where property rights are poorly protected and legal systems are corrupt that businesses are able to benefit at the expense of the community. In making profits – which provide incomes for owners – through producing valuable goods and services, the business is doing something for the community by being a business. There are subsidiary benefits, too, such as the creation of jobs, the payment of just salaries to those bringing up families, and the development of roots in a community that allow corporations to contribute to the economic and social well-being of the community in a significant way. The business has already given much to the community by being a business.

While the contributions of business go beyond mere economic contributions, it is within the economic sphere that businesses have the most competence and proper role. There are other organizations that contribute to society in other ways, and there is no reason for business to undertake those roles, too. Business plays an important, though specific, role in society, and its main contribution to society is, and should be, in the economic sphere. This is where the bulk of its social responsibility is found. An analogy to churches may be helpful. While churches do indeed benefit the economy by encouraging ethical behavior, strong families, and responsible individuals, all of which have economic benefit and create a culture of trust and lower transaction costs, this is not the primary role of a
The primary role of a church is spiritual, not economic. A church need not confer economic benefit on society in order to justify its existence any more than a business need confer spiritual benefit. One of the underlying problems of the CSR movement is the confusion over the different roles and responsibilities that different individuals and organizations have in society. This is often made manifest in the language of business as a family. A business is many things, it does many good things, and it can provide the context for friendship, belonging, and support, but it is not a family. An essential misunderstanding within the CSR approach is that it can tend to see business as having to play a multitude of roles that are outside its competence. Just as in a family the mother, father, children, and grandparents each have different roles, it is also the case that business, churches, mutual aid societies, schools, the government, charities, and so on have different roles and areas of competence within a society. Generally, this is reflective of a general lack of appreciation for the principle of subsidiarity which would help inform a more organic demarcation of the roles and responsibilities of different groups within society.

The idea of giving back also ignores the many positive externalities that business brings to a local area, building and enriching communities beyond the economic sphere. Most notable is the social cohesion and stability that occurs when employment levels are high and relatively secure. Many cities compete to attract a variety of businesses and industries precisely for these economic and social benefits – to keep employment high, give opportunities for families to stay nearby and not have to move to find work, and to increase tax revenues for public services and cultural development. The importance of business to the community becomes evident when we see the often disastrous impact on communities when businesses relocate. For example, think of formerly thriving manufacturing cities such as Detroit, which has seen its population decrease dramatically in the last decades. Using the same “give back” rubric, one could argue that communities should “give back” to businesses. Does the community owe more to the business than secure private property rights, good public services, and a fair legal system? Should people in the local community who benefit most from the business decision to operate in their area pay additional fees beyond the market
price because they receive additional benefits? This does not even include the charitable and philanthropic work of business owners who give often money and time to charities and cultural endeavors. In the city where I live, for example, there is a world class ballet company, hospital and research facilities, nonprofits, museums, botanical gardens, music facilities, and public and private university facilities. This is not because of government money, and it is not primarily because of CSR. Many of these endeavors are supported by private donations from successful local business owners and their families, who have a personal commitment to the community and want to make it a better place in which to live. If I live in a specific town, should I pay more for the goods and services that these companies produce since I reap additional benefit beyond the goods or services themselves? Does a community have the responsibility to “give back” to the business? Of course, the answer is “no.” But the point is that there is a natural symbiotic relationship that exists between different members and organizations within a community whereby all benefit one another by operating within their spheres of competence and their proper roles.

Related to this idea of giving back to the community is the idea that a corporation has a debt or somehow “owes” something to the community because it received a license or permit to practice business in a particular area. But this confuses a license or the registration of a business with the legitimacy to engage in business. Business may need a license or permit to operate in a certain area and will most likely need to register the business for tax, legal, or regulation purposes. Though this can be overly burdensome, the ability to register a business is generally positive for economic development. Yet this registration or license is not the same as legitimacy. The legitimacy to start and operate a business derives from the natural right of free association which follows from the social nature of the person. The natural right of free association was developed in Contra Impugnates, where Saint Thomas Aquinas defended the rights of the mendicant orders to teach and operate universities. Aquinas’s argument became one of the foundations for Leo XIII’s defense of the right of unions in Rerum novarum. Persons have the right to join together to take care of themselves and to engage in something for which they are competent and which benefits the common good. Thus, there is not an
absolute right of free association: people do not have the right to form a gang that intends to create mayhem, for this form of association destroys the common good. Nor does the right of free association mean that people have the right to join together for the purpose of moral evil. The state may also take certain actions to limit freedom of association if the members are working outside their sphere of competence. For example, not all members of the public have the right to set up a hospital. Whether and how such freedom should be limited is a prudential matter to which Catholic social teaching does not have a definitive answer.

Like trade unions or other voluntary organizations, the legitimacy of a business does not come from the state but from the right of free association. There are countries with a Catholic tradition that have experienced eras where business had to have a license to operate, and such licenses were often restricted so that effective statutory monopolies were established. One can understand why the concept of “giving something back” could arise in such situations. However, such statutory restrictions are not, in themselves, desirable.

There is indeed a duty that comes with this right of free association. Much of this has been mentioned earlier, but business has the duty to obey the moral law, obey the law of the land, treat employees justly, not destroy the environment, and produce goods and services for which people are willing to pay. A business does not have the right to exist no matter what. Hence, if no one is willing to pay for the goods or services a company may go out of business. As long as the business fulfills its duties noted above, it retains its legitimacy from the natural right of free association and not from the state or local municipality.

**CSR Introduces Transaction Costs and Corrupts the Moral Ecology of Business.** The third major problem with the current CSR model is that its focus on charity and “giving back” can end up becoming a transaction cost and, in its worst case, a type of legal protection racket where companies give out charitable donations (that is, pay-offs) to various types of interest groups in exchange for positive public relations and/or not being bothered at shareholder meetings.²⁰

There is an understandable public relations dimension to certain donations that support local charities or public sporting events. This can
demonstrate a firm’s commitment to the community in which it operates and can have a net positive effect on profitability. However, we should label these activities “public relations” rather than “social responsibility.” In addition to these types of company donations, there are often much more insidious types of donations – both from a general viewpoint and especially from the viewpoint of Catholic moral and social teaching.

Some of the fruits of the CSR movement have already been mentioned. An examination of corporate philanthropy reveals that many of the recipients are politically correct causes or powerful interest groups such as Greenpeace, the Sierra Club, UNICEF, and a number of gay and lesbian organizations. From a Catholic moral and natural law perspective, much worse than the political correctness is that some of the recipients actually fund and promote intrinsic moral evils. Planned Parenthood, for example, has received corporate donations from a number of large, well-known corporations. Additionally, while some of the organizations who receive corporate philanthropy are needy schools or charities, this is not always the case. One could reasonably doubt the level of need of organizations such as the National Wildlife Turkey Foundation and the New York City Gay Men’s Hockey League, which were reported to have received corporate donations from Tyco and Time Warner, respectively. The fruits of CSR giving in practice are less than promising.

In addition to the morally problematic issues addressed above, we also can see “charitable” donations going to a host of different types of interest groups. CSR donations can become a type of “protection racket” whereby corporations feel that they need to give “donations” to a wide variety of interest groups to avoid public relations attacks or shareholder activism. Thus, we see corporations paying off all sorts of interest groups – often those that are socially fashionable or adopting and promoting their programs. Support for CSR causes can become a cost of doing business in developed economies, much like a bribe to a local government official is a “normal” cost of business in much of the developing world. Certain elements of the CSR movement end up being a highly sophisticated and institutionalized type of “protection racket” to pay interest groups to leave them alone. These types of payments undermine the moral foundations of a free economy and do not promote a socially responsible way of doing business or using company profits. Such activities often tend to reward the
very people who fail to recognize the positive contributions of business to the common good and incentivize the type of shareholder activism that is used as a type of thuggery to intimidate corporations. It should be noted that any group has the right to campaign about issues that concern it. Similarly, companies have the right to use funds to support such groups, as long as management is transparent in accounting to shareholders. However, we should not pretend that such support is exercising a form of “social responsibility.” Once again, such support is a sophisticated form of public relations – though often focused on rather narrow interest groups.

A New Model of CSR. The final flaw or weakness of the current CSR movement is more of how the current model of CSR detracts from the actual social responsibilities of business to contribute to and help sustain a free economy and a virtuous citizenry. Some critics of CSR have tended to “throw the baby out with the bathwater” and reject CSR in general. But, as we have discussed, there are clear social responsibilities of businesses; the problem is they are rarely if ever discussed within the current CSR framework. I can only give a sketch of these here.

Businesses should help to maintain a free, competitive, and just market economy that enables innovation and allows new entrepreneurs to compete fairly. Big businesses must resist the temptation to look to governments for protection or try to influence regulation in their favor through lobbying. A great deal of the financial crisis of 2008, as well as the anger that it generated, was the result of crony and managerial capitalism where big businesses and government colluded, often at the expense of others. One of the social responsibilities of business is to resist the temptation to “partner” with governments. This may mean short-term losses – and even being overtaken by competitors – but it has widespread and long-term benefits for consumers and society. Businesses clearly have the capacity and competency to do this, and this type of action falls more precisely within their role as a business than trying to support social causes.

Businesses should promote a healthy moral ecology by eschewing crass, vulgar, or sexually objectifying advertising. The type of free enterprise system that John Paul II speaks about in *Centesimus annus* requires a moral culture to support it. As noted above, families,
churches, and schools have a primary role in creating the moral culture, but business has a role to play as well. This is especially strong in the area of advertising. Business should avoid advertising strategies that undermine parental authority, objectify women, or appeal to base desires merely to sell a product. While the motto “sex sells” may be true, it also weakens the moral foundations of a society, encourages promiscuity, and can break down marriages – all of which have serious social, moral, and economic costs. Companies would do much more for society and for children by monitoring their advertising than by giving money to schools.

Omni Hotels is an example of this proper type of social responsibility. Omni made the decision to not offer pornography in its hotels because of pornography’s negative effects on women, men, marriage, and children. Omni made this decision realizing that it would lose money, but it thought the social benefits would far outweigh the losses. This is an example of real social responsibility: a private business, in an area where it has competence and influence, making a decision to choose a moral good over profit. This can be contrasted with other hotel companies that sell pornography but fulfill their CSR by supporting fashionable causes. In the end, as it happens, Omni did not lose money as a result of this decision. It is important to notice that the decision to avoid pornography was rooted in a nonrelativist ethics that sees pornography as something that is morally disordered, not merely something that is a choice. There are many other examples of where corporations can promote the common good in a way that fits within their business strategies, remains within their competence, and respects the moral law.

V

Conclusions. In a global economy, business will continue to play an important role in society, and, as Pope Benedict XVI notes, we need to rethink the ethical understanding and place of business within society. The CSR model in its current relativist form does not achieve this end, and it distracts from serious discussions about business ethics. While recognizing the importance of profit, the tradition of Catholic social teaching is quite clear that businesses do indeed have a social responsibility beyond
profit. The current model of CSR has raised awareness and encouraged serious reflection about the social responsibilities of business. Nevertheless, as it is understood and practiced by many, the CSR model fails to understand the nature of business and society. It misses the actual and potential contributions of business to the common good. At best, it becomes a distraction for serious reflection on ethics in business. Even worse, CSR actually undermines true business ethics; is largely ineffective; substitutes fashionable social policy for real ethical reflection; creates a “protection racket” culture; increases transaction costs; breaks down a healthy and moral business culture; and funds morally evil social causes that do real harm to all aspects of society. Furthermore, and quite ironically, because CSR is captured by current social fads that tend to be suspicious of business and markets, businesses are distracted from the real possibility to assume their authentic social responsibilities and contribute to the common good where they are most competent. Any serious discussion of CSR must begin with the existence of definite truth and recognition of the existence of moral good and evil.23

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1 Caritas in veritate, 40.
2 Ibid.
3 Saint Thomas and especially the late scholastics in Salamanca dealt in a detailed manner with all sorts of ethical questions with business, trade, exchange, price, and so on. See, for example, A. Chaufen, Faith and Liberty: The Economic Thought of the Late Scholastics (Lanham, Md.: Lexington Books, 2003); and
4 Centesimus annus, 35.
5 Caritas in veritate, 40.
7 Friedman distinguishes between public and private corporations and makes an allowance for private companies to do what they wish with the money because it is their property. He writes: “The situation of the individual proprietor is somewhat different. If he acts to reduce the returns of his enterprise in order to exercise his ‘social responsibility,’ he is spending his own money, not someone else’s. If he wishes to spend his money on such purposes, that is his right, and I cannot see that there is any objection to his doing so. In the process, he, too, may impose costs on employees and customers. However, because he is far less likely than a large corporation or union to have monopolistic power, any such side effects will tend to be minor.” Friedman, “The Social Responsibility.” However, it is worth noting that even the owners of a shareholder business may have objectives other than the simple one of profit-maximization – but this should be a matter for owners to determine and not management.
9 Centesimus annus, 35.
10 Friedman, “The Social Responsibility.”
11 Ibid.
12 See Leo XIII, Rerum novarum, 6ff.
13 Saint Thomas Aquinas, Summa Theologica II-II, q. 66, a. 2.
14 See below where I list some of the types of organizations that receive corporate philanthropy.
15 Again, see Christian Theology and Market Economics.
16 Ibid.
18 The ability to register a business is an important facet for development. In many developing economies small business owners find it especially difficult and highly
expensive to register a business and therefore are often relegated to the informal sector of the economy. See for example H. De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (London: Black Swan, 2000).

19 Leo XIII, *Rerum novarum*, 49ff. I am thankful to Russell Hittinger for this insight.


21 See *Centesimus annus*, 42.


23 This essay is based on a paper I gave at 2006 conference sponsored by the John Ryan Institute and held at the Pontifical University of Saint Thomas (Angelicum) in Rome, titled “The Good Company: Catholic Social Thought and Corporate Social Responsibility.” I am thankful for the questions and critiques I received at that conference, as well as from my colleagues S. J. Gregg and C. L. Romens.
Is the Market Moral?

William McGurn
News Corporation

Is the Market Moral? That’s an interesting question. Every day we say “the market does this” or “the market does that” or “the market should do this.” Most of the time, we say this without ever defining what “the market” is.

One of the dangers of speaking this way is the danger of confusing “the market” with an actual thing. To the contrary, we must keep in mind that “the market” is no more than convenient shorthand for the gazillions of transactions and interactions that occur every day among people going about the business of life. To put it another way, the market is about people interacting with one another commercially – which is to say, socially.

The essence of the market as social arrangement for real human beings is crucial for understanding how it works. In my experience, too many discussions of the market – even by those of us who defend it – start off with the assumption of the “profit-maximizing individual” at the bottom of it all. I’ll have more to say about this in a bit. For now, let me just say that while I have met more than my share of deranged people over the course my life, I have yet to encounter a “profit-maximizing individual” in the flesh.

So the first point to appreciate about markets is that they are by definition social. You can’t have a market in a Robinson Crusoe economy: It takes two to trade as well as to tango. Without other human beings, none of the things economists talk about can exist. No division of labor, no comparative advantage, no economies of scale, and so on.

If you start with this perspective – that markets are social rather than individual – you begin to see challenges in a new light. You see why trust is critical: it’s much harder to make a deal if you really don’t trust the person on the other side of it.

You might also see, as Pope John Paul II did, that among the greatest moral challenges of our day are the millions and millions of poor people –
or poor countries – excluded from the global trading network. Typically that happens when wealthy countries like ours close our borders to the goods and services produced by people from poor countries. We call that protectionism – and it’s one of the nastiest things a rich country can do to a poor one.

The social aspect of the market might also help explain why John Paul II spoke so often about anthropology when he spoke about markets. By now the whole world knows that this pope was a tremendous foe of socialism – and played a huge role bringing down the Berlin Wall and the Communist Empire behind it. We need to remember that when the pope spoke of socialism’s failings in *Centesimus annus* – his most specifically economic encyclical – he didn’t talk about its failings in terms of supply and demand, Keynesian multipliers, or high marginal tax rates.

To the contrary, the pope put it this way: “the fundamental error of socialism,” he said, “is anthropological in nature.” In other words, socialism’s failure was at its root human and moral rather than economic or scientific.

As a Pole who had tasted first-hand socialism’s failure in most every aspect of life – from bad food and bad housing to bad services – the pope had every reason to describe those failures in conventional terms. Instead, he deliberately chose the word “anthropological.” By this he meant that socialism was destined to fail not because its experts got the price of steel wrong or didn’t satisfy consumers. In his mind, it was destined to fail because the whole thing rested upon a false assumption about human nature.

Which leads to my second point, also often overlooked. If socialism failed because it was based on false assumptions about human nature, the implication is that an economic system that works would be one more attuned to our true human nature.

That sounds like a tautology, but it isn’t. Many Catholic leaders seem to have a Manichean understanding of the market. That is to say, they know it works better than the alternatives – but they think it works because it is founded on greed.

Ask yourself this, however: What kind of God would create that kind of world?

Certainly not a Creator that Aquinas would recognize. Behind the
classic understanding of virtue are two ideas. First, that as individuals, the cultivation of virtue makes us more fully human. Second, that the more virtuous a society is, the better off that society is.

This second part is crucial. For example, it may benefit me, materially, to steal something and get away with it. But even a successful bank robber is not in favor of a society where everyone can steal. He profits because he’s an exception. The flip side of this is that we’re all better off in a society where no one steals. That’s true for every virtue I can think of. That is to say, the more virtuous a society is, the better off it is.

So a society that is better off only because people are greedy strikes me as a very perverse idea. In my mind, it’s more accurate to say that the market succeeds not because it is based on greed but because it does not require angels. In the market, transactions are free and voluntary. Generally that has its own enforcement built in. On its own it’s not going to stop people who lie, cheat, or steal. It does, however, have its own incentives. People who do those things get a bad reputation – and people who get a bad reputation lose customers and can go out of business.

John Paul had something to say about this. In answer to the direct question whether, with the collapse of socialism, capitalism should now be the goal, he gave this answer:

If by capitalism is meant economic systems which recognize the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free creativity in the economic sector, the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a “business economy,” “market economy,” or simply “free economy.” But if by “capitalism” is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.

This may be getting too abstract. The point is that Pope John Paul didn’t get hung up on profit or private property or interest but the context in which these things – which can be very good things – are exercised. Perhaps a better way of putting it is that the measure for Christians is to
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ensure that the kind of capitalism we practice is a human one.

That does not mean – as too many Catholics have believed over the years – that the capitalism that the pope has in mind is one with all sorts of regulations to prevent it from working the way it naturally would. More fundamentally, it means a capitalism whose morality is shaped less by the force of rules and restrictions than by the influence of a larger culture grounded in a true appreciation of human nature.

There’s a parallel with democracy. Democracy is mostly a wonderful thing. That doesn’t mean that the majority will always be right. Sometimes majorities favor bad things. No doubt this was true in America during the many years we recognized slavery. I believe it may now be true with regard the American public’s attitude toward the legality of abortion.

In other words, the moral worth of democracy is not that it will always yield the perfect outcome. We allow its shortcomings because we recognize that it tends to serve the higher cause of human freedom. It does this because it emphasizes responsibility and accountability: the responsibility of citizens for their government, and the accountability of leaders to those who are governed.

That’s especially true when a free vote occurs in a free society where the rule of law obtains. Even where democracy goes wrong, it too generally operates to limit the damage by giving us a huge correcting mechanism: the next election. In like wise, no one forces you to buy a Chrysler or invest in Microsoft. They have to compete for your dollars.

Whether we citizens in fact use the mechanisms we have to the good depends in turn on the larger environment within which our governments and businesses operate. That in turn depends on virtues that a free market and a free polity both depend on – but cannot themselves produce.

Let me be clear: I am not a libertarian opposed to government. To the contrary, I believe in very strong government but highly limited government. My reasons are at once practical and philosophical: Practical, because the government’s actions are as susceptible to misjudgment and abuse as anything in the private sector. Philosophical, because in the end government – unlike the market – depends on the power of force, which is the worst way to achieve moral ends.

The danger can come with a friendly face and in the name of good. Take minimum wage laws. How many here realize that historically
minimum wage laws have been used to prevent black and yellow people from competing with white labor?

So if I sound more skeptical about the possibilities of government getting it right, it’s because I don’t believe that ethicists, especially Christian ethicists, bring nearly the same skepticism to government that they do to markets. Let’s take another example, one that is all around us: our public schools.

For the majority of white Americans, or at least the majority of people in suburban public schools, the public schools work reasonably well. At least it does in affluent, suburban New Jersey where I live. But if there were ever an instance of government failure on a massive scale— a failure that is inflicting cruel and appalling human costs on whole generations of children— our urban public education system would head the list. When that failure is broken down by race, moreover, it constitutes arguably the biggest civil rights indictment of our times. Take a look at what the children of Detroit have to look forward to.

In any economy this would constitute a tremendous economic and social problem. In a globally competitive economy such as ours, which places an increasing premium on know-how, it means our inner-city public schools are effectively condemning the majority of black and Latino children to a life on the fringes of the American Dream. And they are writing them off as early as the age of ten or eleven.

I do not claim that there is one easy solution for this problem, much less one Christian solution. I do want to use it to illustrate my larger point that when we have a problem we can’t simply assume, as so many do, that the government will come up with the answer. The government is capable of screwing it up even when it’s trying not to. Good intentions are not enough. And when tethered to an unworkable public policy, good intentions can be cruel.

Worse is that when government messes up, correction is very difficult. If a restaurant served bad meals with the frequency that the Detroit public schools serve up bad educations, it would soon go out of business. Again, that’s because the market has some accountability.

The market also has incentives: If a business uses his position as the only game in town to provide inferior products or gouge people with inflated prices, that only creates an incentive for someone else to come in
and attract customers by offering a good product at a fair price. That’s the real reason “markets” work where socialism fails: in the market, success is rewarded.

Let’s compare this with the business scandals we have seen. Certainly the market didn’t prevent Enron or Bernie Madoff from happening. Some of the schemes were intricate. But there’s nothing really exceptional: Basically, they either cooked the books or stole money that wasn’t theirs. Many rightly ended up in jail. By contrast, we have the public schools that have been failing for decades and the effort to reform them is like fighting Guadalcanal, inch by bloody inch. And we’re not winning.

The relationship between buyer and seller, of course, is not the love of neighbor commanded by the gospel. But it is not as far removed as we might think. In the market we at least expect to be treated decently, as opposed to, say, a trip to the local post office.

So does that mean we trade in the gospel of Saint Matthew for The Wealth of Nations? Hardly. The market may be beneficial. However, there are things that it does not do well — and most of these things it does not do well because it is not supposed to do them at all.

Indeed, precisely because the market excels at efficiency, there will always be a need to check its tendency to extend its writ beyond the things useful to human beings and start applying it to human beings themselves. We can have our own examples: I think of the abortion industry, what now looks to be the rise of a human cloning industry, the porn industry, the sex-trade industry, and so on. In business terms, all these industries can be efficient. In some cases, they are frighteningly efficient.

So what is the answer? For too long many of us believed it was some golden mythical mean between the “extremes” of capitalism and socialism. For years Catholics called this the “third way,” which was either thought to be something that injected humanity into capitalism or injected efficiency into socialism. Unfortunately, freedom isn’t some halfway house. In practice, as the former president of the Czech land so dryly put it, “The third way was the fastest way to the third world.”

John Paul, if you notice, did not talk about so much about regulating capitalism but about positioning it within a larger culture that helps define both its proper ends and its means. If we shy away from this, it’s because we know that changing cultures is a lot harder than changing laws. And
the effects are often visible only in the long term.

In the nineteenth century, Britain outlawed the slave trade, and enforced its rule with the Royal Navy. So government had a key role here. But that law would never have been possible without the decades-long effort by William Wilberforce and the rise of Methodism that slowly, finally turned British culture against this human trade.

I tend to think that is what will happen with abortion: the unborn will be protected in law only after the culture has embraced the moral proposition that their lives deserve protection. So it is with all hope for social morality: the culture is prior to and stronger than the government.

I could say more, and if asked I will. But let me close. The pope has said repeatedly that man’s destiny is freedom. To reduce our burning questions over morality and markets to quibbling over the degree of government intervention is to treat this as a purely mechanical issue.

Let me leave you with this. The morality of the market is an ongoing proposition, and requires the active engagement of our culture. But it strikes me as impossible to square the Christian idea of man and virtue with the idea that a successful economy requires greed. If that how we read a social network that has lifted hundreds of millions out of poverty and allows equal numbers to live lives of dignity, it seems to me the real quarrel is not with Milton Friedman. It’s with the Providence that so clearly designed man to be his most prosperous at his most free.

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Toward an Optimal Implementation of the Social Teaching of the Catholic Church in the Contemporary Economic Setting: The Case for Competitive Free Market Capitalism

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Charity is at the heart of the Church’s social doctrine.
– Benedict XVI, Caritas in veritate, 2

Charity goes beyond justice . . . but it never lacks justice . . .
Not only is justice not extraneous to charity, not only is it not an alternative or parallel path to charity: justice is inseparable from charity, and intrinsic to it.

Justice is the primary way of charity, or, in Paul VI’s words, ‘the minimum measure’ of it, an integral part of the love ‘in deed and in truth’

. . . to which Saint John exhorts us.
– Benedict XVI, Caritas in veritate, 6

It is a strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied, and not to allow those burdened by such needs to perish.
– John Paul II, Centesimus annus, 34

The focus of this paper is to demonstrate how free market capitalism, to the extent it is competitive, implements the principles presented in the social encyclicals of the Catholic Church more so than any other economic system. The principles considered are subsidiarity, solidarity, and justice in its various aspects: commutative, distributive, and social. This presentation focuses on the microeconomic and macroeconomic aspects of the economy and how competitive free market capitalism is the most successful economic system in bringing about conformity to Catholic social teaching.
Let us begin with a few definitions for the sake of clarity.

**Efficiency.** Efficiency means that the per capita standard of living is at a maximum given the stock of resources, technology, and so on. Consumers are able to purchase the greatest quantity of goods and services at the lowest possible price, thus maximizing the real purchasing power of their income. This can be described as consumers’ income “getting the most bang for the buck.”

**Consumer Surplus.** The consumer surplus is an estimate of how much more consumers would be willing to pay for the market quantity purchased if they had to, but do not have to if only one price is charged to all buyers. While a laptop computer might be worth several thousand dollars to a potential buyer, competitive forces have pushed the prices down to less than a thousand; thus, moving toward maximizing the consumer surplus.

**Opportunity Cost.** This is the compensation that a productive resource, such as labor, could earn in its next best competitive alternative employment. Remember that the productive resources include not only labor, but debt and equity capital, entrepreneurship, and land (which encompasses natural resources). Included in opportunity cost is what is referred to as “normal” profits. Using labor as an example, if you are receiving less than your opportunity cost from your employer, in a competitive environment, you would simply find another job that covers your opportunity cost. Conversely, if you are receiving in excess of your opportunity cost as an employee, this violates the principle of equity (see below) and, if left unchanged in competitive product markets, will eventually have ramifications in terms of long-term viability for the firm.

**Producer Surplus/Economic Rent.** Normal profits or opportunity cost level profits are a cost in economics, just as the cost of labor compensation is. Equity capitalists are self-employed. Technically and simply, the firm they own employs them. The self-employed include stockholders. Income or compensation to productive resources in excess of this opportunity cost level is called a producer surplus (economic rent is the more traditional term), and is above what is needed to bring and keep the resource in the firm’s employment.
Equity. Equity means that the consumer surplus is at a maximum subject to the constraint that all productive resources are receiving a reward or income just equal to their opportunity cost, no more and no less. There is no producer surplus (economic rent). This is what keeps a person working at his current job. He is compensated just enough to keep him from leaving for greener pastures.

Connection between Consumer Surplus and Producer Surplus. Any producer surplus flowing to the productive resources such as labor or the owners (equity capitalists) comes at the cost of a reduced consumer surplus and some degree of deadweight loss. This causes the consumer to pay more than he might otherwise have to pay in a more competitive environment. As competition increases, downward pressure of product prices will eventually reduce the producer surplus and increase the consumer surplus along with a restoration of the deadweight loss to the consumer surplus.

Justice is the perpetual and constant will to render to each one his right (**Summa Theologica** II-II, q. 58).

Commutative Justice regulates exchanges between persons and between institutions in accordance with a strict respect for their rights (**Catechism of the Catholic Church**, 2411).

Distributive Justice regulates what the community owes its citizens in proportion to their contributions and needs (ibid.).

Legal Justice concerns what the citizen owes in fairness to the community (ibid.).

Social Justice is ensured when society provides the conditions that allow associations or individuals to obtain what is their due, according to their nature and their vocation (**Catechism of the Catholic Church**, 1928).

Subsidiarity. Just as it is gravely wrong to take from individuals what they can accomplish by their own initiative and industry and give it to the community, so also it is an injustice, and a grave evil and disturbance of right order, to assign to a greater and higher association what lesser and subordinate organizations can do. For every social activity ought of its very nature to furnish help to the members of the body social, and never destroy and absorb them (**Quadragesimo anno**, 79).

Solidarity is a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each
individual, because we are all really responsible for all (*Sollicitudo rei socialis*, 28).

II

*A Microeconomic Prospective.* As economic markets become increasingly competitive, they approach what are called the microeconomic welfare conditions of equity and efficiency. Equity, which is significantly different from equality, is achieved when the consumers pay the lowest price possible, subject to the condition that all productive resources, labor, debt and equity capital, entrepreneurship, and land receive their opportunity cost, no more and no less. When the consumers pay the lowest price possible, economists say that the consumer surplus is maximized. An equitable income distribution is consistent with commutative justice and brings about a sense of fairness that promotes and reinforces solidarity.

An example of increasing competition is the entry of additional firms into a market, such as the U.S. automotive market in the 1950s. About 90 percent of that market was shared by three American auto firms. Initially the only competition was from imported vehicles that held around 10 percent of the market. Within a few years, foreign automotive firms began to transplant their operations into the U.S., primarily in low labor cost areas. They were typically more highly automated and used a lean management style that resulted in a relatively low cost structure. Initially competing at the low end of the market, the transplants began to dominate it. Later they also began to compete seriously in the pricier end of the market.

The transplants gradually increased their market share using primarily domestic U.S. productive resources, until they currently have nearly 70 percent of the market, most of which is from U.S. based operations and some imports into the U.S. Initially the quality of the foreign imports and transplant-produced vehicles was suspect and compromised the substitutability of those vehicles for those produced by the Big Three American firms. This quality problem was gradually addressed and overcome, thus making the transplant vehicles increasingly good substitutes for the vehicles produced by the Big Three, which were also increasingly using
An understanding of the economic analysis of this example of increased competition is critical to seeing the link between competitive free market capitalism and the degree of conformity of the economic system to the principles of Catholic social teaching.

Typically, an increase in competition increases the supply of the product in the market, in this case motor vehicles, thus exerting downward pressure on the market price. There may also be a positive quality effect on the goods and services produced. At the level of the firm, as competition increases, the degree to which the demand for the good produced by the firm responds to changes in price, that is, the price elasticity of demand facing the firm increases. Technically, the firm’s demand curve rotates toward the horizontal. This causes an individual firm’s price increases to be less revenue enhancing. Economists would say that the more substitutes and the greater their substitutability for existing products, the greater the substitution effect when prices are changed. If competition increases significantly enough, price increases by individual firms may actually decrease total revenues from sales of their product. Economists would call this the price elastic range of the firm’s demand curve.

Individual firms lose their market power to control the price as competition increases. They become more price-takers and less price-makers, as the expression goes. This in turn decreases the rewards to the productive resources that produce the goods and services in the transformation process of production. As competition increases, the surplus rewards to the productive resources in excess of their opportunity costs decrease.

The effects of this increase in competition bring the income distribution closer to the theoretical economic welfare condition of equity – consumers pay the lowest price possible that pays productive resources their opportunity cost – and thus to conformity with commutative justice. It simultaneously causes the market price to approach the theoretical economic welfare condition of efficiency. The inability to exploit consumers and the resulting rise in the per capita standard of living of the population also bring the economy into closer conformity with solidarity. As the distribution of income is more closely based on opportunity costs of the productive resources such as labor and capital, the closer the
economic system is to conformity with distributive justice. This in turn reduces the need for government to reallocate income, thus promoting subsidiarity.

Since everyone is a consumer, while only some are productive resources and those productive resources have differing opportunity costs, maximization of the consumer surplus, while rewarding productive resources with their opportunity costs, reduces the more severe inequalities stemming from the exploitive use of market power, a byproduct of the lack of competition. This promotes social justice and enables the policies promoting social justice to focus upon other basic causes of social injustice such as illegitimate types of discrimination.

III

A Macroeconomic Perspective. As competition increases, the economy moves toward the widely desired goals of high employment and a reasonable degree of price level stability. As these goals are approached, the need for government intervention through monetary and fiscal policies is reduced significantly. This increases an economy’s conformity to subsidiarity and solidarity, and also promotes distributive and social justice.

When markets lack significant competition, prices tend to be rigid downward. In pursuit of profit maximization, when demand weakens, firms tend to reduce output in order to eliminate surpluses and rising inventories, and only when necessary do they reduce the price. Pursuant to profit maximization, there is usually little reluctance to raise the price when demand increases, causing a shortage at the prevailing price. This lack of competition introduces a downward rigidity in pricing, giving rise to twin biases toward recession and inflation.

As markets become increasingly competitive, the downward price rigidity weakens as firms lose market power and control over price. Competitive pressures force the price downward and as a result, the economy more closely approaches the macroeconomic goals of high employment and a reasonable degree of price level stability. The fall in the price reduces the decrease in quantity supplied needed to restore
equilibrium in the market. This reduces the need for government intervention to achieve the widely accepted goals of high employment and a reasonable degree of price level stability, and hence promotes the principle of subsidiarity.

As pointed out previously, when equity is closer to being achieved, it reduces the degree of government intervention to reallocate income to lessen the degree of inequality in the income distribution. As the income distribution conforms more fully to the welfare conditions of equity as well as efficiency, it promotes the principle of solidarity. As equity is more closely approached, the economy moves closely to the achievement of commutative justice.

What drives the economy toward these microeconomic and macroeconomic conditions is what Adam Smith referred to as the invisible hand of competition. A more technical version of the invisible hand refers to the degree to which the power to manipulate supply or demand is possessed by participants on either side of the market. As competition increases, the market power to influence the price of individual firms and productive resources decreases.

The time constraints of this presentation necessitate analysis of only the supply side and how increasing competition works to eliminate market manipulation, which in turn bring the economy closer to the economic welfare conditions of equity and efficiency in the micro aspect of the economy, and high employment and a reasonable degree of price level stability in the macro aspect of the economy. As these economic conditions are approached through greater competition, the principles of subsidiarity, solidarity, and justice are conformed to in a greater degree.

As competition in a market decreases, individual firms such as members of the oil cartel OPEC (Organization of the Petroleum Exporting Countries), or productive resources such as labor through devices such as unions (which are labor cartels), achieve a power to control the price by reducing the supply. Unions, for example, while increasing total compensation to workers, reduce employment and job security in general. OPEC sells less oil but receives more revenue.

The ongoing structural unemployment in the UAW portion of the auto industry, specifically the former Big Three, is another example. Loss of market share to the transplants, such as Toyota and Honda, and acceler-
ated automation have decimated the ranks of labor in this portion of the U.S. auto industry.

Firms with market power seeking to maximize their profits will reduce supply until the price they charge is that at which their profits are maximized. Technically, this is attained at a production level at which their marginal cost equals their marginal revenue. But in such cases, the economic welfare conditions of equity and efficiency are both violated. The higher price enables the productive resources, initially equity capital, to expropriate a portion of the consumer surplus and earn more than the productive resources’ opportunity cost. This is the violation of equity. The use of this market power reduces the consumer surplus and converts it into producer surplus, a more modern term equivalent to economic rent or reward to a productive resource greater than its opportunity cost. The excessive reward to the productive resource is due to the exercise of market power and not based on service to the consumers.

The resulting price causes a less than optimal level of production, thus violating the welfare condition of efficiency and lowering the per capital standard of living for the population. This lessens the conformity of the economy to the principle of solidarity. It also increases the pressure for increased government intervention to stabilize the economy through monetary and fiscal policies, reducing the economy’s conformity to the principle of subsidiarity.

In these less than significantly competitive markets, the producer surplus can flow to other resources such as labor and management, as we have seen in the Big Three portion of the automotive market, where losses resulted in government bailouts while labor and management continued to receive substantial amounts of producer surplus (economic rent), well in excess of their opportunity costs. This exercise of market power violates commutative justice, and also destabilizes the economy by introducing biases toward macroeconomic instability in the forms of recessions and unacceptably high inflation rates.

Let’s examine in a more specific manner how this damage to society and solidarity occurs. The market power, due to a lack of sufficient competition, introduces a degree of downward price rigidity. Twin biases toward recession and inflation result in less than an attainably higher level of employment as well as an inflationary bias, and unacceptably high rates
of inflation result. This is due to the firm’s willingness to raise prices when shortages develop, but results in an increasing unwillingness to lower prices when surpluses develop due to a decrease in the demand confronting the firm. As a result, these price changes display an upward or inflationary bias, and exacerbate the downward movement of production and the upward movement of unemployment when demand weakens. This downward price rigidity, reflecting the market power of firms when significant competition is lacking, exacerbates cyclical movements in the economy. It is not due to free market capitalism, but to the lack of competition, that Adam Smith’s invisible hand is weak or absent.

Government also increases its degree of intervention to reduce the increased inequality in the income distribution that results from the exercise of market power by the firms and from the rewarding of productive resources in excess of their opportunity costs. Lack of significant competition also reduces the per capita standard of living of the population, as efficiency and equity are violated.

The post-World War II era is cluttered with monetary and fiscal policy interventions that are highly questionable for the results they caused. The tolerance of accelerating inflation in the late 1970s, and then the abrupt reversal by the Federal Reserve System, which engineered a recession from early 1980 to mid-1982, is one such example. The rapid run up of interest rates that helped trigger the ongoing economic and financial crisis is another example of the destabilizing intervention by the monetary authority. A third example is the fiscal policy of the last three years, in which the federal budgetary deficit has tripled with few positive results and a growing fear of the inability of the U.S. government to meet its debt obligations, thereby manifesting sovereign risk for the country.

Cartelistic free market capitalism, with lack of sufficient competition in many markets, gives rise to the power of firms and productive resources, as evidenced by labor unions, and engenders massive and frequent episodes of government intervention that are justified by intermittent periods of economic downturn and significant rates of inflation. These frequent and massive bouts of government intervention undermine the achievement of subsidiarity and solidarity and render the attainment of justice more difficult. The need for such intervention can be lessened by implementing policies that promote competition.
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Market Imperfections –
Communications Breakdown

Donald R. Byrne, Kenneth Poirier, and
Edward T. Derbin

In the real world, a “short circuit” can and often does occur in markets, preventing an optimal allocation of resources through the supply and demand clearing mechanism. These short circuits, or system failures, reduce the ability of free market capitalism to achieve the microeconomic welfare goals of equity and efficiency, as well as the macroeconomic goals of high employment and a reasonable degree of price level stability. Again, these failures also reduce the conformity of free market capitalism to the principles found in the social encyclicals of the Catholic Church, namely subsidiarity, solidarity, and justice in its various aspects (commutative, distributive, and social). In economics, the term “market failure” is usually applied to these shortcomings. These failures can range from insignificant to very significant, and can cause both short-run and long-run departures from the attainment of the economic welfare conditions as well as reduce conformity to subsidiarity, solidarity, and justice.

Natural monopolies and natural oligopolies constitute one type of market failure. Natural monopolies – where there is only room for one participant in a given market – include public utilities. Automotive firms are an example of a natural oligopoly, where the market participants are typically large and few in number in order for production levels to approach the minimum of each firm’s average cost. The total market is not large enough for the number of firms to approach a significant level of competition.

A second type of so-called market failure is the existence of goods or services that are not rival in consumption. In these cases, a nonpayer cannot be excluded from benefiting from the good or service. This gives rise to the “free-rider” syndrome and results in the unwillingness of many consumers to reveal their preferences. Take, for example, a multimillion-
dollar flood-control structure that likely will not exist without government involvement. Since no one person or group of people would be willing to voluntarily pay for the construction and maintenance of such a structure, we say that a less than the optimal quantity will be produced by the market.

A third category of market failure is the case of externalities. When external costs exist, a firm does not bear all of the costs of society and thus prices its product too low, resulting in overproduction or greater than the optimal levels in light of all the costs, internal and external. Electric power production is usually cited as such an example. Legislation attempts to correct the problem of emitting “excessive pollution” by internalizing the external costs associated with the pollution, which results in higher prices and a closer to optimal level of production.

Likewise, the presence of external benefits also occurs. Education is the classic example of this market failure, where without market intervention, too little production is the result. The buyers of the education product – students, parents, employers, and so on – undervalue education’s total benefits to society. Total benefits to society exceed the private benefits to those being educated. Legislation seeks to internalize the external benefits and increase production, or so the argument goes.

I

Government intervention and the potential for “government failure.”

We have tried spending money. We are spending more than we have ever spent before and it does not work. – Henry Morgenthau, U.S. Secretary of the Treasury, May 9, 1939).

In the case of natural monopolies such as public utilities, regulatory commissions theoretically seek to set prices that will achieve either efficiency or equity. In most cases, both welfare conditions cannot be simultaneously achieved, so one is chosen over the other. Typically, if the criterion of efficiency is chosen, price will be set equal to marginal cost. This often results in surplus profits violating the criterion of equity.
If the criterion of equity is chosen, price is set equal to average cost, usually resulting in a violation of efficiency as the price so established by the commission is less than marginal cost.

In the case of natural oligopolies, antitrust legislation is usually established by the legislative body to prevent excessive concentration that is not needed to approach the minimum average costs. Guidelines such as three, four, or five firm concentration ratios and the Herfindahl-Hirschman Indices are utilized to limit unnecessary concentration.¹

In the 1950s and 1960s, the U.S. auto industry was thought by many to be overly concentrated. General Motors was the focus of much antitrust activity. More recently, the U.S. segment of the oil industry was allowed to become much more concentrated in the period from 1993-2003 as thirteen firms merged into five even larger firms. The antitrust authorities did little to stop it. The much higher prices of oil and derivative petroleum products we have been experiencing in the last few years are partly explained by that failure.

Markets are essentially communication systems. When all of the factors affecting supply and demand are not fully communicated to the system, as in the case of external costs and external benefits, production levels can violate the dictates of efficiency by under- or overproduction. Government, often through legislative discernment, seeks to correct such inadequacies of the market. The term “market failure” is usually applied to such a situation. As previously noted, external costs such as pollution tend to result in overproduction and thus violate the welfare conditions. External benefits result in underproduction. The purpose of such government intervention is to internalize the externalities and bring the economy in closer conformity to its welfare goals. As explained above, market failure also includes the case of goods and services such as flood control, which reflect an inability of the market to preclude nonpayers from benefitting from the benefits. Less than optimal production results, and economic welfare is not fully achieved. Government intervention results in flood-control projects, and most who benefit are forced to pay for these projects through taxes. This discernment process and government intervention is not foolproof and can result in what is termed “government failure.”
II

Problems with the discernment process, and the warning of Alexis de Tocqueville: “The American Republic will endure until the day Congress discovers it can bribe the public with the public’s money” (Democracy in America, 1835).

The discernment process is often a faulty one, biased by political forces who have vested interests and influence over the outcome of such a process, thereby, at times, driving the economy further from optimal levels of production rather than closer to conformity with these welfare goals. This government failure is often cited by those on the far political right, such as libertarians, as a pragmatic reason to justify their more extreme views against most government intervention.

Others criticize the discernment process by legislatures as made more difficult by biased research that obscures the reality of the equity problem. For example, Joseph Campbell, in his “Poverty: A Bias toward Exaggeration”:

The statistics commonly cited to track poverty in Canada are not merely deceptive: they are systemically flawed. They cannot help but exaggerate what they are supposed to measure. Their use may enhance the prospects of anti-poverty activists, who have learned from feminists, minority group leaders and environmentalists that you can make a good living out of hyperbole. Their constant repetition trivializes the plight of those coping with real poverty and the pathological effects of dependency.²

III

Some long-run effects of the power of competition to achieve the welfare goals as well as conformity to the Catholic Church's social teaching.

As an economy develops and real output grows, the distribution of productivity gains is very sensitive to the degree of competition in the product and productive resource markets. This in turn determines to what
degree the economy conforms to the welfare goals of the micro and macro economy, as well as the degree to which economic activity conforms to the principles of subsidiarity, solidarity, and justice in its various aspects.

The more competitive product and productive resource markets are, the more likely it is that product prices will gradually fall, as some of the productivity dividend is passed forward in the form of lower prices as a result of competitive pressures. This would result in a very mild deflation over the long run, as the inflationary bias resulting from the lack of significant competition would be reduced by increased competition. To the extent that the productivity dividend was due to the increased productivity of productive resources, such as embodiment of human capital in labor, the resources would experience a rise in their opportunity costs, and to that extent some of the productivity dividend would accrue to them as a higher reward for supplying their resource to the process of production.

Equity is not equality! Longer hours, bearing greater risks, embodying greater knowledge, and deferring consumption are some of the factors that dictate higher opportunity costs and value to society. The resulting inequalities are not contrary to commutative justice but embody it more fully. Higher rewards for exercising market power, however, also result in a more unequal income distribution and are in violation of not only equity but also commutative justice.

Where market imperfections occur, the discernment process, when operating properly, can bring those markets in closer congruency with the economic welfare conditions, as well as with the principles of subsidiarity, solidarity, and justice.

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1 See the U.S. Department of Justice on the Herfindahl-Hirschman Index, http://www.justice.gov/atr/public/testimony/hhi.htm:
   “‘HHI’ means the Herfindahl-Hirschman Index, a commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of thirty, thirty, twenty and twenty percent, the HHI is 2600, (30^2 + 30^2 + 20^2 + 20^2 = 2600).
   “The HHI takes into account the relative size and distribution of the firms in a market and approaches zero when a market consists of a large number of firms of relatively equal size. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases.
   “Markets in which the HHI is between 1000 and 1800 points are considered to be moderately concentrated and those in which the HHI is in excess of 1800 points are considered to be concentrated. Transactions that increase the HHI by more than 100 points in concentrated markets presumptively raise antitrust concerns under the Horizontal Merger Guidelines issued by the U.S. Department of Justice and the Federal Trade Commission. See Merger Guidelines §1.51.”

A few years ago, I gave a paper at an economics conference entitled, “The Intellectual Origins of Modern Catholic Social Teaching on Economics: An Extension of a Theme of Jesús Huerta de Soto.” In that paper, I documented the hostility, on the part of many of the main Catholic writers on economics, to the free market. I demonstrated their ignorance of basic economic theory. I showed that many of these writers were literary men, using extremely negative similes and metaphors to describe an economic system that they had already decided was evil in se. I showed that many Church authorities themselves were hostile to the free market for two basic reasons: first, they equated classical liberalism with the French Revolution and the bloody attacks of that event on the Church; second, the Church’s political power was being severely eclipsed in the 1800s, blamed by the Church authorities on “liberalism” in general, without distinguishing the various types of liberalism, or looking at the economic theory separately from the anti-Christian attitudes of some liberal thinkers.

But these attitudes are not just a matter of historical interest. A few years ago a student I knew as a kid and whose father, a Catholic who is notoriously hostile to the free market, actually sat down with me at lunch and asked me about economics. I showed him a few basic graphs on a napkin to illustrate what economics does. He slammed his hand on the table and said, “But that’s not individualism!” I replied, “Who said anything about individualism?” He and many Catholics think that economics is an ism, meaning that it is an ideology. An ideology comes from the logic of an idea in a Cartesian sense. One has an idea in his head, proven or unproven, and then constructs a logical system based on that idea. This student thinks that economics is based on an idea the people should be able to do anything they want, especially in the arena of
business and consumption. But economics is a descriptive science of human action, and, while it has practical applications, what you get after studying economics is verstehen – understanding.

Much to the chagrin of contemporary parroters of these attitudes, who equate these hostile views of the free market with official Church teaching, the Catholic Church had been moving slowly toward an acceptance of the market. Even Pope Leo XIII, who was not hostile to the free market in general, spoke of private property as a natural right. This Locke did in contradistinction to Saint Thomas Aquinas, for whom private property was merely the most practical way to assure productivity. Pope Pius XI, who condemned Communism, Socialism, and Nazism, nevertheless set the trend toward approval of the market back when he wrote the following:

The ultimate consequences of the individualist spirit in economic life are those which you yourselves, venerable brethren and beloved children, see and deplore: free competition has destroyed itself; economic dictatorship has supplanted the free market; unbridled ambition for power has likewise succeeded greed for gain; all economic life has become tragically hard, inexorable and cruel.

Of course, in a way, Pius cannot be blamed for thinking this. The world was in the midst of the great depression, and no one at the time knew that it was caused, as a number of economists have shown, by the various central banks and governments’ manipulation of their currencies. Nevertheless, this attitude has been picked up by many Catholics who do not understand the development of doctrine, nor the idea that these specific economic and political theories are really outside the realm of ecclesiastical competence, which should ascertain the accuracy of its facts and the science of the matters at hand, prior to making moral pronouncements.

Slowly but surely the Church distanced itself from these attitudes, as I showed in the previously mentioned paper, until a break was made by Pope John Paul II in his encyclical Centesimus annus. A major source of this hostility to the market came from Catholics’ acceptance of the thinking of the German Historical (or Romantic) School of Economics. From where did this German Historical School come
(besides Germany)? What is the source of all this misguided thinking? Its origins can be traced as far back as Jean-Jacques Rousseau, who is known to be a Reactionary and a Romantic. Rousseau was a reactionary because he saw all of modern society as evil. First, private property, and then the division of labor coming from private property, created “work” and inequality:

Property was introduced, work became necessary, and the vast forests were changed into growing fields that bid to be watered with the sweat of men, where one could soon see slavery and misery germinating and ripening along with the with the crops.

This development destroyed the pristine, primitive life referred to as the life of the “noble savage”:

As long as men were satisfied with their rustic cabins, as long as they confined themselves to sewing together with thorns or fishbones the pelts that they used as clothing to adorning themselves with plumes and shells, to painting their bodies with various colors... as long as they applied themselves to tasks that took no more than one person to perform them, as long as the arts did not require the combined efforts of several hands, their lives were free, healthy, happy and good for as long as their nature would allow, and they continued to enjoy the fruits of an independent commerce among themselves.

This view was substantially different from the contemporary mainstream views. Despite the fact that Diderot’s Encyclopedia (1751–1772) contained an essay by Rousseau on Political Economy, where he expressed many of the same views quoted above, it contained many articles and plates extolling technological advances. Many Catholic thinkers of the nineteenth through the twenty-first century see Rousseau as (indirectly) the father of the French Revolution, which these thinkers despise. They also lump together the advance of capitalism with the mentality that led to that revolution. But there is an inherent contradiction here. If Rousseau is the father of the French Revolution, and the French Revolution gave impetus to the free market system, how can one reconcile Rousseau’s anti-capitalism with the allegedly pro-capitalist
French Revolution? The truth lies in the problem of the Romanticism, which, from Rousseau onward, would plague the Continent.

Essentially, Romanticism can be described as a “cult of the past.” In the case of continental Europe, a harkening back to the *ancien régime* and its supposedly idyllic life, contrasted with the era of the Revolution onward with its alleged destruction of that life. In this sense, Romanticism is a reaction to the Enlightenment and the French Revolution in general without discriminating among any benefits which have flowed from this period of history.

One can see why Romanticism would have a great effect on politics and economics, and cannot be considered a purely literary outlook, as some tend to regard it. Nor was this all; Romantics, for example de Maistre and Bonald, and to some extent Edmund Burke, rejected the idea that there was a universal reason which applied to everyone, in favor of the uniqueness of each nation and culture. This was really a rejection of natural law and, hence, of a universal science of economics.

There was also an apocalyptic tendency in some of the German Romantic thinkers, which is especially noteworthy considering that Germany was the place where Romanticism had taken root the most. The French Catholics deplored the state of Europe after the Revolution, but contrasted it with “what we all await.” De Maistre rejoiced that the revolutionary fire “had cleansed the place in preparation for the true architect.”

The German Friedrich Schlegel picked up this idea of an apocalyptic return to medieval culture from de Maistre and spread it from Berlin with the aid of his brother and Schleiermacher, Novalis, Tiech, Hulsen, and Schelling.

To the Romantic expectations of the rebirth of medieval culture and economics must be added the contribution of Georg Wilhelm Friedrich Hegel. Hegel believed in free exchange, but he also said that free exchange took place in civil society, and civil society is subject to control by the state. Trade would be controlled by the state for *its* (the state’s) own ends, which are not necessarily the same ends as the citizens. Not only is this a rejection of much economic law, but also it is the origin of the “organic state” as well as economic nationalism. For Hegel, the perfection of the will of the World Spirit is found in governmental edicts. If one takes out the reference to the World Spirit, one arrives
exactly at the view held by Heinrich Pesch and other Catholic economic thinkers.

The reason for this control by the state and also for the view that all nations are unique is seen in Hegel’s concept of “internal relations.” The Hegelian doctrine of internal relations proposed that everything was an organic unity, such that one could not understand one aspect of, say, society, on its own, without understanding all other aspects of that society. This meant the one could not develop a science of economics; one could only speak of economics as it operated in the milieu of German, French, or English culture. There were no laws of human action that applied to people as people. Hence, the Hegelian influence on the German “Historical” School predisposed it to see economics as the development of economic institutions in a purely factual (positivistic) way, and not in any way connected with universal laws of human action.

Another Hegelian influence on the German Historical School was the idea of the essential importance of agriculture. In his Philosophy of Right, Hegel holds that agriculture is the backbone of society, detached from the economic realities of whether, and to what extent, the agricultural component of a society is of benefit to that society. Hegel considered agriculture an “estate” and should in itself receive representation in the legislature. Like Catholic Distributists of the early twentieth century and of today, Hegel sees an almost mystical component in agriculture:

203. (a) The substantial [or agricultural] class has its capital in the natural products of the soil which it cultivates — soil which is capable of exclusive private ownership and which demands formation in an objective way and not mere haphazard exploitation. In the face of the connexion [sic] of [agricultural] work and its fruits with separate and fixed times of the year, and the dependence of harvests on the variability of natural processes, the aim of need in this class turns into provision for the future; but owing to the conditions here, the agricultural mode of subsistence remains one which owes comparatively little to reflection and independence of will, and this mode of life is in general such that this class has the substantial disposition of an ethical life which is immediate, resting on family relationship and trust.
The real beginning and original foundation of states has been rightly ascribed to the introduction of agriculture along with marriage, because the principle of agriculture brings with it the formation of the land and consequently exclusive private property. The nomadic life of savages, who seek their livelihood from place to place, brings back to the tranquility of private rights and the assured satisfaction of their needs. Along with these changes, sexual love is restricted to marriage, and this bond in turn grows into an enduring league, inherently universal, while needs expand into care of a family, and personal possessions into family goods. Security, consolidation, lasting satisfaction of needs, and so forth – things which are the most obvious recommendations of marriage and agriculture – are nothing but forms of universality, modes in which rationality, the final end and aim, asserts itself in these spheres.

Interestingly enough, focus on agriculture has become an almost full-time occupation of some Catholics through the rebirth of the idea of Distributism, originally begun in England by Hilaire Belloc (1870–1953) and his adherents such as Father Vincent McNabb, O.P. (1868–1943).

From this Romanticism the German Historical School derived the idea of the corporate state. The emergence of Corporatism was, with Romanticism, a reaction to the development of liberalism (in its classical sense), and industrialism, and sought to reintroduce the alleged harmonies and organic moral order of the medieval period to industrial society. This would be accomplished by establishing quasi-public, state-licensed, intermediate bodies in each industry subject to government control. Each body would be composed of organizations of employers and employees. Industry-wide economic decisions would be made within each corporate body subject to state approval, which would ensure that those decisions were in the national interest.

The reasons for this type of arrangement conform to much that has already been discussed above, with the addition of the notion that these thinkers saw competition as evil, and therefore something that must be limited. Corporatism believes that the market is “chaotic,” self-interest is identical with selfishness, and workers will be automatically paid subsistence wages by greedy capitalists unless given official representation in the Corporatist bodies. Hegelian notions of the benevolence, and in a sense, omniscience, of the state are seen in Corporatist theory.
By the time we get to the economic thought of Heinrich Pesch, S.J. (1854–1926), and his five-volume *Lehrbuch der Nationalökonomie* (1909–1926), touted on one website by a non-economist as the “World’s Greatest Catholic Economist,” Catholic economic thought has already imbibed a great deal of Romanticism, Hegel, the thought of the German Historical School and Corporatism.

*Common Roots with Nazism.* At this point, let us return to the thought of the socialist Ferdinand Lasalle, who was quoted as an economic authority by Bishop von Ketteler. Lasalle and Marx were on the same team for a time, but broke over the method by which each saw that socialism had to come about. While both of these men were German, Marx was an internationalist. He believed in a spontaneous, industrial, worldwide revolution and saw government as essentially an employee of moneyed interests. The state could never be trusted to aid in a revolution until after the overthrow of the capitalists by the proletariat. The state apparatus would then be used by the now empowered workers to wipe out the last vestiges of capitalism and bourgeois class-consciousness. As this is accomplished, the state “withers away.”

Lasalle, on the other hand, believed that the government was the main method that should be used to install socialism in a society. Mises characterized Lasalle’s thought as follows: “He proclaimed the Gospel of Class War. The Progressives, as representatives of the Bourgeoisie, he held, were the mortal foes of labor. You should not fight the state, but the exploiting classes. The state is your friend; of course, not the state governed by Herr von Bismarck but the state controlled by me, Lasalle.” Since, however, both Lasalle and Bismarck opposed the Progressives, they became allies and even met secretly: “They both aimed at supreme power in Germany. Neither Bismarck nor Lasalle was ready to renounce his claim to the first place.”

But the fact that Lasalle died at the young age of forty-two in a duel in 1864 did not quell the movement toward the Lasallean plan. Bismarck knew that the proletariat made better monarchists, and he would use them against the Liberals and the Parliament. The fact that Bismarck installed a state socialist system demonstrates the point. But Lasalle’s influence goes way beyond this immediate historical period:
Lasalle’s brief demagogical career is noteworthy because for the first time in Germany the ideas of socialism and statism [statism] appeared on the political scene as opposed to liberalism and freedom. Lasalle was not himself a Nazi; but was the most eminent forerunner of Nazism and the first German who aimed at the Führer position. He rejected all the values of the Enlightenment [a key point for our discussion] and of liberal philosophy, but not as the romantic eulogists of the Middle Ages and Royal legitimism did. He negated them; but he promised at the same time to realize them in a fuller and broader sense. Liberalism, he asserted, aims at spurious freedom, but I will bring you true freedom. And true freedom means the omnipotence of government. It is not the police who are the foes of liberty but the bourgeoisie. . . . The state is God.  

This raises the question: Who was more dangerous in the long run – Marx or Lasalle? There never was a spontaneous Marxian-type revolution since he wrote the *Manifesto*. Lenin revised Marx’s theory into a state socialist theory more similar to Lasalle’s than Marx’s. Stalin, Mao, and Castro became socialist dictators – self-appointed spokesmen for the working class, installing their version of socialism from the top down in the best Lasallean tradition.

But the United States and Catholics here have not escaped the influence of Lasallean thought. Ever since the Progressive era, it has been widely assumed that an all-knowing, all-virtuous government has had the interests of the ordinary worker at heart. The Progressive movement was actually a congeries of movements which had the following principles in common: repudiation of the free market economy; concern for the underprivileged; popular control of the government; employment of the process of government for the purpose of bringing industry under popular control. These motives are stated almost identically by the famous Jesuit theologian-political theorist, Father John Courtney Murray, S.J. Suffice it to say that these were not scientific economic notions, but stemmed from the assumptions of Lasalle and the German Historical School.

With all of this as background, it is no surprise that much Catholic social thought merely mirrors the ideology of the German Historical (Romantic) School, rather than reality.
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3 Summa Theologiae II-II, q. 66, a. 2. However, see a. 1.

4 Quadragesimo anno, 109.

5 Few people know that by his own admission Quadragesimo anno was written almost in its entirety by Father Oswald Nell-Breuning, S.J., a German Historical School economist. See Nell-Breuning’s Reorganization of Social Economy (Milwaukee: Bruce, 1936).

6 See Centesimus Annus, 34.

7 Leo Strauss, “What is Political Philosophy,” What is Political Philosophy and Other Studies (Glencoe, Ill.: The Free Press, 1959), 50-51.

8 Jean-Jacques Rousseau, Discourse on the Origin of Inequality Among Men (1757).

9 Ibid.

10 See Luckey, “Intellectual Origins of Catholic Social Teaching on Economics.”

11 This was recently brought out very clearly to this author who participated in a conference at Oxford University in the U.K. On the opening day of the conference, we were addressed by the former secretary of the Bodleian Library, who spent some time speaking of the history of the university and town. He said that to modern man, Oxford is like a “theme park” where you can come to see buildings, some of which date from the 1200s, in an educational setting that has changed little from that time. Certainly, that is a very strong feeling there. It is a different world. On a beautiful day, as this author walked by one of the oldest colleges at Oxford, Merton College, which was founded in 1264, he noticed three fields behind the college. One was used for athletics, and then across a beautiful wide path was another with huge bails of hay, and past that a field with crazing cows. It felt as if one had somehow fallen into a time machine and ended up in the thirteenth century. Living in such a pastoral scene, it was natural to dream that the entire world was like that, but with the same modern conveniences that modern
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capitalism made possible, flush toilets, modern medicine, and such – a complete impossibility. Yet the romantic cannot extricate himself from the theme park.

12 See the discussions of Jacques Droz, “Romanticism in Political Thought,” *Dictionary of the History of Ideas*, and Paul Gottfried, “Utopianism of the Right: Maistre and Schlegel,” *Modern Age* 24, no. 2 (Spring 1980): 150-60. Gottfried points out that Maistre, the hero of Romantic and Reactionary Catholics, and Schlegel, were also members of Freemasonry and the Illuminati.

13 DeMaistre quoted in Gottfried, 156.


15 Hegel believed that this was true of physics as well.

16 Hegel may be excused for overemphasizing the agricultural aspect of society, since in those days much of survival depended on local agriculture, a situation that no longer obtains in developed nations.

17 A less flattering and maybe even less propagandistic view of the foundation the states of yore can be seen in Franz Oppenheimer, *The State* (1915; San Francisco: Fox and Wilkes, 1997), 25ff.

18 Hegel, *The Philosophy of Right*, 131. One would do well to compare this section in Hegel with the recent statement of the United States Catholic bishops on agriculture.


20 It is interesting to see this whole version of the free market trumpeted in a book by a Spanish Jesuit, translated and published in the United States: Joaquin Azpiazu, S.J., *The Corporative State*, trans. William Bresnahan, O.S.B. (Saint Louis: B. Herder, 1951), 12-28. Father Azpiazu sees the relation between labor and capital as one of power. He frequently speaks of capital’s power over labor, instead of seeing capital and labor as engaged in different aspects of the same production process. It is truly amazing how much this view of capitalism parallels that of Karl Marx. See Karl Marx, *Capital: A Critique of Political Economy*, vol. 1 (1867; London: Penguin, 1990), chap. 15. More will be said on this below. It is also instructive that most of the references in Father Azpiazu’s book are from German sources.


26 Ibid.


29 See Lenin, “What is to be Done?” and “The State and Revolution.”

The Need for Gratuity in Economics: 
A Close Look at *Caritas in veritate*

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The term used by Pope Benedict that led me to the approach I have taken in this paper is “articulated,” by which he means “in every dimension.” This term, together with his all-encompassing reliance on Christian charity, are the keys to my understanding of the encyclical *Caritas in veritate*. The full development of the whole person and of all peoples is to be articulated, that is, to proceed in every dimension, and we, each of us, have an obligation in charity to support that development. While the basis for Catholic social doctrine has always been Christian charity, Benedict makes it explicit and clear that we must, in all dimensions of our lives, recommit ourselves to living fully and supporting each other out of Christian charity. Only in this way can we hope to make progress in solving the social question.

There are three parts to this paper. Part 1 discusses Pope Benedict’s critique of contemporary society. Part 2 describes how he uses principles of Catholic social doctrine to show how Catholic social doctrine approaches these problems. Part 3 develops Benedict’s concept of the whole person as a way to show how we must live more fully out of Christian charity to meet our increased responsibilities in the new world of globalization.

I

*Economic and Social Critique.* Addressing society’s problems, Pope Benedict XVI echoes Pope Paul VI, to whom he dedicates this encyclical letter, in stating simply and strongly: “The scandal of glaring inequalities
continues” (22). Grave imbalances, he tells us, are produced when economic action is conceived merely as an engine for wealth creation, disconnected from the political action that would bring about its redistribution (36,1). Although globalization presents a great opportunity for development, Pope Benedict points out that not only is the original vision of *Rerum novarum* threatened by the way that globalization is proceeding, but also that the vision itself is proving insufficient (39,1). Indeed, he tells us that although God has planted the seed of the “Civilization of Love” in every people and culture (33,2), the spirit is “often overwhelmed or suppressed by ethical and cultural considerations of an individualistic and utilitarian nature” (42,2). Further, he finds that the systemic rise in social inequality, both within and across countries, brings a loss of social cohesion and places democracy and the economy at risk, the latter through “the progressive erosion of ‘social capital’: the network of relationships of trust, dependability, and respect for rules, all of which are indispensable for any form of civil coexistence” (32,2).

Pope Benedict addresses the negative aspects of economic changes since Paul VI, who wanted economic development that would produce “real growth, of benefit to everyone and genuinely sustainable” (21). However, Pope Benedict sees economic growth weighed down by malfunctions and dramatic problems, which concern the very destiny of the human person. He lists the problems thus:

The technical forces in play, the global interrelations, the damaging effects on the real economy of badly managed and largely speculative financial dealing, large-scale migration of peoples, often provoked by some particular circumstance and then given insufficient attention, the unregulated exploitation of the earth’s resources: all this leads us today to reflect on the measures that would be necessary to provide a solution to problems that are not only new in comparison to those addressed by Pope Paul VI, but also, and above all, of decisive impact upon the present and future good of humanity (21).

Pope Benedict points out that the market is not a negative force by its
nature, but a certain ideology can make it so. The market never exists in a pure state but is shaped by the cultural configurations that define it and give it shape and direction. He makes the case succinctly and clearly:

Often the development of peoples is considered a matter of financial engineering, the freeing up of markets, the removal of tariffs, investment in production, and institutional reforms – in other words, a purely technical matter. All these factors are of great importance, but we have to ask why technical choices made thus far have yielded rather mixed results. We need to think hard about the cause. Development will never be fully guaranteed through automatic or impersonal forces, whether they derive from the market or from international politics (71).

This technological danger of which Pope Benedict warns is clearly also a cultural phenomenon, but its method of entry into society is primarily through the market. It appears that he finds that there are two arenas in which the nineteenth-century liberalization processes that were the target of Rerum novarum remain with us. The first is in the area of incomes, where inequalities of income seem only to be increasing around the world. The second is in the field of technology, where we all too often simply accept that “the capital market has been significantly liberalized, and modern technological thinking can suggest that investment is merely a technical act, not a human and ethical one” (40). He adds: “The ‘technical’ worldview that follows from this vision is now so dominant that truth has come to be seen as coinciding with the possible. But when the sole criterion of truth is efficiency and utility, development is automatically denied” (70). One trait he identifies as a major problem is the excessive zeal of rich countries to protect intellectual property, especially in the field of health care (22). Another concerns the profit imperative which often ignores the duty to make a contribution to the local society when technological changes would cause damage there (40). Too often, nature is treated as though it can be technically dominated with impunity, though it has its own grammar which must be respected, and which is linked closely with the human grammar, which he terms our human ecology (48,2).

Benedict also addresses the financial crisis of the past few years. The higher unemployment associated with the crisis will make the new forms of economic marginalization even worse (25,2). More than forty years
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later, the basic theme of *Populorum progressio* – progress – has become an open question, made more urgent by the economic and financial crisis (33). Under these circumstances, new divisions can be created between and within peoples, and we must avoid further deterioration and the greater imbalances that could result (42,2;67). At one point, he simply states: “*Without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function. And today it is this trust which has ceased to exist, and the loss of trust is a grave loss*” (35, emphasis in original).

**Political Critique.** Among the problems Pope Benedict identifies in the political arena are dangers associated with violations of human rights. This happens in the developing world, where both multinational producers and local producers sometimes violate the rights of workers (22). More important, as developing countries have been brought into competition with each other for jobs through the provision of favorable fiscal regimes and deregulation of the labor market, this downsizing of social security systems generates grave dangers in developing countries for worker rights, for human rights, and for the solidarity of traditional forms of the welfare state (25). More general problems regarding rights are that individual rights, when detached from the framework of duties, can run wild, resulting in demands to recognize and enforce nonessential alleged rights (Benedict even speaks of an alleged right to excess), while “elementary and basic rights remain unacknowledged and are violated in much of the world” (43).

Another danger that Pope Benedict sees is what he calls the binary model of market and state. This harkens back to *Centesimus annus*, wherein Pope John Paul argued that the individual person is often suffocated between the state and the marketplace (CA49,3). Pope Benedict believes that “[t]he continuing hegemony of the binary model of market-plus-State has accustomed us to think only in terms of the private business leader of a capitalistic bent on the one hand, and the state director on the other” (41,1). He sees the logic of the market as that of giving in order to acquire, while the logic of the state is that of giving out of duty; the monopoly of these two forms is corrosive of society because solidarity among persons, participation, and actions of gratuitousness do
not fit easily into these forms (41,1).

_Cultural Critique._ Paul VI warned of the dangers of “utopian and ideological visions,” such as the technocratic ideology that Pope Benedict finds prevalent today (14). In fact, Benedict defines alienation in terms of ideology: “Man is alienated when he is alone, when he is detached from reality, when he stops thinking and believing in a foundation. All of humanity is alienated when too much trust is placed in merely human projects, ideologies and false utopias” (53,1). He warns us that a danger to the necessary trade between poorer and rich countries is that this trade may become hostage to partisan ideologies (66). He warns: “Once profit becomes the exclusive goal, if it is produced by improper means and without the common good as its ultimate end, it risks destroying wealth and creating poverty” (21). A danger throughout the world comes from the social communications media which, by taking a strictly technical approach, “effectively support their subordination to economic interests’ intent on dominating the market and, not least, to attempts to impose cultural models that serve ideological and political agendas” (73).

Pope Benedict finds that a crucial battleground in the cultural struggle between the supremacy of technology and human moral responsibility lies in the field of bioethics. Here in vitro fertilization, embryonic research, the cloning of humans and production of human hybrids have become or are becoming technological possibilities, and the conscience is simply invited to take note of such technological possibilities (75). These possible scenarios reflect cultural perspectives that deny human dignity, and practices that help foster a materialistic and mechanistic understanding of human life. In the technological ideology, Pope Benedict finds: “Insignificant matters are considered shocking, yet unprecedented injustices seem to be widely tolerated. While the poor of the world continue knocking on the doors of the rich, the world of affluence runs the risk of no longer hearing those knocks, on account of a conscience that can no longer distinguish what is human” (75). Though God reveals “man to himself,” in part through the natural law, all too often we fail to recognize the call to moral truth (75), which guarantees freedom (9,2) and authentic integral human development, defending every human being in a “transcendent humanism” (18).
The process of the weakening of cultures has sped up and the technological ideology has grown. Cultures provide the means by which we define ourselves in relation to the fundamental questions of life, but they were not as strong and as able as in the time of Paul VI to withstand the direct assault by the technological ideology, whose worldwide expansion has proliferated through the rapid globalization of the last twenty-plus years (26). The increased commercialization of cultural exchange has led to both a cultural eclecticism, wherein cultures are viewed as both equivalent and interchangeable, and a cultural relativism that that does not lead to authentic dialogue or true integration. Both trends result in a separation of culture from human nature, and the result is that cultures cannot define themselves in relation to a transcendent vocation. When this happens, new risks of enslavement and manipulation ensue (26). And practical atheism robs the person of the spiritual resources and of the support to cultures that the Church can provide. Further, the reductive vision of a practical atheism is exported by the rich nations to the poor nations. In Benedict’s words: “This is the damage that super-development causes to authentic development when it is accompanied by moral underdevelopment” (29,2).

II

Benedict XVI turns to the traditional concepts of Catholic social doctrine to deal with the issues. These are the beliefs and principles that the Catholic Church brings to the public square. After considering the overall theme of Caritas in veritate, I review Benedict’s use of some of these major principles.

The theme of Caritas in veritate is very much in line with the general approach of Pope John XXIII’s 1963 social encyclical, Pacem in terris, where John uses the themes of “truth, justice, charity and liberty” as the template for his discussion of how to order all our relationships: citizen to citizen, among citizens and their countries, among nations, among individuals, families, intermediate organizations, and individual states, and with the community of mankind to one another. The result of such an ordering, he believed, would be peace in society and in the world, peace
on earth (PT163). We have seen how Pope Benedict believes that modern culture relativizes truth; he begins his encyclical with a discussion of how charity, the main gift the Church has to contribute to the solution of the social question, must be firmly grounded in the truth of God’s sustaining love and the nature of the person in our individual and social makeup. This grounding will allow love to be a firm foundation for us as we, as complete persons, pursue our tasks of traveling the path of full personal development of ourselves and of all persons, and of giving shape, structure, and direction to society, politics, our legal structure, economy, and culture so as to achieve unity and peace (8,38,7). He states simply: “In the present social and cultural context, where there is a widespread tendency to relativize truth, practicing charity in truth helps people to understand that adhering to the values of Christianity is not merely useful but essential for building a good society and for true integral human development” (4). He alerts us to the urgent need for reform, both because of the rapid succession of events and because the very matter at stake is the establishment of authentic fraternity (20,1). He urges us to get along with our task of making ourselves subjects of God’s charity, and thereby instruments of grace, so that we may “pour forth God’s charity and weave networks of charity” (5,1).

Human Dignity, Rights and Duties, Justice, Freedom. We may begin a review of Benedict’s use of Catholic social principles with the central principle, human dignity. In Pope Benedict’s words, “God is the guarantor of man’s true development, inasmuch as, having created him in his image; he also establishes the transcendent dignity of men and women and feeds their innate yearning to be more” (29,2). Systems of morality must build on the “inviolable dignity of the human person and the transcendent value of natural moral norms” (45,2). For example, if business ethics does not hold to these two norms, “it risks becoming subservient to existing economic and financial systems rather than correcting their dysfunctional aspects” (45,2). The social, political, economic, and cultural institutions that we develop, that we give shape and structure to, as Pope Benedict puts it, must “correspond to the deepest needs and dignity of the person” (44,2). Work, for example, must express “the essential dignity of every man and woman” (63). Essentially, this
The Need for Gratuity in Economics

transcendental human dignity stands at the center of Catholic social doctrine’s discussions of whether a life is a fitting human life or not. A strong sense of the dignity of the person can sustain basic rights, help us in developing the institutions and intermediate organizations we need, and even guide the media to have a truly civilizing effect on society (73).

Human rights are derived from our essential human dignity as persons created in the image of God; that connection is so important that human rights risk being ignored if this transcendent foundation is diminished or taken away (56). Indeed, charity itself demands recognition and respect for the legitimate rights of individuals and peoples through its demand for justice (6). It is important for the Church to help cultivate a public conscience for basic human rights, such as the right to food and water, so that they come to be viewed as universal rights in accord with human dignity. International aid must also aim at reinforcing guarantees proper to the state of law, that is, to systems of public order that respect rights within truly democratic institutions (41,2). Human rights call for their counterpart, duties, which are necessary because they limit rights by pointing to “the anthropological and ethical framework of which rights are a part, in this way ensuring that they do not become license” (43). Duties both defend rights and promote them in service of the common good. By the promotion of this vision of rights and duties, the Church helps to ensure that governments and international bodies maintain the inviolability of basic human rights (43). Benedict discusses the fundamental human rights of workers, of migrants, and of families to decide the number of children to bring into the world as examples of such basic rights, and, of course, of the right to development (63;62;44). For their part, people are to take up their duties of development.

Benedict discusses justice in the broadest sense as giving persons what is due to them. In the context of this document, it is clear that what is due to a person is what is necessary for his or her fulfillment and integral development. Further, Benedict discusses justice in terms of recognition and respect for the legitimate rights of individuals and peoples (7); we have seen that these rights are based on our inviolable human dignity. He also discusses other forms of justice. Commutative justice is the form governing fairness in exchange; although this is a necessary form of justice regarding equivalence in exchange, it cannot by itself produce the
social cohesion necessary for markets to work. In short, markets require internal forms of solidarity and mutual trust in order to perform their function (35). The Church’s social doctrine also highlights the importance of distributive and social justice for the market economy (35). Distributive justice governs what is due to the person because of his contribution to society and his needs. Social justice involves the reciprocal obligations that society has to provide what is due to the members of society while the members must contribute to the common good of society.

In his use of the concept of freedom, Benedict makes clear throughout the encyclical that development of the person and peoples depends on the use of a responsible freedom (11,1;17;40;48,2;57,1;68;70). Integral human development is a vocation and therefore involves a free assumption of responsibility in solidarity on the part of everyone (11,1;52,1). In fact, one is truly set free, and hence gains true autonomy, only when one accepts one’s vocation in a spirit of humility (11,1;17). In a passage where he describes the idea that the development of peoples can be created though the “wonders” of technology, he states:

In the face of such Promethean presumption, we must fortify our love for a freedom that is not merely arbitrary, but is rendered truly human by acknowledgment of the good that underlies it. To this end, man needs to look inside himself in order to recognize the fundamental norms of the natural moral law which God has written on our hearts (68).

Benedict states that we become free by adherence to the truth of our being (1). We are set free only by service to the truth, such as the truth provided by Catholic social doctrine; this is most likely his intent when he defines the true meaning of freedom as a response to the call of being, beginning with personal being. He thus intends a responsible freedom, in apposition to an absolute freedom, as manifested by technology, that seeks to prescind from the limits inhering in things (9,2;70).

Universal Destination of Goods? In the 1987 Sollicitudo rei socialis, written on the twentieth anniversary of Populorum progressio, John Paul II identified the characteristic principle of Catholic social doctrine as the so-called universal destination of goods. That is, God created the world
for everyone to use, so the goods of the world are originally meant for all. This principle complements the principle of private property. John Paul states: “Private property, in fact, is under a ‘social mortgage,’ which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods” (SRS42,5). Paul VI himself stated in *Populorum progressio* that all rights are to be subordinated to the principle of the universal destination of goods (PP 22,3).

*Caritas in veritate* never explicitly uses the term “universal destination of goods” or even “private property.” The encyclical achieves the same purpose, however, by Pope Benedict’s reaffirmation of Paul VI’s view that development is a universal vocation from God and that it concerns both every person and the whole person, that is, the person in every dimension of life (8,1;11;18;28,4;55,2;79,2). It is necessary to share the goods of the earth in order to create the unity desired by God: “The sharing of goods and resources, from which authentic development proceeds, is not guaranteed by merely technical progress and relationships of utility, but by the potential of love that overcomes evil with good (cf. Rom 12:21), opening up the path towards reciprocity of consciences and liberties” (9,1). Our duties remain those of rescuing the most vulnerable and marginalized, supporting both poor persons and poor countries in the development process, and confronting our own proclivities toward consumerism and a life of hedonism and materialism (51). John Paul’s “preferential option for the poor” becomes Benedict’s “principle of the responsibility to protect”; in both cases, the strong have the responsibility to protect the poor and the market must never become a place where the strong subdue the weak (67;36,2).

His statement on the right to a just wage (63) points in the same direction as the principle of the universal destination of goods, for wages are the means by which most people gain possession of goods. Benedict’s statements on the dangers of the growing inequality of incomes and wealth are supported by his repeated call for redistribution. Abandoning mechanisms of wealth redistribution hinders the achievement of lasting development, while economic actions for wealth creation that are detached from politics as a means of pursuing justice through redistribution produce grave imbalances (32,4;36). Likewise, economic life, which requires
contracts and systems to support them, also needs just laws and forms of redistribution governed by politics (37,2). The increased growth attributable to globalization itself opens up the possibility of a large-scale redistribution of wealth (42,2). And not only wealth but energy resources must be redistributed so that poor countries do not lose out to those who are first to claim the spoils (49,2).

Solidarity. Solidarity is an essential principle in Catholic social doctrine. It is, in the words of John Paul II, “the moral obligation, according to the degree of each one’s responsibility, to take into consideration, in personal decisions and decisions of government, this relationship of universality, this interdependence which exists between their conduct and the poverty and underdevelopment of so many millions of people.” He discusses it further as “a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual, because we are all really responsible for all” (SRS38,6). Continuing with John Paul, solidarity operates as a principle of political and social organization as well as a virtue.

Benedict XVI takes up the concept wholeheartedly: “Solidarity is first and foremost a sense of responsibility on the part of everyone with regard to everyone, and it cannot therefore be merely delegated to the State” (38). Critiquing the monopolies of the logic of the market and that of the state, he finds that much is lost thereby: “solidarity in relations between citizens, participation and adherence, actions of gratuitousness, all of which stand in contrast with giving in order to acquire (the logic of exchange) and giving through duty (the logic of public obligation, imposed by State law)” (39,2). Economic forms based on solidarity build up society; indeed, both the market and politics, not just civic society, need individuals open to reciprocal gift (39,2). Integral human development, the development of all persons and of the whole person, as a vocation, involves a free assumption of responsibility in solidarity on the part of everyone (11).

Some specific examples of Benedict’s use of the concept of solidarity include the following: We are to feed the hungry of the world, following an ethical imperative for the universal Church laid down for us by her Founder (27). We are to show support for poor countries via financial plans inspired by solidarity, so they can take steps to meet their own
citizens’ demands for consumer goods and development and contribute toward sustaining the demand for the goods of the rich countries (27). The market itself requires solidarity, for without internal forms of solidarity and mutual trust, the market is unable to fulfill its proper economic function (35). The state exhibits solidarity in its now traditional role of establishing systems of social security, both in rich countries and in poor countries (25). We are all to exhibit solidarity with coming generations and be attuned to practicing intergenerational justice, in a variety of contexts, ecological, juridical, economic, political, and cultural (48). In the field of energy, rich nations must exercise solidarity with the poorest by lowering their domestic use of energy, redistributing energy resources so that the poorest countries may have energy for development purposes (49,2).

Subsidiarity. Benedict does not define subsidiarity, but John Paul does so in the 1991 encyclical Centesimus annus:

Here again the principle of subsidiarity must be respected: a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good (CA48,4).

Pope Benedict uses the concept of subsidiarity in his discussion of governance of the process of globalization. This process requires authority since a common good, the global common good, is involved, but the authority “must be organized in a subsidiary and stratified way” (57;67). He urges the articulation of political authority at the local, national, and international levels; by this he means a dispersed political authority, effective on different levels, as a way of directing economic globalization and not undermining the foundations of democracy (41,2). He uses the concept of subsidiarity throughout the document, as when he discusses globalization in terms of the increasing interconnectedness of humanity and how this will produce benefits as individuals and peoples take up their respective responsibilities, both singly and collectively (42). Especially in countries excluded or marginalized from the more influential circles of the
global economy, it is important to move ahead with subsidiarity-based projects which affirm rights but also provide for the weak and vulnerable to take up their responsibilities (47).

The principle of subsidiarity must work closely with that of solidarity. Subsidiarity without solidarity gives way to social privatism, he informs us, with the individualistic, utilitarian, materialistic, even hedonistic dangers he warns us about throughout the document (58). At the same time, solidarity without the truth of subsidiarity gives way to paternalistic social assistance that demeans those in need. The latter kind of aid can lock people into dependence and, he tells us, “even foster situations of localized oppression and exploitation in the receiving country” (58). Aid programs, acts of solidarity, must be supported by the grass roots participation that exemplifies subsidiarity (58). Should anyone think, however, that subsidiarity operates to limit the extent of solidarity, perhaps as states’ rights act as a limit to federal power, notice how Pope Benedict uses the concept of subsidiarity. He describes it as a particular manifestation of charity, a guiding criterion for fraternal cooperation between believers and nonbelievers, first and foremost a form of assistance to the person via the autonomy of intermediate bodies (57). So he uses subsidiarity in such a way as to facilitate solidarity, to find the proper way in which to support others in taking up their duties in the development process (43;47).

Benedict believes strongly that it is subsidiarity which can keep us from the dangers of the heartless and inordinate expansion of the social assistance state, as it was termed by John Paul II:

By considering reciprocity as the heart of what it is to be a human being, subsidiarity is the most effective antidote against any form of all-encompassing welfare state. It is able to take account both of the manifold articulation of plans – and therefore of the plurality of subjects – as well as the coordination of those plans. Hence the principle of subsidiarity is particularly well-suited to managing globalization and directing it towards authentic human development (57).

Benedict calls for rich nations to apply the principle of subsidiarity to a review of their internal social assistance and welfare policies. The result would be to create better integrated welfare systems which would save
resources; those resources could then be shared with the developing nations. Subsidiarity and solidarity could work together in this as in other projects (60,1). On the other end of the economy, financiers must rediscover that finance is an instrument, not an end in itself, and they must make their way back to the ethical foundation that shows that the true goal of finance is the development of the whole person and of all peoples. In fact, the entire economy itself, as an instrument, must be used ethically so as to create the conditions for the development of peoples (65).

III

Pope Benedict has such a high regard for *Populorum progressio* that he terms it “the *Rerum Novarum* of the present age, shedding light upon humanity’s journey towards unity” (8,2). Although Paul VI was applying on a global scale the insights of *Rerum novarum*, Pope Benedict finds Pope Leo’s idea that the civil order “for its self-regulation, also needed intervention from the State for purposes of redistribution,” to be both threatened and insufficient to meet the demands of a fully humane economy (8,2).

Nonetheless, Paul VI laid the foundation for the approach which Pope Benedict wishes to take in *Caritas in veritate*. There are three essential elements that Benedict takes from *Populorum progressio*: The first is that Pope Paul refined the social question to that of the full and complete development of the whole person and of all peoples, in every dimension of life. The second element is that the Church, in its practice of charity, has essentially been in the business of promoting such development of the whole person from the time of its foundation in its mission of seeking unity among humans. The third element revolves around his belief that the social question has become a radically anthropological question; that is, the Church’s doctrine concerning what it means to be a person can serve as our guide in the task of promoting the full development of persons.

(1) Benedict explains why he places such importance in Pope Paul’s encyclical on development:
Paul VI clearly understood that the social question had become worldwide and he grasped the interconnection between the impetus towards the unification of humanity and the Christian ideal of a single family of peoples in solidarity and fraternity. In the notion of development, understood in human and Christian terms, he identified the heart of the Christian social message, and he proposed Christian charity as the principal force at the service of development (13, emphasis in original).

(2) Benedict points to Pope Paul’s assertion of two truths linking the Church’s practice of charity with the development of the person. The first truth is that “the whole Church, in all her being and acting – when she proclaims, when she celebrates, when she performs works of charity – is engaged in promoting integral human development. . . . The second truth is that authentic human development concerns the whole of the person in every single dimension” (11, emphasis in original). Human progress needs the perspective of eternal life. Otherwise, “it runs the risk of being reduced to the mere accumulation of wealth; humanity thus loses the courage to be at the service of higher goods, at the service of the great and disinterested initiatives called forth by universal charity” (11).

(3) With the focus firmly on development, the social question turns on the anthropological question. What does it mean to be a person? Benedict addresses the question throughout Caritas in veritate. The person is composed of reason and will (19), but we require material as well as spiritual growth, for we are a unity of body and soul (77). We are drawn to the truth of God’s plan for us, and that is where we find our good. We all have the inner impulse to love authentically. This drive to find truth and love is a vocation planted in the hearts and minds of each of us (1). We are meant for communion (3;4;6,2), and we achieve this by taking steps to secure the good of others, both personally and by striving to attain the common good (7). Benedict stresses the need for spiritual development in line with Pope Paul’s highest level of human conditions, that is, “conditions that, finally and above all, are more human: faith, a gift of God accepted by the good will of man, and unity in the charity of Christ, Who calls us all to share as sons in the life of the living God, the Father of all men” (PP21).

The theme running throughout Caritas in veritate is that of the “whole man” or whole person. Benedict discusses the whole person in the various
dimensions of life. Integral development requires the integration of the person into political, economic, social, juridical, and cultural life. He stresses as well the essential ties between environmental ecology and what he terms our human ecology. He has further linked life ethics and social ethics as a part of this focus on the whole person. (See appendix below.) I wish, however, to focus my remarks on spiritual life, which appears to be at the center of Benedict’s vision of what makes us most fully human. Our vocation to a spiritual life is brought home in a particularly compelling way toward the end of the encyclical, in the following passage:

"Development needs Christians with their arms raised towards God in prayer, Christians moved by the knowledge that TRUTH-filled LOVE, caritas in veritate, from which authentic development proceeds, is not produced by us, but given to us. For this reason, even in the most difficult and complex times, besides recognizing what is happening, we must above all else turn to God’s LOVE. Development requires attention to the spiritual life, a serious consideration of the experiences of trust in God, spiritual fellowship in Christ, reliance upon God’s providence and mercy, LOVE and forgiveness, self-denial, acceptance of others, JUSTICE and PEACE. All this is essential if “hearts of stone” are to be transformed into “hearts of flesh” (Ezek 36:26), rendering life on earth “divine” and thus more worthy of humanity (79).

He follows up: “Development will never be fully guaranteed through automatic or impersonal forces, whether they derive from the market or from international politics. Development is impossible without upright men and women, without financiers and politicians whose consciences are finely attuned to the requirements of the common good” (71, emphasis in original).

Benedict points throughout the document to the necessary direction in the spiritual life to which we are called, in living fully and in building our consciences. On the one hand, he points to isolation, alienation, self-sufficiency, ideology, and illusion as causes of underdevelopment; on the other, communion, solidarity, and living God’s plan as our vocation build up the community and are thus primary sources of development.

First, isolation. Benedict discusses isolation as one of the deepest forms of poverty, including material forms, stemming from the inability to love. We have a tragic tendency to close in on ourselves, but as persons,
we are alienated when we are alone, detached from reality. A passage from the same paragraph advances the thought:

All of humanity is alienated when too much trust is placed in merely human projects, ideologies and false utopias. Today humanity appears much more interactive than in the past: this shared sense of being close to one another must be transformed into true communion. The development of peoples depends, above all, on recognition that the human race is a single family working together in true communion, not simply a group of subjects who happen to live side by side (53).

As spiritual beings, we are defined by interpersonal relations. It is not through isolation that we establish our worth but by placing ourselves in relation with others and with God (53,3). The peoples of the developing world are primarily responsible for their development, but not in isolation, for the dynamics of inclusion are not automatic, but must be built up, in cooperation and communion with others. All the peoples of the world, in developed and developing countries, must participate in the development process (47,1). His perspective on communion is illuminated by the relationship between the Persons of the Trinity within the one divine Substance, a relationship to which we are called as well (54):

Relationships between human beings throughout history cannot but be enriched by reference to this divine model. 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. This also emerges from the common human experiences of love and truth. Just as the sacramental love of spouses unites them spiritually in “one flesh” (Gen 2:24; Mt 19:5; Eph 5:31) and makes out of the two a real and relational unity, so in an analogous way truth unites spirits and causes them to think in unison, attracting them as a unity to itself (54).

So we may think of one movement of the spiritual life he intends for us as the movement from isolation to communion.

Another facet of this movement of the spiritual life can be seen as the movement from the way of self-sufficiency to that of solidarity. He warns us that although I may become wrongly convinced that I am the sole
author of myself, of my life and society, that error is a consequence of being selfishly closed in on myself, of original sin, which is present in social conditions and in the structure of society (34). Our institutions are not sufficient to guarantee fulfillment of the right to development, however much we may have once thought them to be so (11). Progress of a merely economic and technological sort is insufficient (23); human knowledge itself is insufficient and “the conclusions of science cannot indicate by themselves the path towards integral human development” (30). Further, we treat technology as self-sufficient when we focus on the “how” questions, not the “why” questions, self-centered use of technology closes the door to transcendence (70;74).

Early in the encyclical, in a search for the causes of underdevelopment, Benedict turns to the will, which neglects the duties of solidarity, that sense of responsibility on the part of everyone with regard to everyone (19,1). He finds the cause of underdevelopment in the lack of brotherhood between individuals and peoples, something which may not be attained by human effort alone (19,1). As a vocation, he tells us, integral human development involves “a free assumption of responsibility in solidarity on the part of everyone” (11). Such development requires a transcendent vision; it requires God because “without him, development is either denied, or entrusted exclusively to man, who falls into the trap of thinking he can bring about his own salvation, and ends up promoting a dehumanized form of development” (11). He is clear on the importance of solidarity in his introductory sentence to the paragraph on the Trinity as the model of relation: “The theme of development can be identified with the inclusion-in-relation of all individuals and peoples within the one community of the human family, built in solidarity on the basis of the fundamental values of justice and peace” (54).

Another dimension of the movement of the spiritual life is the movement from ideology and illusion to the reality of living God’s plan for us in charity and truth. Ideologies often oversimplify the reality of life, whereas integral human development, which requires a full understanding both of the identity of the partners in development and of the processes of development, requires a commitment to foster interaction at different levels of human knowledge (26,30). Understanding development requires the contribution of disciplines such as metaphysics and theology, as well
as politics, economics, and knowledge of societies and cultures (53,2).
The prevalent ideology, on the other hand, is the technocratic ideology,
which threatens to take over the entire development process and hence
runs the risk of detaching progress from its moral evaluation and hence
from our responsibility (14); this is because it limits the order of reason to
technical considerations only and does not take account of transcendent
values. Note that Benedict includes within technical solutions financial
engineering such as freeing up of markets, removal of tariffs, and related
institutional reforms, for he sees these operating in a purely technical
manner and emerging from a technical mindset (71). A major danger of
globalization is that technology might “become an ideological power that
threatens to confine us within an a priori that holds us back from
encountering being and truth” (70). He discusses this danger in terms of a
messianism that gives promises under the illusion of creating paradise in
this world, but always denies the transcendent dimension of development
(CA25,3;CV17).

Rather than falling into the grasp of such an ideology or illusion, we
are called to find the truth of our lives in God’s plan for us, in the vocation
to love our brothers and sisters in the truth of his plan for us. It is in
finding and adhering to this truth, defending it, articulating it with
humility, bearing witness to it in our lives that we become free (1). The
following passage lays out this point well:

Truth, and the love which it reveals, cannot be produced: they can only be
received as a gift. Their ultimate source is not, and cannot be, mankind, but
only God, who is himself Truth and Love. This principle is extremely impor-
tant for society and for development, since neither can be a purely human
product; the vocation to development on the part of individuals and peoples
is not based simply on human choice, but is an intrinsic part of a plan that is
prior to us and constitutes for all of us a duty to be freely accepted. That
which is prior to us and constitutes us – subsistent Love and Truth – shows us
what goodness is, and in what our true happiness consists. It shows us the
road to true development (52, emphasis in original).

So we are to bring into our spiritual lives all the elements and dimen-
sions of our lives, the economic, the political, the social (especially
regarding the common good), and the cultural, because we are fully
human in every single dimension of our lives. The goal is to live fully and deeply in the love of Christ and to develop consciences that are able to see in globalization, for example, the increased interaction among peoples that can extend the networks of charity which we are called to weave (5,1), the processes of subsidiarity which will allow us to exhibit and extend solidarity in ways which are most conducive to the development of persons and peoples, and in which politicians and financiers are imbued with a sense of the common good. This common good extends necessarily in our globalized society to assume the dimensions of the whole human family, the community of peoples and nations (7).

We must engage the world as well as live a deeply spiritual life, and the three movements discussed above help lead us into communion with source of the love that will animate and encourage us in such engagement. We are able by living spiritually to accept more fully the gift of grace, to accept the love coming to us from God; this is creative love, redemptive love, “poured into our hearts through the Holy Spirit’ (Rom 5:5). As the objects of God’s love, men and women become subjects of charity, we are called to make ourselves instruments of grace, so as to pour forth God’s charity and to weave networks of charity” (5,1). This love is the wellspring of the gratuitousness (or gratuity) which we are called to bring as fully human beings into all our endeavors. Pope Benedict tells us in the words of Paul VI: “Indeed, ‘the individual who is animated by true charity labours skilfully to discover the causes of misery, to find the means to combat it, to overcome it resolutely’” (30). The goal is to build “a society according to freedom and justice, in the ideal and historical perspective of a civilization animated by love” (13). The following passage captures this sense:

*God’s love calls us to move beyond the limited and the ephemeral, it gives us the courage to continue seeking and working for the benefit of all, even if this cannot be achieved immediately and if what we are able to achieve, alongside political authorities and those working in the field of economics, is always less than we might wish. God gives us the strength to fight and to suffer for love of the common good, because he is our All, our greatest hope (78, emphasis in original).*

This gratuity, or gratuitousness, is intended to convey the sense of the
free gift of self to which John Paul urged us, of giving without counting the cost, of an unexpected but most welcomed gift (34), of the love that happens among members of a family (often called fraternity in the document). Benedict urges us, thus empowered and emboldened, to bring this sense of gratuitousness into normal economic activity, for the economy is a sector of human activity (36,4;45,2; see 36,3). He states clearly:

What is needed, therefore, is a market that permits the free operation, in conditions of equal opportunity, of enterprises in pursuit of different institutional ends. Alongside profit-oriented private enterprise and the various types of public enterprise, there must be room for commercial entities based on mutualist principles and pursuing social ends to take root and express themselves. It is from their reciprocal encounter in the marketplace that one may expect hybrid forms of commercial behavior to emerge, and hence an attentiveness to ways of civilizing the economy. Charity in truth, in this case, requires that shape and structure be given to those types of economic initiative which, without rejecting profit, aim at a higher goal than the mere logic of the exchange of equivalents, of profit as an end in itself (38).

Benedict points us to the need for urgent reform both due to the rapid succession of events and because what is at stake is the establishment of authentic fraternity (20,1). And indeed, both the market and politics need persons who are open to reciprocal gift (39,2). To defeat underdevelopment, he tells us, exchange-based transactions must be improved, for example, through transparency, honesty, and responsibility; public welfare structures based on a true subsidiarity must be put into place, but above all, economic forms based on solidarity and marked by quotas of gratuitousness and communion must emerge in the world context (36,4;39,2). As he puts it, this is not a “third sector,” but a broad composite reality embracing the private and public spheres, one which includes profit as a means for achieving human and social ends (46).

Benedict states at one point that gratuitousness is present in our lives in many different forms, but they often go unrecognized because of our purely consumerist and utilitarian view of life (34,1). I am firmly convinced that he is correct, and I am prompted at this point to give some concrete examples of gratuitousness in everyday economic life, examples
with which I am familiar. Here are three short stories.

(1) I will begin with a wonderful story of a woman I met from Kansas City, who worked in a realty company populated with aggressive realtors who easily and quickly sized up the wealthier clientele walking through the door and snapped up their business. She decided that she would not compete with them but would view her work as a vocation, that of putting ordinary, middle-class Americans into good homes at fair prices. She voluntarily chose to take a lower return at work, in good measure for the sake of a greater good.

(2) One of my sustaining memories is of the dinner conversations I grew up with at home. My dad was an automobile mechanic and self-made man who owned his shop and who worried about the condition of his men. When work was slack and my mother, the accountant, wanted to let go of a worker or two, my dad balked. Lalo was saving to go to college to become a teacher, Romeo drank and he might harm himself or his family, Higinio had a number of kids, and so on. So my father would first take the hit himself, then if conditions did not improve, he would ration work so that the workers each lost a day of work a week. He worked very hard not to have to release a worker.

(3) In the past few years, a young couple started a restaurant in Denver on Colfax Street and called it SAME, So All May Eat. They were determined that at this little restaurant no one without money would go hungry. Instead of a cash register, there is a box for contributions where one can contribute what one wants or can afford. If a diner has no money, he or she is asked to work for the meal, perhaps by washing dishes, but there is no strict requirement to work. The couple both kept their regular jobs for a while to subsidize the business, then the wife quit her job to oversee the operations more closely. The husband works at the restaurant but has kept his outside job in order to keep the family going and to subsidize the restaurant.

**Conclusion.** Benedict makes a point fundamental to the reading of *Caritas in veritate* in the following statement: “While in the past it was possible to argue that justice had to come first and gratuitousness could follow afterwards, as a complement, today it is clear that without gratuitousness, there can be no justice in the first place.” (38) The free gift
of self in all our relationships, in all the dimensions in which we live our lives, is not an optional matter if we are to obtain justice. Rather, Benedict teaches that it is required if we are to have any hope of obtaining justice. He makes the argument throughout the course of the encyclical; and here we may review his reasons for this belief. Unless we are living deeply enough out of the love of the Holy Spirit, based on our faith, unless we are open to grace, unless we mobilize ourselves at the level of the heart, we are unable to see our proper role in the culture, politics, economics, and social life around us. Our intellect is darkened – darkened reason, in his words – and is no longer able to guide us in the proper way to act in the world (36,2). This inability to see is especially true amid the dysfunctions, injustices, and ideologies he describes as characteristics of the current economic processes associated with globalization. With consciences no longer attuned to the needs of the common good, reason alone is unable to guide us toward our proper path. Further, with a will not animated by charity, we lack the courage to act on behalf of social justice. Benedict believes that reason and will must act together, and hence we need charity in truth, caritas in veritate, infused into all aspects of our lives. This would dispel ideologies and allow a clearer vision of the unity to which we are called. Finally and importantly, it would lead us to the ongoing source that is God’s love, essential to animate us to act for social justice.

In reading Benedict, I am reminded of both Mother Teresa and John Paul II. Mother Teresa urged us to train ourselves to look for human need and then to work to meet that need. This included having her sisters set up homes to care for dying AIDS patients at a time when people with AIDS were treated like modern-day lepers. One of our students volunteered at her New York City AIDS home in the 1990s and came back emotionally and spiritually drained. There was little or no response from the patients who were so close to death; they just blankly stared back at the volunteers and the sisters. The sisters, for their part, were not emotionally or spiritually drained; for as they explained, they relied on the love of God to support them in their daily work, and it was this love that they could pass on to their patients while truly expecting nothing back from them. I believe that this vignette captures the message of Benedict in Caritas in veritate. John Paul II urged us to a similar spiritual outlook in his exhortation to us to “change the spiritual attitudes which define each
individual’s relationship with self, with neighbor, with even the remotest human communities, and with nature itself; and all of this in view of higher values such as the common good or, to quote the felicitous expression of the Encyclical *Populorum Progressio*, the full development ‘of the whole individual and of all people’” (SRS38, 3). It is indeed the work of a lifetime to expand progressively the circle of those with whom we can share fraternal love – the very love of God; it is, however, the call and the foundation of Catholic social doctrine.

Benedict urges us to enter into loving relationships with all persons, but especially with those who are marginalized and exploited in economic, social, and political spheres. He informs us that there is an urgent need for reform, not only because of the rapid succession of events and problems, but because the very matter at stake is the establishment of authentic fraternity. In his warnings about the binary model of market-plus-state being corrosive of society, about the market’s inability to establish fraternity, the weakening of cultures, the dangers of the domination of the spirit of globalization by considerations of an individualistic and utilitarian nature – his complaint is that forces of isolation, self-sufficiency, illusion, and ideology are in danger of dominating our view of what it means to be a person. If we do not take up this task, then we are perpetuating the great modern failing, or perhaps sin of omission, of not reaching out to others with the sincere gift of self. Benedict’s alternative consists of establishing relationships and institutions of true communion, establishing solidarity among peoples, and living out God’s loving Trinitarian plan for us. He believes that for us to develop into full and complete persons, we must learn how to give this gift of self, how to bring total gratuitousness – the gratuitousness that we have received for the sake of others – into all the dimensions of our lives. In his view this is a necessary condition to the solution of the social question.

*Appendix.* Benedict points to the importance of integrating life ethics and social ethics as a part of his strategy to promote the whole person. Life ethics are essential to integral human development, and the pope suggests a number of reasons for this. He begins with John Paul II’s argument in *Evangelium Vitae* that “a society lacks solid foundations when, on the one hand, it asserts values such as the dignity of the person,
justice and peace, but then, on the other hand, radically acts to the contrary by allowing or tolerating a variety of ways in which human life is devalued and violated, especially where it is weak or marginalized” (15.2). Benedict argues that the acceptance of life strengthens moral fiber and renders people capable of mutual help. Wealthy peoples, in particular, by cultivating openness to life, learn to understand better the needs of poor ones. They “can avoid employing huge economic and intellectual resources to satisfy the selfish desires of their own citizens, and instead, they can promote virtuous action within the perspective of production that is morally sound and marked by solidarity, respecting the fundamental right to life of every people and every individual” (28.4).

In his promotion of the whole person, Benedict insists as well on a closer union of environmental ecology and human ecology. As a gift by God to everyone, the natural environment calls forth duties arising from our relationship with it. Our responsibility wanes as it is seen as the result of mere evolutionary determinism; by contrast, if it is seen as a result of God’s creative work, available for our responsible use for satisfying legitimate needs, we are more apt to take up our duties rather than abuse it (48.1). The way we treat the environment influences the way we treat each other, and vice versa. Benedict turns to John Paul in urging us to shift our mentality to adopt, instead of lifestyles of hedonism and consumerism without regard to consequences, lifestyles “in which the quest for truth, beauty, goodness and communion with others for the sake of common growth are the factors which determine consumer choices, savings and investments” (51.1). Violations of solidarity and civic friendship harm the environment, as deterioration of the natural environment upsets relations in society. For example, desertification often reflects impoverishment and underdevelopment among the inhabitants of the region. Peace is essential in this regard, for wars devastate the environment (51.1).

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ANY REASONABLE THEORY of justice must be founded upon an adequate theory of the human and of the goods proper to human life. Obviously, the question of justice would never arise except given the existence of rational beings. And most of the concerns of justice pertain to the relationships which should hold between humans.

By its very nature the human is a personal being, not only actively present in itself, but also intrinsically ordered to relationship with other persons – to “friendship, community, and society.”¹ The human person comes to the fulfillment of his potentialities, not merely by consciousness, but by active engagement and commitment to living the truth.² We human beings, however, often find it very difficult to cultivate and to maintain such relationship and commitment. Our choices always pertain, in some way, to our loves and hatreds – a consideration of which is a proper topic for a complete science of economics.³ The human problem is that we do not always direct our loves and hatreds with a view to the right and the good. Passions, habits, conflicting commitments and interests are always close at hand to set us in opposition to one another. But perhaps no division among us is greater than that which is literally founded upon injustice.

Saint Thomas Aquinas understood justice both in terms of natural law and in terms of positive law (both divine positive law and human positive law). For Aquinas, the natural law is the rational creature’s participation in the eternal law, that is to say, in the divine reason by which God directs all things to their proper ends or goods.⁴ Russell Hittinger claims that the theologian should primarily be concerned with natural law as “an expression of divine providence.”⁵ It is that law of which Saint Paul writes: “When the gentiles who have no law [no law by divine revelation] do by nature what the Law prescribes, these having no law are a law unto
themselves. They show the work of the Law written in their hearts” (Rom 2:14-15). The Creator has given us intellects by which we have the capacity to know what is good or bad, what is right or wrong. And, as long as our intellects have not become disordered by depraved living or depraved education, we are for the most part able to make correct judgments.

More particularly, the knowledge of the natural law is founded upon the knowledge of a number of goods which are necessary for human existence and human flourishing. While the violation of these goods can lead to various vices, such violation always entails some form of injustice. Consider the good of life. Consider the good of marriage in which a man and woman express the complete giving of each to the other (and receiving of each from the other) in the most intimate of relationships. Consider the good of children and the good of their being enabled to grow to mature stature as human beings. Consider the good of having an intellect and the good of coming to know truth, which is the point, really, of having an intellect. Consider the good of our being in the right relationship with God. Consider the good of human society and the good of a society which flourishes in a state of peace.

In his treatment of the natural law, Aquinas does not offer proof that these are goods. In earlier questions of his Summa Theologiae, he has already dealt with a number of these goods, particularly in those questions pertaining to the human’s last end and to happiness. The natural law itself, as it actually exists within the human mind and heart, does not depend upon proofs. Rather, for most members of the human race, it is enough that we are able to see intellectively that these goods really are goods. Given such seeing, we can understand what Aquinas proposes as the most fundamental proposition of the natural moral law: “Good is to be done and pursued, and evil is to be avoided.” We can also understand the particular aspects of human life where he identifies further specifications of this fundamental law: first, the preservation of human life; second, the coming together of man and woman in the conjugal act and the education of children; third, knowing the truth about God and living in society. Only in this third class does he actually formulate explicit moral directives: “Shun ignorance” and “Avoid offending those among whom one has to live.”
The divine positive law, such as the Ten Commandments or the New Law of Christ (“Love one another as I have loved you” [Jn 13:34]), for example, could never violate the natural law, since its source is our Creator. The same is hardly true of human positive law. In a society whose laws are rationally, rather than ideologically, determined, one can risk the assumption that what the laws require is in accord with the demands of justice. But where ideology dominates – of either the extreme political left or the extreme political right – justice, absent from the purpose of legislation, is commonly the first thing to be violated, and the oppression of one or more segments of the population is likely to follow in its train.

Justice. Justice has been understood in various ways. One of the most perceptive definitions offered by Aristotle was that to act justly is to treat equals equally and to treat unequals unequally. No doubt, without some further elaboration, such a definition could be taken as an excuse for perpetrating gross injustice, but that is not what Aristotle intended. In some respects we are all equal; in other respects we are not. Any attempt to ignore either the one or the other can quickly slide into gross injustice. For example, in introductory courses to a discipline, the typical professor in an American university must deal with a range of students. Some are bright and well prepared, while others fall considerably short of these desirable attributes, but not so far that the only just response to them is to advise them to withdraw from the university. In that respect, not all students are equals. In justice, all must be graded by the same standards, since, in that respect they are all equals. At the same time, the professor, either himself or through teaching assistants or the appropriate institutional learning center, must offer help to the weaker students. This is commonly considered to be simply a matter of generosity. I do not agree. Justice demands it. “Equals must be treated equally; unequals must be treated unequally.”

The most common division of justice is that made between distributive justice and commutative justice. Russell Kirk proposed that distributive justice is expressed in Saint Paul’s exhortation to the Romans (13:7-8): “Render to all men whatever is their due; tribute to whom tribute is due; taxes to whom taxes are due; fear to whom fear is due; honor to whom honor is due. Owe no man anything except to love one another, for
he who loves his neighbor has fulfilled the law.” Kirk sees commutative justice expressed in Christ’s formulation of the Golden Rule in the gospel of Matthew (7:12): “All that you wish men to do to you, even so do you also to them.”

Distributive justice arises when a finite good is parcelled out according to the deserts or needs of those who receive a share of that good. In the case of a university, the stress is on deserts or, at least, on presumed deserts. Professors receive significantly larger salaries than do secretaries. In the case of a family, the stress is ordinarily more on needs, although not with a complete ignoring of deserts. Babies usually require the expenditure of much more time and effort than do older children, although the older child who is suffering a crisis may momentarily take precedence over the baby.

Commutative justice arises when goods are exchanged between two (or more) parties in a manner that is good, at least to some extent, for all the parties concerned, even if none of the parties is fully satisfied. In matters of exchange, we frequently settle for the best we can manage to get. A factory worker expends his time and energy in exchange for a wage agreed upon by the management and the worker’s union. But that does not guarantee that either the unionized workers or the management is altogether pleased with the contract.

*The Common Good.* The concept of the common good must arise in any serious, extended discussion of justice. No moral concept is more subject to being misunderstood than this one. The common good is not simply the good of the majority; rather, it is the good of the majority and of everyone else. More accurately, the common good is the good of everyone in the community precisely as member of the community. This is true even if certain members of the community do not like or approve of certain laws which are for the common good. It is, for example, for the common good that some convicted criminals should be imprisoned. It is good even for the imprisoned criminal.

One of the chief ways in which the common good is served consists in the production of wealth which redounds to the improvement of the conditions of life for all the members of a society. The best examples of this are found in those societies which promote free market, fully
competitive capitalism, the kind of economic system which Michael Novak calls “democratic capitalism.” Novak even considers that the creative use of one’s talents to accomplish such wealth involves a form of justice. It may very well be asked whose rights are affirmed by the use of one’s talents in such wealth production, or whose rights are violated by a failure to do so. Few people have such talents, but those who do surely owe something to the Creator by whose generosity they have their very being with all of its capacities, as well as to the society which provided at least some of the conditions, whether knowingly or not, whether willingly or not, for their development.

Two of the principles by which the achievement of justice and the common good must be measured are subsidiarity and solidarity.

Subsidiarity. As Pope Pius XI’s great encyclical Quadragesimo anno (1931) made clear, subsidiarity is an essential character of a just social or political order. What can be dealt with well at the individual or local level of a society should not be usurped by a higher, more distant level of that society. Comprehensive, centralized control of the social, juridical, political, cultural, and economic orders is an ideal of both the theories of communism and fascism, both of which have heaped up so much evidence of the injustice to which these systems lead, that no one could ever do as well as their proponents themselves have done to discredit these systems of governing.

While we usually consider the worst abuses of subsidiarity to occur from the side of overweening governmental control, it is foolish and dangerous to ignore the rejection of the principle of subsidiarity by those who engage in the creation of various economic cartels, such as came about in the late twentieth century through the merger of American oil companies and, most significantly, through the development of the Organization of Petroleum Exporting Countries (OPEC) cartel. By its very nature, an economic cartel entails the elimination of private entrepreneurs, and thus the elimination of free competition among various business enterprises. Consequently, it destroys the freedom of consumers to purchase a product at the quality level and at the price that would best serve their own needs. The cartels formed by oil companies have such tremendous power to control both the supply and the price of an essential
 commodity that they can, in effect, hold the industrialized world hostage to their self-serving interests. Is there any rational hope that these developments will not eventually lead to economic disaster for most of the human beings on this planet?

_Solidarity._ All of the popes who have contributed to the building up of the Church’s Magisterium of social and economic justice have attended in some degree to the need for a relationship of fraternal love and a concern for the larger whole among the parties involved in reaching agreements in economic matters. Pope Benedict XVI’s _Caritas in veritate_ (2009) expressly brings the theme of subsidiarity into relation with the theme of solidarity, that is, our union with all human beings._15_ While the individual and the local community each has its proper autonomy, neither is relieved of the obligation to consider the effect of its decisions on the larger community. A course of action which may be seen as appropriate at a lower level may result in great problems socially, politically, or economically for the greater whole. An industry or community which, in order to satisfy its need for water, seriously depletes a river to the loss downstream of communities which depend upon that river for their very lives, would never be considered to have acted justly. While a miserably contracted view focusing exclusively on one’s own desires could possibly accord with some monstrously narrow, minimalist notion of justice, it is not at all capable of serving that full degree of justice in which, with Saint Paul, we understand that ultimately what we really owe is to love one another (Rom 13:8).

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3 See, for example, John D. Mueller, *Redeeming Economics: Rediscovering the Missing Element* (Wilmington, Del.: ISI Books, 2010).

4 *Summa Theologiae* I-II, q. 91, a. 2.


6 *Summa Theologiae* I-II, q. 94, a. 2.

7 *Summa Theologiae* I-II, q. 94, a. 2.

8 Ibid.

9 *Nicomachean Ethics* 5.3.1131a20-b22.


11 John O. Riedl in a private conversation many years ago.


13 Ibid., 24.

14 *Quadragesimo anno*, 79.

15 *Caritas in veritate*, 58.
“New Things”:
Seeking a “Way Forward” on the
One Hundred Twentieth Anniversary of
Rerum novarum

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Let us take our beginning from Archbishop Francis George, O.M.I., who observed (in 1997, before he joined the Sacred College) that Americans “are culturally Calvinist, even those who profess the Catholic faith.” The then-Archbishop went on to say that, “American society . . . is the civil counterpart of a faith based on private interpretation of Scripture and private experience of God.” Our Catholic faith teaches us something different, that the community makes legitimate demands on us that challenge the American – really, Protestant – notion of individualism. Cardinal George was talking about the way we think about political liberties in 1997 when he made this observation, but we are not wrong to expand his remarks to the sphere of economics. Capitalism always has enjoyed a peculiar cachet in American life, perhaps because it incubated in the same British tradition that gave us our constitutional government, itself born from an argument over Calvinism in England. Even more, as the influence of Catholicism in the United States has grown around the globe increasingly to shape Catholic self-understanding, a note of optimism about market capitalism often has lurked amid the criticisms suggested by the Church’s social doctrine.

To chart a “way forward” for modern Catholic social thought in light of the economic crisis of 2008, we must build on the solid foundation of the tradition as it has developed over the past more-than-a-century. Yet, as we assess that tradition, we also must recognize that, being a “new thing,” Catholic social teaching represents neither an uncomplicated nor entirely unambiguous heritage. Modern Catholic social teaching still is an
emerging phenomenon. The way forward for Catholic social thought, and for all of us who take that tradition seriously when we look to economic questions, requires us to assess some of the tradition’s contradictions and perplexities in the light of the last 120 years, and to locate what in that tradition is essential and timeless, to distinguish it from those peripheral things that have accrued to it through its historical development.

It is well to begin by recalling the words of Pope Pius XII. In the defense of private property and the rights of capital, Pope Pius taught us, the Church “does not, of course, strive to uphold the present state of affairs as if it were an expression of divine will. . . . The Church rather does intend that the institution of private property be such as is required by the plan of divine wisdom and the law of nature.”2 Blessed Pope John XXIII elaborated on that passage in his encyclical letter Mater et magistra to say that, “Private ownership should safeguard the rights of the human person, and at the same time make its necessary contribution to the establishment of right order in society.”3 We see the consistent development of this teaching in the challenge Blessed John Paul II set before capitalism in 1991. Before capitalism can claim a moral victory over communism, it first must seek to be “an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector.”4 Pope John Paul goes on to add that, “if by capitalism is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious,” then there can be no endorsement of capitalism as the moral superior of communism or any other economic doctrine.5

The clear implication of these teachings that span six decades, and find their roots in the nineteenth-century teachings of Pope Leo XIII, is that the Church must take the side of no particular economic system. Economic systems are the means by which we achieve morally desirable goals, and determining the most moral means to reach those goals is the province of competent lay Catholics in the secular world. So long as moral ends are obtained (or, at least, obtainable) by means not themselves
immoral, the Church prefers to act as a teacher of morals, letting the temporal world sort out its own politics and economics, and to advocate no one system over another. It follows naturally from this analysis, as Pope John Paul makes especially clear, that any deference to capitalism and market economics within the Catholic social tradition is contingent on the orientation of capitalism to securing human goods in an ethical and religious sense.\(^6\)

Twenty years past *Centesimus annus*, it seems prudent to frame our view of the recent economic crisis according to the standards set forth by Pope John Paul and the developing, modern Catholic social tradition. Most experts agree that the root of the crisis was a housing bubble, the result of what we can characterize as under-regulation (“the real toxic mortgages occur with the huge increase in securitization,” which was not adequately regulated on the assumption private markets would insulate themselves against risk) of an increasingly aggressive and risk-friendly climate for lending that created an environment Alan Greenspan described as fostering “predatory lending.”\(^7\) The prey, in that predatory environment, were under-qualified borrowers, which is to say lower middle-class and poor borrowers encouraged for three decades by both political parties’ trumpeting home ownership as the dream to which every American is entitled, and abetted by banks in search of reckless profit. In the same period, those same under-qualified borrowers saw median wages stagnate, the lowest 90 percent of earners’ wages rising only 10 percent while the top 1 percent of earners tripled their earnings.\(^8\) In all, this was a remarkable object lesson that greed does exist in the marketplace, too often it is rewarded, and that it cries out for a juridical remedy, regulation.

The picture of economic activity that developed over the last few decades has raised grave questions about whether we can depend on capitalism and market economics to value persons without significant intervention and restraint by government. Taking seriously the placement of the human person at the center of all temporal political and economic considerations, the economic crisis of 2008 suggests that the Catholic social tradition is obligated to withdraw even the little deference it has given market capitalism, and to begin imagining a new approach to economics which will not build prosperity on speculation and exponentially increasing the distance between rich and poor to frustrate the
common use of nature’s bounty.

Modern Catholic social teaching that regards economics contended chiefly with Marxism from 1891 until only two decades ago. A certain deference to capitalism in that circumstance is unsurprising, but the two decades since 1991 have brought the unsuitability of that deference into sharp relief. Consider this strange comparison. The 2004 Compendium of the Social Doctrine of the Church offers a confident endorsement of free market capitalism where it tells us that, “In light of the principle of subsidiarity, [the intervention of the public authority in economic matters] . . . must not continue any longer than is absolutely necessary, since justification for such intervention is found only in the exceptional nature of the situation.” This assertion of the “exceptional nature” of economic intervention suggests an almost laissez-faire position. But apart from exceptions for economic stimulus and a gesture toward economic equality so vague as to be totally unhelpful, it seems clear that the mechanism of the market is to be let alone. The state’s intrusion into economic affairs is seen here to frustrate the common good, as it is expressed more properly through the institutions of civil society.

This is puzzling, however, if we think of how the Compendium describes the “responsibility for attaining the common good, besides falling to individual persons, [as] belong[ing] also to the State, since the common good is the reason that the political authority exists.” It continues to be puzzling when we examine the role of the state as, “determining an appropriate juridical framework for regulating economic affairs,” because economic activity “cannot be conducted in an institutional, juridical, or political vacuum.” Finally, our puzzlement becomes complete when we hear the Church’s skepticism of the increasing complexity of the global marketplace expressed in 2004 as an eerily prescient warning of the crisis that would begin three years later:

the processes of deregulation of financial markets and innovation tend to be consolidated only in certain parts of the world. This is a source of serious ethical concern, since the countries excluded from these processes do not enjoy the benefits brought about but are still exposed to the eventual negative consequences that financial instability can cause for their real economic systems, above all, if they are weak or suffering from delayed development.
The sudden acceleration of these processes, such as the enormous increase in the value of the administrative portfolios of financial institutions and the rapid proliferation of new and sophisticated financial instruments, makes it more urgent than ever to find institutional solutions capable of effectively fostering the stability of the system without reducing its potential and efficiency. It is therefore indispensible to introduce a normative and regulatory framework that will protect the stability of the system in all its intricate expressions, foster competition among intermediaries and ensure the greatest transparency to the benefit of investors.¹²

The puzzlement we experience as we follow these seemingly contradictory excerpts from the social doctrine of the Church fades away once we recognize two facts. First, again, we must be reminded that the totalitarian economies of Marxist regimes always lurked on the sidelines as the foil against which the Church’s economic teachings were defined. In that circumstance, there should be no surprise that the Church adopted a cheerfully optimistic tone about market economics, even to the point of occasionally expressing quite recently a too-enthusiastic commitment to the “potential and efficiency” in the market as a value against which regulatory interventions must be measured.

The second fact we should recognize is that, already, there has been a development away from that cheerleading for free market capitalism as the Church has studied economic affairs during the twenty years since Centesimus annus. The Church already now favors a greater degree of economic intervention, we can reasonably suppose, because of what has been learned from those decades of watching. This is the profitable direction in which we must continue.

Not all Catholics have abandoned their confidence in market capitalism. Economist Edward Hadas, in a brief but interesting essay, shares some of the skepticism about the financial sector expressed recently in the Compendium, but still finds merit in the underlying economic theory. He believes that the deficiencies of finance can stand apart from market capitalism and, if properly ameliorated, can allow the virtues of market capitalism to manifest themselves. Hadas agrees that the financial sector has refused “to take morality seriously,” and acknowledges that the financial system revealed itself in recent years to be susceptible to “human
nature,” and “the corrosive power of greed.” He agrees, also, that “the business economy is both so new and so different from what came before that it hardly can be considered well-established.” Yet, even as he allows quite sensibly that “all societies will always need to be vigilant” against greed and other sins, avoiding the Platonic temptations of utopianism, his three programmatic solutions to transform finance into a “moral activity” are startlingly naïve to the point of being utopian. Hadas is honest enough to evaluate the recent economic crisis as a moral crisis, and he rightly pins responsibility on the financial sector. His error, to believe the financial sector can be separated from the economic theory that makes it possible, recalls Michael Novak’s breezy confidence at the end of the Cold War that, while it will be a challenge “to find the practical institutions that reach all of the destitute, poor, and vulnerable on the planet and include them in the creative [free market, capitalist] economy,” it can be done. Twenty years later, at the end of a crisis brought on by “predatory lending” that victimized those at the bottom of the economic scale, those who still today remain mired in long-term unemployment, the evidence suggests that the creativity Novak and Hadas praise has succeeded only to aggrieve further “the destitute, poor, and vulnerable.”

One last thing common to Hadas, Novak, and many Catholic defenders of market capitalism is their confidence in the “distribution of necessities, comforts, and luxuries” it makes possible. Yet, even the praise of technical innovation or scientific progress that results from the dynamism of the market is somewhat misplaced from the point of view of the Catholic social and moral tradition. That praise of progress derives from a Hegelian understanding of history as inevitable progress, and an Enlightenment prometheanism, confident in the capacity of human beings to dominate and control their world as surely as any Renaissance Magus reciting incantations from his Corpus Hermeticum. Technology lengthens life spans and provides new ways to clothe and feed, and those are good things. But the Homo technologicus also has proved less than chary about destroying whole cities with one bomb, harvesting stem cells from the unborn, and applying prenatal gender selection to determine whether a child will be carried to term. These are only a few examples of the horrors brought forth in the name of progress and development by science. We are right to apply the same skepticism in economics, cheering for a progress
that seeks moral ends and not simply, only, for progress.  

We should conclude neither that Luddism is the only moral option, nor that the deficiencies lately exposed in market capitalism must point us toward some different fruit of the Enlightenment. We must recognize further that, not having critiqued market capitalism so aggressively as Marxism, the Church’s social doctrine has contributed in a small way to the climate of the last two decades. Our challenge is to support the Church as scholars, each in his way according to discipline and training, as it continues the development of social doctrine in a manner that maintains a commitment to economic progress centered on the person, not losing sight of development for all persons as its goal, and reflecting the wisdom gained through experience since the collapse of Marxism. In the way Catholic moral teaching already does in scientific and political enterprises, Catholic social thought must avoid that promethean instinct to embrace progress as the \textit{sine qua non} of human experience, as it does when it hedges its embrace of regulatory interventions with concerns for the “potential and efficiency” of the market. Yet, neither need we resign ourselves to a stagnantly Euclidean, pre-modern worldview. Progress and development may be called goods, but only if their benefits are distributed widely, showing care for the weak before the strong. Historically, we know this depends on state intervention against private interests: good people will pursue the common good, but the purpose of the state is to secure us against the certainty that all people are not good. A skeptically antagonistic regulatory framework, much as firm criminal laws that address violence, can be the only place to begin this task.

Of course, the early Church had a simpler approach: “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.”\footnote{18} Though not practical on a global scale, this ideal frames our goal: the universal destination of goods, none should lack what he needs. Our way forward perhaps is not to find “new things” so much as \textit{new ways} to do these old things. Chastened by the last twenty years and their triumphant enthusiasm for the market, drawing from our knowledge of the goods and evils of market capitalism and our increasing experience of the regulatory state, this is the moment that Catholic social thought must cast off any easy approbation of market capitalism to discipline that economic
theory into a more humane form. Pope Benedict XVI has begun this development well, where he has spoken of the need to emphasize “distributive justice” in the market.\(^\text{19}\) There is more work to do, and these next few years will tell us whether Catholics have the stomach to be truly so countercultural as to do it.

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3 Blessed John XXIII, Mater et magistra (1961), 111.

4 Blessed John Paul II, Centesimus annus (1991), 42.

5 Ibid., 42.

6 Certainly it is true that Catholic social teaching never has made a full-throated endorsement of capitalism or market economics, though it is no less true that they never have endured more than a mild critique in doctrinal documents. Rerum novarum offered not really a critique of capitalism so much as the suggestion that a critique is possible. The development of social teaching with respect to economics disturbs this situation little even to the point of Centesimus annus which, even as it offers a critique of a capitalism not “circumscribed by a strong juridical framework,” yet identifies market capitalism so much with the free creativity of the human person that a distinctly positive flavor remains on the possibilities of capitalism and the importance of “potential and efficiency” until only quite recently, as Pope Benedict XVI has encouraged us to imagine “new ways” to constitute an economy. See Pope Benedict XVI, “Interview of the Holy Father Benedict XVI with the Journalists During the Flight to Madrid,” 18 August
See representatively the testimony of Alan Greenspan before the House Committee on Oversight and Government Reform, 23 October 2008: a “surge in global demand for U.S. subprime [mortgage backed] securities by banks, hedge, and pension funds supported by unrealistically positive rating designations by credit agencies was, in my judgment, the core of the problem. Demand became so aggressive that too many securitizers and lenders believed they were able to create and sell mortgage backed securities so quickly that they never put their shareholders’ capital at risk and hence did not have the incentive to evaluate the credit quality of what they were selling. . . . Uncritical acceptance of credit ratings by purchasers of these toxic assets has led to huge losses” (12-13). That testimony is accessible at: http://www.gpo.gov/fdsys/pkg/CHRG-110hhrg55764/pdf/CHRG-110hhrg55764.pdf. Also, see 74-75, 69.

See Edward Luce, “The Crisis of Middle-Class America,” Financial Times (30 July 2010), accessed at: http://www.ft.com/cms/s/2/1a8a5cb2-9ab2-11df-87e6-00144feab49a.html#axzz1JX8AAr1E.


Ibid., 46.


Ibid., 46.

Ibid., 46, 47. Those three solutions are: (1) “praise of self-interest in business education should be replaced with explanations of the destructive effect of greed on business”; (2) “The economic model which sees gain from selfish behaviour should be abandoned,” and; (3) “Moderation should be valued more than excess throughout the economy” (49-50). To be fair, Hadas speaks of cultivating these attitudes in the Aristotelian language of habit and virtue. However it is, especially on the evidence of the last two decades, a great leap into Platonism to suppose that those moral achievements at the level of particular individuals could be transposed to the universal level of society. History offers no precedent. Indeed, “the law does possess a compulsory power” precisely in order to manage “those who are disobedient and naturally indisposed to virtue” (Nicomachean Ethics 10.9). Hadas’s desire that “men and women of our time will recognise and rise to the moral challenge” faces at least one further, not-inconsiderable problem (44). As he notes, “the spirit of the age is much more open to discussions of freedom than of
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the good or the true” (44-45). In other words, as we know, the pluralist age in which we live will not admit to ready agreements about what is and is not moral, moving the effectiveness of moral education even further a step out of our reach.


17 Hadas, 8. Also: “The deepest moral justification for a capitalist system . . . lies in its promotion of human creativity” (Novak, 235).


Marriage, Society, 
and the Common Good: 
Bringing the Catholic Perspective 
to the Public Square

Jennifer Roback Morse
The Ruth Institute

Marriage has become one of the most controversial political issues in the United States. But behind this political controversy lie the seeds of either great tragedy or great hope. Many of our nation’s young men and women are giving up on the ideal of strong families and life-long married love. Others are deeply committed to getting married and staying married. The first group is tragic; the second gives cause for hope.

In this talk, I will do three things. First, I will review the ancient Catholic teachings on marriage, family, and human sexuality. These teachings at one time were held in unison by the entire body of Christian believers. But now, one by one the teachings are being abandoned by one Christian religious body after another. The Catholic Church alone has not wavered on any of these core issues of sexual morality. Second, the core of the paper shows in broad outlines how the experience of the past forty-five years has confirmed the wisdom of Catholic teaching.

Finally, I want to illustrate how young adults, including college students, are turning to the Church for guidance and answers. This would have been completely alien to me when I was in college. I was one of those who abandoned the Church’s teaching in college, thinking myself smarter than the accumulated wisdom of centuries of tradition, not to mention of divine revelation. Young people are either coming back to the Church after being hurt, or they are not leaving in the first place. These are the young adults we need to cultivate and support.
What Is the Ancient Catholic Teaching on Marriage, Family, and Human Sexuality? The Catholic Church holds a consistent and beautiful set of beliefs about marriage, love, family, and human sexuality. The Church teaches that God loves each and every person into existence. The Church also teaches that God desires that human beings love the next generation into existence.

We believe that God created the universe out of nothing, as an act of pure love. He did not need to create: he is completely sufficient in himself. But the divine love among the three persons of the Trinity, Father, Son, and Holy Spirit, gushed out into the series of creative acts recorded in Genesis. God declared everything he had created to be “good” (Gen 1:10). After the creation of man, God declared his creation to be “very good” (Gen 1:31).

“Let us make man in our image, according to our likeness. . . . So God created man in His own image; in the image of God He created him; male and female He created them” (Gen 1:26). What does it mean to be created in the image and likeness of God? Christians believe “God is love” (1 John 4:8), and that God is a communion of persons, the Father, Son, and Holy Spirit. To be created in the image of a Trinitarian God is to be created for love and for communion with others.

Because “it is not good for man to be alone,” God created woman. Upon seeing her, Adam exclaimed, “this one at last is bone of my bone and flesh of my flesh” (Gen 2:23). Eve is not a clone of Adam, nor is she so different that she is another species. She is like him but not identical with him. Genesis continues, “Therefore, a man shall leave his father and mother and be joined to his wife, and they shall become one flesh” (Gen 2:24). With these words, God created marriage, the first human social institution. He told Adam and Eve to be fruitful and multiply, which is his very first command to the human race (Gen 1:28).

God created Adam and Eve out of love, and for love. God intended them to love him and to love one another. But love cannot be coerced. Love must be freely given. Therefore, God created us with the capacity to choose to love or not to love. All other choices pale before this basic choice: to love or not to love. It is the unbroken teaching of the Catholic Church that God created us with freedom.

With that great gift of freedom comes the possibility of choosing
wrongly, of choosing against the love of God. And that is exactly what our first parents did. The serpent convinced them that “you shall be as gods,” if they choose against God’s one simple commandment not to eat of the Tree of Knowledge of Good and Evil (Gen 3:5). Of course, they became no such things. We men and women are not gods, but creatures of God.

The story of the fall in Genesis says that sin came into the world through the misuse of human freedom. And this continues to be the story of the human race. We are created “very good” by God. But we choose not according to the deep and unending love that he has for us. Instead, like petulant children intent on getting our own way, we choose our immediate desires over our deepest needs. Then we lie to ourselves. We try to squirm out of it, by blaming others, just as Adam tried to blame Eve, and Eve tried to blame the serpent.

But God cannot be fooled. He understood that Adam and Eve had made a fundamental choice to try to go it alone. His love continued: he didn’t destroy them or the world he had made. He permitted them to go their way. The human race continued in existence. God never abandoned us, nor ceased loving us.

**Human Love in the Divine Plan.** Human love is part of the divine plan. God, the author of all life, could have created us differently from the way he did. He could perform an act of special creation with each and every new person, without requiring any human participation at all. But as a matter of fact, in the world in which we actually live, the sexual act between a man and a woman can bring forth new life. Human participation in procreation is part of an act of love between the man and the woman. The love of human parents for each other gushes over into the creation of a new life, just as the divine love within the Trinity gushed forth into the creation of the world.

It is also a simple matter of fact that we cannot completely control the creation of new life. The creation of a new human being requires the cooperation among man, woman, and God. There is a “random” element to every act of intercourse. Even artificial reproductive technology, which seems to be the ultimate in human control over procreation, has a large random element to it.

God’s part in the creation of new life is always love. A man and
woman may conceive a child by accident, or through rape. They may conceive a child in a drunken stupor or in the back seat of a car. They may conceive a child without having any relationship with each other at all, using artificial means.

But God’s participation is always love. No matter what our motives or behavior, no matter how careless or violent or unjust or unprepared we may be, God’s participation in the process is always love. God loves each and every child conceived, no matter how they were conceived. Therefore, no matter what wrong we may have done, we must never regret the child that results. God loves the child and wills his or her existence.

This can be a source of great hope for those of us who have had conflicts or disappointments with our parents. No matter how disappointing our human parents may be, no matter how flawed they are, no matter how selfish and unloving they may be, we can know that God loved us into being.

God wants our participation in the sexual act to take place inside marriage. Getting married places the couple in a position to be relationally prepared for parenthood. Their relationship will be the foundation for their child’s life. By getting married, they make themselves ready for a child, even if they are poor in material things.

I know of a young man who became a father as an unmarried teenager. Many American men in his situation would have left the girlfriend to become a single mother, or would have encouraged her to get an abortion. But this young man married his girlfriend. They were poor in material terms. When their baby was born, they brought her home from the hospital, and had her sleep in a dresser drawer that they had lined with blankets. Their love for their baby and for each other was more important than their prosperity. They now have four lovely daughters.

By getting married, the man and woman also pledge to a love that is greater than mere emotion or sentimentality. They vow to permanence and sexual exclusivity. They promise to share the whole of their lives, for better or for worse, for richer or for poorer, in sickness and in health, till death do they part. This love is consummated in the sexual act, in which the two become one flesh.

We often chafe at these obligations. Yet in the civilizations shaped by Christianity, people have come to see that living up to these responsibili-
ties is a great adventure, and worth the effort. God wants us to love our children into existence, as a by-product of loving our spouses.

This analysis helps explain the Christian teaching about many policy areas that are now considered controversial. Why sex outside of marriage is so often so deeply disappointing, even if it is safely contracepted. Why marriage is properly permanent and exclusive. Why conception outside the womb is an act of injustice to the child. Why abortion is a heinous crime.

How have events shown the wisdom of that teaching? I am now going to show that science and experience supports many of the important claims that Christianity has been making since the beginning. Let me begin with the most basic. The human person is meant for love.

*Science Shows that the Human Person Is Meant for Love: Sexual Attachment.* Since we have been talking about sex, let’s start with that. Men and women attach to each other through the sexual act. Men secrete vasopressin, which creates a feeling of bonding. This hormone is sometimes called the “monogamy hormone,” because higher levels of it are associated with greater loyalty in some kinds of animals. This hormone helps to counteract the male tendency to pursue multiple sex partners.¹

When women are being sexual, we secrete a hormone called oxytocin. This hormone creates feelings of attachment, relaxation, and contentment. Our levels of oxytocin surge during sexual activity, childbirth, and nursing.² A woman’s body responds to these community-building acts. The flood of oxytocin increases her desire for further touch with both her mate and her child. The hormone itself connects her to her child and her child’s father. We tend to attach to the man we are being sexual with. We also secrete oxytocin when we are nursing our babies. The sexual act itself creates an “involuntary chemical commitment.”

This means that becoming “one flesh” is not so easily undone as getting a divorce from our husbands or breaking up with our boyfriends. We often experience significant attachments to our sex partners, long after reason would have told us to “move on.” You could say this is nature’s way of creating a family. Or you could say that this is God’s way of writing our need and capacity for love into the human body itself.
Science Shows that the Human Person Is Meant for Love: Infant Attachment. Let’s turn now to the most universal of all human experiences: infancy. The human infant is born helpless and dependent. It is worth noticing that this is not true of all animals. Some species are born more or less ready for life: snakes hatch and slither away from their parents. But human infants have a long period of dependency before they are prepared for adult life.

Children who are abandoned by their families often end up in orphanages. Their experience reveals some things about human development we might otherwise overlook. Children who are deprived of human contact during infancy sometimes fail to gain weight or to develop. This “failure to thrive” syndrome is well documented. Some scientists now believe that the presence of a nurturing figure stimulates the growth hormones. All the bodily, material needs of the child are met in these orphanages. The child is kept warm and dry. The child is fed, perhaps by having a bottle propped into the crib. The child contracts no identifiable illness. Yet the child fails to thrive, and may even die. The widely accepted explanation is that the children die from lack of human contact.

Their plight is reminiscent of monkeys deprived of their mothers. The baby monkeys who get just food and no mommy develop some weird behaviors such as head-banging, rocking, and other forms of self-stimulation. Orphanage babies sometimes do this, too.

The human child’s brain is not fully developed before birth: if it were, the infant’s head would be too big to make it down the birth canal without harming the mother. So the brain continues to develop after birth.

The brain has three basic parts: the reptilian brain or the brain stem, the cerebral cortex, and the limbic brain. The brain stem governs basic biological functions and runs pretty much on autopilot. The cerebral cortex is the part of the brain that does algebra and balances checkbooks and plays chess. The limbic brain governs the person’s ability to be in relationship, to intuit people’s emotions, and read people’s faces.

This is the part of the brain that makes a hug feel good. It is this part of the brain that makes watching a movie in a crowded theater a different, more intense experience than watching it at home by yourself. The close contact with all those other people makes the scary parts scarier, the funny
parts funnier, and the exciting parts more thrilling.

And it is the limbic brain that develops in the first year after birth, by being in a relationship with the mother. A relationship is, in part, a physiological event. The good news is that most people can be reasonably good parents just by doing the ordinary things that literally come naturally. Rocking the baby, feeding the baby, looking at the baby, imitating their little noises, bouncing him on your knee, all these things help develop the limbic system of the brain.

This is probably why the problems of the little orphanage children are so persistent. These kids are completely deprived of a mother or even a mother substitute. They are not only psychologically damaged, but their brain development has been hampered as well.

In fact, some physicians have defined a new syndrome to describe the complex of symptoms these kids have. The doctors call it “institutional autism.” When an infant is born, he or she is looking for someone: mother. When the mother returns the child’s gaze, she is helping the child to make sense of the world. She is also helping the brain itself to develop. The brain begins to make the neural connections that allow the child to make the human connections with others. But if the child is looking out into the world and no one looks back at him or her, the brain does not develop properly.

In other words, the human infant’s physical and mental well-being depend upon being loved. Hence, my claim: science can show that the human person is indeed meant for love.

Children Thrive with Married Parents. When we see how much the well-being of children depends on their early attachments, it is no surprise to learn that marriage is the “gold standard” for the well-being of children in virtually every dimension. Due to the social experiments of the last forty-five years, we unfortunately now have data on the major alternatives to marriage: single parents, divorced parents, divorced and remarried parents, cohabiting parents. Although each of these alternative family forms has its own unique twists, all of them are tough on children, compared with living with their own parents, continuously married in a low-conflict marriage.

Children from disrupted families do worse than the children of intact
married couple households in virtually every way. Children are more likely to have physical and mental health problems. Even accounting for income, fatherless boys are more likely to be aggressive and ultimately to become incarcerated. And an extensive study of family structure in Sweden took account of the mental illness history of the parents, as well as socio-economic status. Yet even in the most generous welfare state in the world, with very accepting attitudes toward unmarried parenthood, the children of single parents faced double the risk of psychiatric disease, suicide attempts, and substance abuse.

We might mention incidentally that all these issues are expensive to the taxpayer, through health care, special education services, mental health services, substance abuse recovery, and the criminal justice system.

Not so incidentally, the Church teaches that marriage is the proper context for both sexual activity and childbearing. Marriage is a unifying and integrating institution: marriage unifies sex, child-bearing, and spousal love within one package. In fact, one way to conceptualize the sexual revolution is to see that it broke apart one element after another from this bundle called marriage.

Within marriage, sexual activity, childbearing, and spousal love are all unified. Because I love my husband, my sexual activity is directed exclusively toward him. Any children I give birth to are his children, too. Our children are a focal point for our love and unity. Our sex life builds up our love for each other.

Contrast this with the modern sexual revolution. My sex life is over here in a compartment, not necessarily contributing either to childbearing or to spousal love. I can have sex without babies. (We all thought that was going to be the fun part.) I can even have babies without sex, which I’m pretty sure is not as much fun as the old-fashioned way.

The idea of separating sexual activity from reproduction is a powerful idea, seductive, superficially appealing with its claims to provide fun and freedom with no negative consequences. The idea begins with contraception. But simply preventing conception is not enough to fully separate sex from babies, because contraception sometimes fails. Only abortion satisfies the demand to completely separate sex from reproduction. You sow contraception, you reap abortion.

As I say, the appeal of separating sex from reproduction is superfi-
cially obvious. But the full brutality of the abortion regime only becomes apparent with time. It takes time for the power of the idea of separating sex from conception to work its way through the social, economic, and legal systems.

In the last few weeks on the Ruth Institute blog, we have had stories on “twin reduction,” the practice of IVF patients who desperately wanted a child, yet feel no compunction about killing off the extras. We had a story on sex-selection abortion and gender imbalances on a widespread scale: an estimated 160 million missing baby girls worldwide. These were not immediately obvious consequences of unhinging sex from procreation.

In What Ways Are Young Adults Turning to the Church for Guidance? Over time, one thing has become obvious about the abortion regime: it set aside the interests of the young for the benefit of adults. This is why the pro-life movement is a youth movement. If you have been to the March for Life, you have witnessed this with your own eyes. I believe that as time goes on, it will become increasingly clear that the destruction of marriage sets aside the interests of the young for the benefit of adults. I believe it is our job to help make this clear to the young. If we do, we can make marriage into a youth movement as well.

I am a “revert,” a cradle Catholic who fell away from the Church in my twenties and came back in my thirties. I fell away due to sexual issues. I thought I was smarter than the Church. I came back due to sexual issues. I was one of the walking wounded, and no one would take me seriously or had any real answers outside the Catholic Church. The campus minister at George Mason University brought me back to the Church. He got an earful during my first confession after twelve years!

I know from my own experience that life without God is a rough life. And I have learned from talking to many young people that they have been victimized by the sexual revolution. The idea of sex without babies is still seductive and appealing. But they do know that divorce is harmful to children. They do not want divorce for themselves and their own children. They have already experienced divorce by the time they get to college, sometimes two or three: their parents’ divorces. They want to get married and stay married, but they have no idea how to go about it. This group has
almost given up on marriage. They need information and guidance.

As grim as this situation seems to be, the Ruth Institute has identified one of the keys to renewing marriage and family life: supporting and educating the ranks of religiously serious, college-educated young men and women. According to *Premarital Sex in America: How Young Americans Meet, Mate and Think About Marrying*, by sociologists Mark Regnerus and Jeremy Uecker, these young adults behave differently from their less educated and less religious peers. Of religiously serious, college-educated 18- to 23-year-old men, 52 percent are virgins, compared with only 15 percent of all other men in the same age group. Religiously serious, college-educated 18- to 23-year-old women have had 1.4 sex partners in their lifetimes, compared with 5 lifetime partners among their peers.¹³

College-educated, religiously serious young adults are very intentional about their dating and sexual behavior. While most of their peers just drift with the cultural tide, these young people make conscious decisions to abstain from premarital sex and to date differently. They have made a decision to treat their own bodies with respect, and to treat members of the opposite sex with dignity.

These are the young adults whom the Ruth Institute seeks to nurture. We have found them among Catholics, Evangelicals, Mormons, and Orthodox Jews. These young adults can reach out to their less religious peers more effectively than we can.

These religiously serious, college-educated students are organizing chastity clubs on their campuses, in conjunction with the Love and Fidelity Network out of Princeton. They are coming to our conferences and reading our newsletters. At the University of Pittsburgh, they have gotten themselves on the advisory committee for the Student Health Service, where they provide sensible information for abstinence education. At Brigham Young University, they put on a conference of their own, which over 700 students attended. Clearly, these young people can make a difference in coming decades.

The ancient Catholic teaching on marriage, family, and human sexuality offers an intellectually rigorous and logically coherent position. Presenting these teachings in an attractive and appealing way offers great hope for marriage for the next generation.
Jennifer Roback Morse, PhD is the founder and president of the Ruth Institute, a nonprofit educational institute promoting life-long married love to the young by creating an intellectual and social climate favorable to marriage. She is also the senior research fellow in economics at the Acton Institute for the Study of Religion and Liberty. She is the author of Smart Sex: Finding Life-long Love in a Hook-up World (2005) and Love and Economics: It Takes a Family to Raise a Village (2001), recently reissued in paperback. Dr. Morse currently lives in Vista, California. She and her husband are the parents of a birth child and an adopted child.


3 This syndrome is known as the Kaspar Hauser syndrome, or psychosocial dwarfism. See Comprehensive Textbook of Psychiatry/VI, vol. 2, 6th ed., ed. Harold I. Kaplan and Benjamin J. Sadock (Baltimore: Williams and Wilkins, 1995), chap. 40, secs. 43.3, 47.3.


5 Deborah Blum, Love at Goon Park: Harry Harlow and the Science of Affection (Cambridge: Perseus Publishing, 2002), especially 214, where John Bowlby tells Harry Harlow, “Harry, I don’t know what your problem is. I have seen more psychopathy in those single cages than I’ve seen anywhere on the face of the earth.” The monkeys were sucking themselves, rocking back and forth, cuddling their own bodies. “You’ve got some crazy animals.”


(Neo)scholastic Economics: What’s Old Is New

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This is my first FCS conference. But I’m pleased to be among so many old friends and make some new ones. Of course, it’s always a challenge to speak after my dynamic friend Jennifer Roback Morse, especially on a Saturday afternoon. And in the presence of so many priests and religious, it seems appropriate to begin with a confession. Ordinarily I find that I can speak more concisely with a PowerPoint presentation. The main reason is that economics deals with quantifiable realities. When illustrating, for example, Saint Augustine’s theory of interpersonal relations, or one of its most striking illustrations, the near-perfect inverse relation between fatherhood and crime – both of which I will describe later – I find that one picture really is worth a thousand words.

However, Carson Daly tactfully suggested that it might be better if I didn’t. As I recall, she used the phrase “death by PowerPoint.” So, acknowledging the good Thomistic principle that everything received is received according to the mode of the receiver, and all knowledge is known according to the mode of the knower, I will do without PowerPoint. Of course, Carson didn’t realize that this means I must lengthen my presentation by 1,000 words for each slide I have omitted. And if I might have used ten slides, since it takes me about ten minutes for me to say 1,000 words, that’s an extra hour and forty minutes.

Seriously, one object of my remarks will be to indicate that what C. P. Snow in a famous essay called “The Two Cultures” – the humanities and the mathematical sciences (of which Snow himself was a partisan) – started as a single culture. The earliest economic equations can be found in Aristotle’s Nicomachean Ethics, describing justice in exchange and distributive justice. Thomas Aquinas actually illustrated them with charts in his own Commentary on the Ethics. So if you know scholastic natural law philosophy, like the fellow in Candide who was pleased to learn that he had been speaking prose
all his life, you may also be pleased to learn that you’ve also been speaking scholastic economics without knowing it.

Perhaps few will be more surprised than Catholic scholars to learn that scholastic economics is making a comeback. Yet even most Catholic economists are unfamiliar with its details. I’d therefore like to explain: how the original scholastic economics differed from Adam Smith’s classical economic theory and today’s neoclassical economics which succeeded it starting in the 1870s; second, why its updated version, “neoscholastic economics,” is already reshaping our understanding of secular economic theory and offering new policy solutions; and third, how scholastic economics provided the basic analytical tools for the much younger body of Catholic social doctrine, and in what sense Catholic social thought is and is not a “third way.”

I’m fond of the story about an economist who goes fishing with a Jewish rabbi, a Catholic priest, and a Protestant minister. After they’ve been sitting in the boat all morning, the rabbi says he thinks he’ll stretch his legs, climbs out of the boat, and walks across the water to the shore. The priest and the minister then step out of the boat and walk across the water to join him. Though the economist has always been a skeptic, he resolves to make the leap of faith. He offers up a prayer, steps out of the boat – and promptly sinks to the bottom of the lake. As he comes up sputtering, the rabbi turns to the others and says, “Shall we tell him where the stepping stones are?”

The stepping stones of economics are the four essential facets of all human economic decisions, first explained in the natural law philosophy, which describes the facts of human existence with elements originally derived from Greco-Roman philosophy and the Bible. Since Adam Smith, in effect, got rid of two of the stepping stones, it should not surprise us if economists sometimes seem all wet.

Knowing the location of stepping stones certainly doesn’t make us smarter than anyone else. On the contrary, what is hidden from the learned and clever is often revealed to the merest children. Yet the knowledge can save a great deal of effort, and lead us to search in places where we otherwise wouldn’t. And so it was with economics.
A Brief, Structural History of Economics. Economic theory has been taught continuously at the highest university level since the mid-thirteenth century, when it was first fully integrated within the scholastic natural law. Yet we must begin with two simple but widely overlooked facts. First, the logical and mathematical structures of scholastic, classical, and neoclassical economics differ fundamentally. Second, few economists today are aware of these differences, in large measure because American university economics departments, led by the University of Chicago in 1972, abolished the requirement that students of economics master its history before being granted a degree.² This requires a brief, structural history of economics.

What is economics about? Jesus once noted – I interpret this as an astute empirical observation, not divine revelation – that since the days of Noah and Lot people have been doing, and until the end of the world presumably will be doing, four kinds of things. He gave these examples: “planting and building,” “buying and selling,” “marrying and being given in marriage,” and “eating and drinking” (Luke 17:26-28). In other words, we humans produce, exchange, give, and use (or consume) our human and nonhuman goods.

Economics as Human Providence. That’s the usual order in our action. But as Augustine first explained, the logical order is different in our planning. First we choose for whom we intend to provide; next what to provide as means for those persons.³ Finally, as Aquinas would later elaborate, we choose how to provide the chosen means, as described by Aristotle’s theories of production (always necessary) and exchange (almost always). Thus economics is essentially a theory of providence: it describes how we provide for ourselves and the other persons we love, using scarce means that have alternate uses.

Scholastic ‘AAA’ economics (c. 1250-1776) began when Thomas Aquinas first integrated the four elements of production, exchange, distribution, and consumption, all drawn from Aristotle and Augustine, into an outline of personal, domestic, and political economy, both positive and normative, within the natural law.⁴ The scholastic economic system is comprehensive, logically complete, mathematical, and empirically
verifiable. It was taught at the highest university level for more than five centuries by every major Catholic and (after the Reformation) Protestant economic thinker—notably Lutheran Samuel von Pufendorf, whose work was used by Adam Smith’s own teacher to teach Smith economics and was also highly recommended by Alexander Hamilton.6

Classical economics (1776-1871) began when Adam Smith cut the four scholastic elements down to two, trying to explain specialized production (which he called “division of labor”) by production and exchange alone. Smith and his classical followers like David Ricardo undoubtedly advanced those two elements. But Smith also dropped Augustine’s theory of utility (which is necessary to describe consumption) and replaced Augustine’s theory of personal distribution (gifts and their opposite, crimes) and Aristotle’s theory of domestic and political distributive justice with the mere (often false) assumption that “every individual . . . intends only his own gain”7 (as Smith famously put it in his “invisible hand” passage in the Wealth of Nations, having already banished benevolence to emotional psychology in his earlier Theory of Moral Sentiments).

Neoclassical economics (1871-c. 2000) began when three economists dissatisfied with the practical failure of Smith’s classical outline (William Stanley Jevons in 1871 in England, Carl Menger in 1871 in Austria, and Leon Walras in 1874 in Switzerland) independently but almost simultaneously reinvented Augustine’s theory of utility, starting its reintegration with the theories of production and exchange.8 They abandoned Smith’s revised outline mostly for three related reasons. Without the theory of utility classical economists were unable to answer some important questions (for example, why goods that can’t be reproduced with labor have value), and made predictions about others that turned out to be spectacularly wrong (notably the “iron law of wages,” which predicted that rising population would prevent rising living standards). Smith’s “labor theory of value” also directly fostered Karl Marx’s disastrously erroneous economic analysis. Though schools of neoclassical economics have since multiplied, all are derived from these three.

Neoscholastic economics (c. 2000-). In my book, I predict that neoscholastic economics will revolutionize economics once again in coming decades by replacing its lost cornerstone, the theory of distribution: simply
because, as with the theory of utility, including this indispensable element does a far better job of empirical description.

Thus Adam Smith’s chief significance lay not in what he added to, but rather subtracted from economics. As Joseph Schumpeter (1954) demonstrated, “The fact is that the *Wealth of Nations* does not contain a single analytic idea, principle or method that was entirely new in 1776.”

The facts about the development of economics seem to indicate that a reevaluation is overdue and quite likely for both Augustine and Adam Smith, particularly since Smith essentially “de-Augustinized” economic theory, to its detriment. Though far from exhaustive, this brief structural history of economics explains why scholastic economics contained all four, classical only two, and neoclassical economics three basic elements: Neoclassical economists restored one element dropped by Smith, utility, but not the other, final distribution.

To go a bit deeper, let me explain the structure of scholastic economics in more detail, then give an example of the problems in today’s neoclassical economics that are due to its failure to restore the most important element. Finally, I will ask about the relation between scholastic economics and the subject of our conference, Catholic social thought.

**Positive scholastic theory.** To explain the two great commandments, Augustine had started from Aristotle’s definition of love – *willing some good to some person* – but drew an implication that Aristotle had not: every person always acts for the sake of some person(s). For example, when I say, “I love vanilla ice cream,” I really mean that I *love myself* and *use* (consume) vanilla ice cream to express that love (in preference, say, to strawberry ice cream or Brussels sprouts, which reflects my separate scale of preference according to utility). Augustine also introduced the important distinction between “private” goods like bread, which inherently only one person at a time can consume, and “public” goods (like a performance in an ancient amphitheater, a modern radio or television broadcast, national defense, enforcement of justice – or even this lecture) which, at least within certain limits, many people can simultaneously enjoy because they are not “diminished by being shared.”

In other words, Augustine’s crucial insight is that we humans always act on two scales of value or preference – one for persons as ends and the
other for other things as means: personal love and utility, respectively. Moreover, we express our preferences for persons with two kinds of external acts. Since man is a social creature, Augustine noted, “human society is knit together by transactions of giving and receiving.”

But these outwardly similar transactions may be of two essentially different kinds, he added: “sale or gift.” Generally speaking, we give our wealth without compensation to people we particularly love, and sell it to people we don’t, in order to provide for those we do love. Since it’s always possible to avoid depriving others of their own goods, this is the bare minimum of love expressed as benevolence or goodwill and the measure of what Aristotle called justice in exchange. But our positive self-love is expressed by the utility of the goods we provide ourselves, and our positive love of others with beneficence: “doing good,” or gifts. Conversely, hate or malevolence (ill will) is expressed by the opposite of a gift: maleficence (doing evil) or crime.

The social analog to personal gifts is what Aristotle called distributive justice, which amounts to a collective gift: it’s the formula social communities like a family or political community under a single government necessarily use to distribute their common (jointly owned) goods. Both a personal gift and distributive justice are a kind of “transfer payment”; both are determined by the geometric proportion that matches distributive shares with the relative significance of persons sharing in the distribution; and both are practically limited by the fact of scarcity.

That’s “positive” scholastic economics in a nutshell: describing what is, not necessarily what ought to be.

“Normative” scholastic theory. As for prescriptive or “normative” scholastic economics, we all naturally love ourselves, Augustine pointed out. All other moral rules are derived from the two great commandments because these measure the degree to which our love is “ordinate”: rightly ordered. If a good were sufficiently abundant we could and should share it equally with everyone else. But with such goods as time and money, which are “diminished by being shared” (that is, scarce), this is impossible. Therefore “loving your neighbor as yourself” can’t always mean equally with yourself: “Since you cannot do good to all,” Augustine concluded, “you are to pay special regard to those who, by the accidents
of time, place, or circumstances, are brought into closer connection with you.”

Aquinas extended Augustine’s insight to Aristotle’s corresponding analysis of all communities: Common goods are necessary to the existence of both families and governments. But the fact of scarcity requires that most common goods be owned by families, not governments, because of the two advantages noted by Aristotle (greater social peace and productivity) and the third added by Aquinas (greater order).

Political distributive justice and/or justice in exchange are violated by what Aristotle described as, and James Madison later termed, “faction.” Each faction has an ideology, which Hannah Arendt succinctly defined as a worldview that requires its adherents to create a “fictitious world,” that distorts reality to the advantage of its members. For example, Karl Marx’s collectivist ideology collapsed all justice to political distributive justice, as if all goods were both common and political; Smith’s individualist ideology collapsed justice to justice in exchange, as if all goods were personal, private, and never given or shared.

The neoscholastic model is a powerful tool of analysis at every level: personal, domestic, and political. I suggest several promising applications in my book. For example, it makes it possible to correct serious gaps in the neoclassical theories of fertility and the family, about which we just heard so eloquently from Jennifer Roback Morse. It suggests ways to reform social benefits and the income tax. And the neoscholastic approach offers explanations for the sharp commodity-led price inflation of 2003 to 2008 and the Great Recession of 2008-2009, which I believe are the result of faulty monetary policy. But I wish to focus here on one simple application, because it provides strong empirical evidence for Augustine’s theory of personal distribution and illustrates the empirical superiority of (neo)scholastic to neoclassical economics: the strong inverse tradeoff between rates of “economic fatherhood” and crime. Without the theory of distribution, neither classical nor neoclassical economics can fully describe any state of economic affairs or “equilibrium.” The necessity of describing all four facets of any economic event with at most three explanatory equations has condemned classical and neoclassical economists frequently to resort to circular logic and/or empirically false assumptions.
The Levitt-Donohue Thesis about Abortion and Crime. For example, in a famous paper coauthored with John J. Donohue III and featured in his book *Freakonomics*, Levitt argued that after abortion was legalized by several states starting in the late 1960s and nationwide by *Roe v. Wade* in 1973, millions of fetuses were killed who, when old enough, would have been disproportionately likely to commit crimes. Their culling by legalized abortion should therefore have lowered crime rates according to Levitt and Donohue. To prove this, Levitt and Donohue looked at crime rates fifteen to eighteen years after *Roe* and claimed to have found the drop they had retrospectively “predicted.”

However, Levitt and Donohue actually found their results indistinguishable whether they used 1970s or 1990s abortion rates to try to explain overall 1990s crime rates. When both were included the models became unstable (in economic jargon, “standard errors explode due to multicollinearity”). This occurs when research is “misspecified,” typically by omitting necessary variables. Failing even with the help of Nobel laureate Gary S. Becker to uncover any valid evidence for either a twenty-year lag or for no lag, Levitt and Donohue replaced the missing facts with an arbitrary assumption: “Consequently, it must be recognized that our interpretation of the results relies on the assumption that there will be a fifteen-to-twenty year lag before abortion materially affects crime.”

They justified their assumption by quipping that “infants commit little crime.” But this overlooks the fact that nearly all violent crime is committed by men (women are equally arrested only for nonviolent crimes requiring more brains than brawn) precisely the ages of the fathers of aborted children. According to recent statistics, 77 percent of all persons arrested and 93 percent of all convicted prisoners were men. The relation between abortion and crime rates is strong for all crimes, but stronger for violent crimes, and strongest for the most violent crime of all, homicide.

In short, the missing variable is “economic fatherhood.” Economic fatherhood is defined not by biological paternity or residency with, but by provision for one’s children. The relationship between economic fatherhood and crime is a straightforward application of Augustine’s
personal “distribution function” to the most valuable scarce resource of mortal humans: our time.

Including economic fatherhood as a variable not only invalidates Levitt’s claim but reverses it. One can see this in a comparison of homicide rates and economic fatherhood, the latter defined by the total fertility rate for the same demographic mix as prisoners (though measured for women, it’s almost exactly the same for men) minus men in prison (who cannot provide for children) and children on welfare (who aren’t supported by fathers). Though strong for all categories of crime, the trade-off with economic fatherhood strengthens with the crime’s violence, and is strongest for the most violent crime of all, homicide. As far back as data exist, rates of economic fatherhood and homicide have been strongly, inversely “cointegrated” – a stringent statistical test characterizing inherently related events, like the number of cars entering and leaving the Lincoln Tunnel. The statistical tests for cointegration are quite strict, and the correlation of economic fatherhood and homicide passes them. Donohue and Levitt’s correlation is thus shown to be a “spurious regression,” which was misspecified by omitting a crucial variable: the one describing Augustine’s personal “distribution function.”

Thus, legalizing abortion didn’t lower homicide rates fifteen to twenty years later by eliminating infants who might, if they survived, have become murderers: it raised the homicide rate almost at once by turning their fathers back into men without dependent children – a small but steady share of whom do murder. The homicide rate rose sharply in the 1960s and 1970s when expanding welfare and legal abortion sharply reduced economic fatherhood, and it dropped sharply in the 1990s partly due to a recovering birth rate, but mostly because welfare reform and incarceration raised the share of men outside prison who were supporting children. This scenario didn’t occur to Levitt, not because of a lack of ingenuity or data but because of the inherent weakness of the theory he was trying to apply, which Nobel Prize-winning economists Stigler and Levitt’s mentor, Becker, called the “economic approach to human behavior.” Levitt was unable to see the true correlation between abortion and crime because he was among the first victims of the epic change in the teaching of economics orchestrated by Stigler, with Becker’s support, which I mentioned at the beginning.
III

The Three Worldviews in Economic Theory. The notion that Adam Smith invented or is somehow indispensable to understanding economics might be called “Smythology” (with two y’s). By far the most influential piece of Smythology was Milton Friedman’s argument linking Adam Smith’s philosophy with the meaning of the American Declaration of Independence: “The story of the United States is the story of an economic miracle and a political miracle that was made possible by the translation into practice of two sets of ideas – both, by a curious coincidence published in the same year, 1776.” According to Friedman, “the fundamental principles of our system [are] both the economic principles of Adam Smith . . . and the political principles expressed by Thomas Jefferson.”

Like many others I found Friedman’s argument persuasive, until I discovered that the “choice of 1776” was actually a divergence, not a convergence, and of three, not two worldviews. The third symbolically significant event of 1776 was the death of Smith’s dear friend, the Epicurean skeptic David Hume.

I noted earlier that (neo)scholastic economics is essentially a theory of providence. It mostly describes human providence. But each of the three basic economic theories also entails a different theory of divine providence: the three approaches to economic theory also express three distinct worldviews, the confrontation of which goes back nearly two millennia.

When the Apostle Paul preached in the marketplace of Athens, he prefaced the gospel with a biblically orthodox adaptation of Greco-Roman natural law. The evangelist Luke tells us that “some Epicurean and Stoic philosophers argued with him” (Acts 17:18). The same dispute has continued among scholastic, classical, neoclassical, and now neoscholastic economists.

In (neo)scholastic natural law, economics is a theory of rational providence, describing how we “rational,” “matrimonial,” and “political animals” choose both persons as “ends” (which we express by our personal and collective gifts) and the scarce means to be used (consumed) by or for those persons, which we make real through production and exchange. By dropping both distribution (our choice of persons as ends) and consumption (our choice of other things as means), Smith expressed
the Stoic pantheism that viewed the universe “to be itself a Divinity, an Animal” with God as its immanent soul, so that sentimental humans choose neither ends nor means rationally; instead, “every individual . . . intends only his own gain . . . and is led by an invisible hand to promote an end which was no part of his intention.” By restoring utility (our choice of means) but not distribution (our choice of persons as ends), neoclassical economics expressed the Epicurean materialism that claims humans somehow evolved as merely clever animals, highly adept at calculating means but having no choice other than self-gratification, since “reason is, and ought only to be, the slave of the passions,” as Hume put it.

IV

Scholastic Economics and Catholic Social Thought. This brings us to my final considerations. How should we understand the relation between scholastic economics and Catholic social thought? And what should we think about regarding Catholic social thought as a kind of “third way”? It’s helpful to distinguish the history of economics – the economic theory used by economic thinkers to describe any economic activity – from economic history – how the economic aspect of society develops: for example, the progressive transition of the United States since its Founding from agriculture to industry to services. Roughly speaking, scholastic economics is the analytical toolkit that the popes have used to discuss the pastoral challenges of economic history as it unfolds.

As Gerry Bradley noted yesterday, Catholic social thought is relatively recent. Yet I would not say that its emergence is the result of mere convention. It may seem that encyclicals on economics are abstract, but in fact they are always tied to an analysis of some concrete historical event. The first encyclical of the Church’s modern social thought, in 1891, was called *Rerum novarum* – literally, “of new things” – in which Pope Leo XIII dealt with the new social and political challenges raised by industrialization. While affirming the right of private property, and predicting the failure of communism, he insisted on the dignity and rights of workers and the need to protect the weakest, by government interven-
tion if necessary. Several subsequent encyclicals further developed and applied this analysis as conditions changed.

In the 1960s, after the decolonization of much of Africa, Asia, and Central and South America following the Second World War, the horizons of the Church’s social thought widened to embrace the emerging so-called Third World. Moved by the poverty he witnessed on his travels, Pope Paul VI argued in *Populorum progressio* (“The Development of Peoples”) that “the social question has become worldwide.”

Pope John Paul II published three major encyclicals on economic matters: *Laborem exercens*, his encyclical on the dignity and vocation of work, and two others that began by looking back at an earlier papal encyclical. *Sollicitudo rei socialis* (“The Church’s Social Concern”) was published on the twentieth anniversary of *Populorum progressio*, and was intended to fill “the need for a fuller and more nuanced concept of development” than had previously been put forward. In it, he argued that the terms “poverty” and “development” mean poverty or development of the whole person, not just the economic or political system. *Centesimus annus*, as the title indicates, was issued on the hundredth anniversary of *Rerum novarum*. In it, the pope looked back at what remains valid in the social thought begun in that encyclical, but also took note of the “new things” which had emerged, such as changes in the nature of Western economies and the collapse of Communism. Its particular merit is to bring both strains of the Church’s social thought into a single unified framework.

Similarly, Benedict XVI’s *Caritas in veritate* (“Charity in Truth”) was originally intended for 2007, the fortieth anniversary of Paul VI’s 1967 encyclical *Populorum progressio*.

Much partisan contention, as well as contention among Catholics about *Sollicitudo rei socialis*, crystallized around a single paragraph in the encyclical: “The Church’s social doctrine is not a ‘third way’ between liberal capitalism and Marxist collectivism nor even a possible alternative to other solutions less radically opposed to one another: Rather, it constitutes a category of its own” (41).

Catholics on both the left and the right have analyzed both John Paul II’s and Benedict XVI’s latest social encyclicals with the same dichotomous logic they applied to *Sollicitudo*: The Church says there is no third
way, which means we must choose between the first way of Adam Smith and the second way of Karl Marx. But, by emphasizing the central role of gifts in the divine economy of creation and salvation, as well as in personal, domestic, and political economy, Benedict XVI (like John Paul II before him) poses a very different threefold choice.

Following that neglected economic realist Saint Augustine (whom the pope has called “my great master”),

Benedict XVI wrote that the choice is among the same three worldviews that confronted one another in the marketplace of Athens in 51 A.D. As Benedict XVI succinctly summarized in *Caritas in veritate*, “For believers, the world derives neither from blind chance, nor from strict necessity, but from God’s plan . . . living as a family under the Creator’s watchful eye” (57). That is, from neither Epicurean matter and chance nor Stoic necessity, but God as understood in biblically orthodox natural law.

I’ll close with a plug for two simple changes: First, that every university economics department restore the previous requirement that to get a degree in economics you have to master its history. No matter how badly the history of economics was taught, no competent textbook now begins any later than Aristotle or excludes the scholastics. Second, that every Catholic educational institution, at every level, refamiliarize itself with scholastic economics. We were talking last night at dinner about the sorry state of the teaching of economics among Catholic colleges. I predict that the first change would go a long way toward curing what’s wrong with economics today. And the second would make Catholic economists competitive and remove Catholic social doctrine from the sidelines and place it at the center of the national debate.

As historian of economics Henry William Spiegel noted of the “marginal revolution” that ended classical economics and launched neoclassical economics in the 1870s, “Outsiders ranked prominently among the pioneers of marginal analysis because its discovery required a perspective that the experts did not necessarily possess.” I don’t underestimate the time or effort it will take. But I predict that in coming decades, economists who understand the “human approach to economic behavior” of Aristotle, Augustine, and Aquinas will find full employment rewriting the neoclassical “economic approach to human behavior.”
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1 Summa theologiae I, q. 14, a. 1, ad 3.

2 This change culminated a long campaign that George J. Stigler had started in 1955. “In 1972, he [Stigler] successfully proposed that the history of thought requirement be dropped at Chicago. Most other economics departments later followed suit. . . . At the same meeting Stigler unsuccessfully proposed that the economic history requirement also be dropped.” Leeson (1997), n. 62. Leeson
(1997) was subsequently incorporated into Leeson (2001). In his campaign for the change, Stigler rejected Aquinas’s view that a scientist is defined by whether he understands his subject rather than by having a degree. Stigler claimed instead that every science is continuously defined by a self-governing elite calling themselves scientists. From this sociological definition, Stigler said it was obvious that “one need not read in the history of economics – that is, past economics – to master present economics.” Instead, “the young theorist . . . will assume . . . that all that is valid in earlier work is present – in purer and more elegant form – in the modern theory,” and that “the history of the discipline is best left to those underendowed for fully professional work at the modern level.” But as the text indicates, the young economist who assumed this would be underendowed for fully professional work because he wouldn’t know his subject. Stigler (1969), reprinted in Stigler, (1982), p. 107.

3 Among prominent modern economists, only Jacob Viner (1978) seems correctly to have identified Augustine’s main technical contribution to economic theory, distinguishing separate scales of preference for persons (love and justice) and nonpersons (utility), and both of these from the absolute metaphysical scale of being: Augustine deals “simultaneously with three scales of value, relating to order of nature, utility, and justice.” Viner (1978), p. 55.

4 In his otherwise magisterial History of Economics Analysis, Schumpeter (1954) incorrectly wrote that Augustine “[n]ever went into economic problems” (p. 72) and Aquinas’s economics was “strictly Aristotelian.” (p. 93). As we’ll see, Aquinas not only combined Aristotle’s contributions with but also subordinated them to Augustine’s, in both “positive” or descriptive and “normative” or prescriptive theory.

5 On Augustine’s theory of personal distribution, see Augustine (396/397) and Augustine (395/396), cited below; Aristotle’s social distribution (distributive justice): Ethics V.3 in Aristotle (1954 [350 BC]); Augustine’s theory of utility (consumption): City of God XI,16 in Augustine (1984 [413-426-427]); Aristotle’s theory of production of people and property: Politics I,4 in Aristotle (1962 [c. 350 BC]); Aristotle’s justice in exchange (equilibrium): Ethics V.5. In Aquinas, three of these four elements (the distribution function, the utility function, and the equilibrium conditions) are described (and the production function implied) in Aquinas (1993 [1271-1272]). Personal distribution: Book V, Lectures IV-IX, pp. 293-318; social distribution: p. 294; the “equilibrium conditions”: pp. 294-296 and pp. 297-299, the “utility function” and analysis of money, pp. 312-315. The production function is described in his commentary on Aristotle’s Politics I, 1-3: Aquinas (2007 [1271-1272]). The same analysis is also scattered throughout his Summa theologiae in Aquinas (1981 [1271-1272]), especially in his commentary on the seventh commandment.
According to Ross (1995), pp. 53-54, Adam Smith’s teacher Francis Hutcheson taught him from an annotated edition of Pufendorf (1991 [1673]). As with Aquinas and the earlier scholastics, Pufendorf’s Protestant version of the natural law contains all four basic elements of economic theory, organized according to personal, domestic, and political economy, and integrating prescriptive with descriptive theory by the two great commandments. Personal distribution, Pufendorf, (1991 [1673]), pp. 64-67; social and political distribution, ibid., p. 32 and pp. 61-63; utility, ibid., pp. 94-96; production of and by human and nonhuman factors, ibid., pp. 84-89; society organized around family household, ibid., pp. 120-131; justice in exchange or equilibrium equating product values and factor compensation, ibid., p. 31 and pp. 94-95. The two great commandments integrating description and prescription. Ibid., 11-12. The fact that Pufendorf was a Lutheran who wrote a critical history of the Catholic Church and that his theories were taught at the Calvinist University of Glasgow demonstrates that the scholastic outline of economic theory was broadly known and accepted. Pufendorf was widely read in the American colonies and recommended by Hamilton (1775). Hamilton had penned two-thirds of the Federalist papers and as first Treasury Secretary would reject Smith’s specific economic advice in the Wealth of Nations to the United States. Smith (1966 [1776]), Book II, Ch. 5; Hamilton (1791). 

7 Smith (1966 [1776]), Bk. IV, Ch. 2; Vol. 2, p. 35.

8 Jevons (1871); Menger (1871); Walras (1874).


10 “You shall love . . . God with all your heart . . .” (Deut 6:5) and “love your neighbor as yourself” (Lev 19:18).


12 Augustine (395-396), viii, 19, p. 146. Private goods are now sometimes called “rival” goods. The formulation “diminished by being shared” is from Augustine (396/397), I, 2.

13 Augustine (397), p. 398.


15 To be more precise, love with both benevolence and beneficence.

16 Or rather, love only with benevolence but not beneficence.


19 For example, the first three commandments of the Decalogue specify in greater detail how we should love God and the others how we should love our neighbor;
the rest of the natural law proceeds in turn from the Decalogue: all as a matter of reason, not just faith.

20 Augustine (396/397), I, 1.

21 Augustine (396/397), I, 28.

22 “If the responsibility for looking after property is distributed over many individuals, this will not lead to mutual recriminations; on the contrary, with every man busy with his own, there will be increased production all round.” Aristotle (1962 [c. 350 BC]), p. 63. Aquinas listed these two and added a third, greater order resulting from the efficient use of specialized knowledge: peace (“a more peaceful state is ensured to man if each one is contented with his own”); productivity (“every man is more careful to procure what is for himself alone than that which is common to many or all”); order (“human affairs are conducted in more orderly fashion if each man is charged with taking care of some particular thing himself, whereas there would be confusion if everyone had to look after any one thing indeterminately”). Aquinas (1981 [1271-1272]), II-II, q. 66, a. 2.


24 Donohue and Levitt (2001), 379-420. Earlier versions had been widely circulated, and Levitt further promoted the claim in Levitt and Dubner (2005), pp. 117-144.


26 Ibid.

27 Ibid., p. 394.

28 U.S. Department of Commerce, Statistical Abstract: 2006, tables 339 and 313. The age distribution of persons arrested matches the age distribution of women having abortions quite closely. This is especially apparent after allowing for the fact that young men fathering children are typically two years older than their female sexual partners. Arrest rates by age and sex from Sourcebook of Criminal Justice Statistics; Ages of women having abortions from Elam-Evans et al. (2003). Fathers older than the age at which women are typically fertile are about eight years older than the mothers; see Statistical Abstract: 1998, p. 112.

29 “Economic fatherhood” is the Total Fertility Rate, with fertility rates for white and nonwhites mixed in the same proportion as among men admitted to prison, removing children on welfare from the numerator and men in prison from the denominator. Annual data on the homicide rate go back to 1900, on white and nonwhite age-specific fertility rates back to 1917. Total Fertility Rate calculated from U.S. population by single year of age, sex, and race (since 1900, U.S. Census Bureau); age-specific fertility rates (since 1940 from annual National Vital Statistics Reports and beginning 1917 from Princeton University’s Office of
Population Research). Data on persons arrested, starting in 1932, and admissions
to federal and state prisons, starting 1926, are from U.S. Department of Commerce
(1975), Part 1, updated in annual Statistical Abstract of the United States and in
(Eds.) Pastore, A.L. and Maguire, K.; on federal and state prisoners back to 1925
from http://www.albany.edu/sourcebook/. Data for children supported by welfare
begin in 1936: children on public assistance before 1970 from U.S. Department of
Commerce (1975), Part 1, p. 356; more recent statistics from U.S. Department of

30 The regression tested is log(homicide rate) = c₁ + c₂ * log(economic father-
hood).

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Adjusted R² = 0.903073; D-W = 0.487996; F-statistic = 586.9769;
Prob(F-statistic) 0.00000

The complete multivariable model of the homicide rate is not reproduced in this
paper, but its results remain dominated by the "economic fatherhood" variable.

31 Cointegration can be detected with the Augmented Dickey-Fuller (ADF) test,
which tests the likelihood that the two series will ever drift apart. While a “good”
regression is one which holds at least 19 times out of 20, the ADF test must exceed
99 cases out of 100.

32 The ADF Test Statistic for the unit root test on the residuals of the regression of
economic fatherhood on homicide is -3.752339; the Mackinnon critical value for
the hypothesis of a unit root at the 1% level is -3.5380. (At the 5% level the
critical value is -2.9084, and at the 10% level the critical value is -2.5915.)
Therefore, the series for economic fatherhood and homicide are cointegrated.

33 Granger and Newbold (1974). Spurious relationships are characterized by high
“autocorrelation” of residual forecasting errors, which can usually be detected by a
statistical test known as the Durbin-Watson (D-W) statistic. Ideally, D-W should
be close to a value of 2, but autocorrelation is reflected in a low D-W (e.g., 0.5).


35 Smith (1982 [1795]), par. 274.

36 Smith (1966 [1776]), Bk. IV, Ch. 2; vol. 2, p. 35.

37 Hume (1740), II, III, iii.


The Dignity of the Human Person
and the Common Good

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The practice of courtesy reveals that people have an innate sense of the dignity of the human person. Even toward perfect strangers, many people will behave with good manners. We all know that the practice of courtesy makes civil life much more enjoyable.

C. S. Lewis provides us with an apt introduction to our reflection on the theme of human dignity in the comparison he makes between individuals and civilizations, noting that the former have an eternal destiny of happiness or misery, while the latter will one day perish.

There are no ordinary people. You have never talked to a mere mortal. Nations, cultures, arts, civilizations – these are mortal, and their life is to ours as the life of a gnat. But it is immortals whom we joke with, work with, marry, snub, and exploit – immortal horrors or everlasting splendors.¹

Lewis also reminds us that by our actions we are “helping each other to one or other of these destinations.” I would also note that the character of the civilizations and cultures in which we live help or hinder us in achieving a blessed eternal life. That is why Catholic social doctrine on the dignity of the human person, human rights, and natural law is so important. Human dignity, properly understood, requires the kind of culture and political community it which it can thrive – in other words, the right kind of mores and laws. In fact, as Cardinal Höfner writes, “The ultimate purpose of all sociality is the perfection of personhood.”² That is to say, the reason why people live together in community is to achieve the perfection of human dignity, the integral development of the human person. As Pius XI says, “In the plan of the Creator, society is a natural means which man can and must use to reach his destined end. Society is
The contemporary culture of liberalism, unfortunately, disposes citizens to have an incomplete understanding of human dignity. It inclines or tempts Americans, including Catholic Americans, to exercise their rights without taking into account what Catholicism teaches about the proper use of freedom or the right attitude toward the possession and use of material things. Persons are said to have dignity because they are autonomous and are capable of making choices. According to the most common opinion in contemporary society, the dignity of the human person is especially secured by insuring the protection of rights. The initial and primary emphasis on rights is, of course, a logical step, since the autonomous exercise of choice requires the possession of rights. Catholic social doctrine certainly agrees that the dignity of the human person needs the protection of rights, but stresses that Catholics should exercise their rights in the light of faith and natural law, or they will diminish their dignity. This kind of emphasis is nearly absent in a liberal democracy.

Another consequence of understanding dignity as constituted by human autonomy is linking the assessment of human dignity to a person’s quality of life, especially the capacity to make autonomous choices. It is now commonly thought that a person’s dignity diminishes with his declining quality of life. Physical and mental deterioration, as well as suffering, supposedly diminish human dignity. In *Quill v. Vacco* (1997) the Second Circuit Court of Appeals even went so far as to make an ominous statement about legal obligations toward the terminally ill: “The state’s interest lessens as the potential for life diminishes.” The presence of this statement in a decision of an appeals court surely indicates a trend toward regarding those persons with diminished physical capacity as less than fully human. Some argue that they are not entitled to the same rights as healthy individuals. The Terri Schiavo case showed that the courts and many people gave their approval to the withdrawing of food and water from a person because of her poor quality of life.

Pope John Paul II makes reference to the contemporary assault on the traditional understanding of human dignity in his *Gospel of Life*. He writes,
We must also mention the mentality which tends to equate personal dignity with the capacity for verbal and explicit, or at least perceptible communication. It is clear that on the basis of these presuppositions there is no place in the world for anyone who, like the unborn or the dying, is a weak element in the social structure, or for anyone who appears completely at the mercy of others and radically dependent on them, and can only communicate through the silent language of a profound sharing of affection.\(^5\)

This way of understanding the human person is highly individualistic and fails to appreciate the rhythm of life, in which a person moves from the weakness and dependence of the unborn, to the strength of adulthood, to the weakness of old age. Even during the time of people’s strength, they are dependent in various ways for their physical, intellectual, and spiritual care. In the Catholic mind, human beings retain their dignity when they are receiving care, and they may even grow in dignity. Think of the person who accepts his dependence and suffering as a way of identifying with the passion of Christ.

Discussion of human dignity naturally leads into discussion of human rights, because people readily understand that rights can afford some protection to the dignity of the human person. What is less clear is how to think about the exercise of rights in the light of some objective moral standard. The relation of natural law to human dignity is unclear these days, because few are conversant with natural law, and because the subtle Catholic concept of human dignity has not been sufficiently explained in the United States. In order to advance the discussion in Catholic circles on these subjects, part 1 of this paper draws upon both Catholic and non-Catholic sources to bring out the essential aspects of the Catholic concept of the dignity of the human person. The shorter second part explains how the attainment of the common good, properly understood, protects and promotes the dignity of the human person.

The Nature and Basis of Human Dignity. Careful education is necessary for Catholics to understand that the dignity of the human person is
not essentially constituted by the ability to make choices. According to Catholic teaching, people have dignity because they are created in the image and likeness of God, redeemed by Jesus Christ, and destined for eternal life in communion with God. In Pope John Paul II’s words,

The dignity of the person is manifested in all its radiance when the person’s origin and destiny are considered: created by God in his image and likeness as well as redeemed by the most precious blood of Christ, the person is called to be a “child in the Son” and a living temple of the Spirit, destined for eternal life of blessed communion with God.6

The threefold foundation for human dignity is both unshakable and instructive. No act of the human person can remove this foundation. Even when people commit the worst sins and crimes and suffer diminished physical and spiritual capacities, they retain human dignity. While this Christian teaching about the permanent character of human dignity is often mentioned and acknowledged by informed Christians, rarely do Catholics hear that human dignity is also a goal or an achievement. But this is the clear implication of the threefold foundation of human dignity and the explicit teaching of Vatican Council II and John Paul II.

As Vatican Council II puts it, “The principal cause of human dignity lies in the call of human beings to communion with God.”7 Being created in the image of God and redeemed by Jesus Christ make it possible for everyone to respond to God’s invitation to communion with him. It is the actual communion with God that perfects the dignity of human beings. So, Vatican II says, the “dignity of man . . . is rooted and perfected in God” (in ipso Deo fundetur et perficiatur).8 It is important to note that only through the mystery of the Incarnation and the Redemption do human beings fully understand themselves, especially their call to communion with God. During his pontificate Pope John Paul II reminded us of this point by repeatedly quoting a sentence from Gaudium et spes 22: “Christ, the new Adam, in the very mystery of the Father and his love, fully reveals man to himself and brings to light his most high calling.” In other words, Jesus Christ makes known to man his eminent dignity as a being destined for communion with his Creator, and the means to realize it every day: avoidance of sin and the practice of all the virtues, especially charity.
Otherwise stated, human beings are true to their dignity when they imitate the love of Jesus Christ, the love he showed for every single human being by dying on the cross.

Given the foundation of human dignity and the reality of sin, it logically follows that all will have to strive and strain to reach their ultimate goal, communion with the triune God. All human beings are able to do this because God “willed to leave man ‘in the power of his own counsel’ (cf. Sir 15:14), so that he would seek his Creator of his own accord and would fully arrive at full and blessed perfection by cleaving to God (GS, n. 17).”9 Given God’s action, “human dignity requires that a person act according to a conscious and free choice,” in seeking what is good. The Council describes the effect of such human action on human dignity in the language of achievement.

Man realizes such dignity [that of “full and blessed perfection”] when emancipating himself from all captivity to passion, he pursues his goal in a spontaneous choice of what is good, and procures for himself through effective and skillful action, apt means to that end. Since man’s freedom has been damaged by sin, only by the help of God’s grace can he bring such a relationship with God to full flower.10

It is, of course, true to note that very few will succeed in freeing themselves from all captivity to passion. Nevertheless, everyone has the capacity, with the help of God’s grace, of moving toward the dignity of perfection.

The Council makes the same point when discussing the obligation of all to obey their consciences. “Man has a law in his heart inscribed by God, to obey which is his very dignity, and according to which he will be judged.”11 The text implies that people diminish their dignity by not obeying their consciences. Everyday speech captures this human possibility in the expression, “to act beneath one’s dignity.” In sum, all people continually achieve or realize their dignity by seeking the truth, obeying conscience, resisting sin, practicing virtue, and repenting when they succumb to temptation. In other words, dignity is not just a permanent possession, unaffected by the way they live. All people have to obey their informed conscience both to avoid acting beneath their dignity, and to develop it.
So there is a sense in which dignity may be continually diminished by a life of sin or progressively appropriated over a lifetime by seeking perfection, as John Paul II said. In *Rerum novarum* Pope Leo XIII made the same point using language characteristic of Thomas Aquinas: “true dignity and excellence in men resides in moral living, that is, in virtue.”

Saint Leo the Great’s famous Christmas sermon states this point in a memorable way: “Christian, recognize your dignity, and now that you share in God’s own nature, do not return by sin to your former base condition.” It is significant that this quotation stands as the first sentence in the section on morality in the new *Catechism of the Catholic Church*. It immediately directs attention to the necessity of achieving human dignity by living without sin.

Pope John Paul II argues that “genuine freedom is an outstanding manifestation of the divine image in man.” By genuine freedom the pope means freedom that takes its bearing by what is true and good, not the freedom that is indistinguishable from license. In other words, people who understand freedom as license will diminish their dignity by committing sin. On the other hand, people increase their dignity by living virtuously. Pope John Paul II goes so far as to say that martyrdom is “the supreme glorification of human dignity.” This statement makes eminent sense because martyrs achieve the summit of human dignity by laying down their lives for God and neighbor. This is the reason why martyrs are held in such high regard by Christians.

The Vatican *Guidelines for the Study and Teaching of the Church’s Social Doctrine in the Formation of the Faith* say that human advancement depends on “ennobling the human person in all the dimensions of the natural and supernatural order,” and that “man’s true dignity is found in a spirit liberated from evil and renewed by Christ’s redeeming grace.”

The very recent *Compendium of the Social Doctrine of the Church* also implies that human dignity is not just a given, but also a goal of the individual and the Church. “By her preaching of the Gospel, the grace of the sacraments, and the experience of fraternal communion, the Church ‘heals and elevates the dignity of the human person, . . . consolidates society and endows the daily activity of all people with a deeper sense and meaning.’” If the human dignity of the individual person necessarily
receives healing and elevation by the activity of the Church, then it is not simply a given, needing only the protection of rights. Human beings cooperate with their healing and ennobling by repenting of their sins, avoiding them in the future, and contributing to the common good by practicing virtue in every area of their lives.

In its section on the human person the Compendium makes much of the fact that sin and its effects offend the dignity of the human person. When people act beneath their dignity by sinning, the consequences are “alienation, that is, the separation of man not only from God, but also from himself, from other men and from the world around him.” This separation or alienation, caused by sin, is an assault on human dignity because it is an obstacle to communion with God and to communion among human beings through their union with Him. The piling up of personal sins produces structures of sin in society, or the kind of twisted culture that becomes “sources of other sins, conditioning human conduct.” In other words, the personal sins of enough individuals produce the kind of culture that will lead others into temptation and sin. So, when individuals act beneath their dignity, they harm the life of society.

Two Different Explanations of the Dignity of the Human Person. In Centesimus annus Pope John Paul II provides a perfect commentary on the importance of human dignity. “The guiding theme of Pope Leo’s Encyclical [Rerum novarum], and of all of the Church’s social doctrine, is a correct view of the human person and of his unique importance, inasmuch as ‘man . . . is the only creature on earth which God willed for itself.’” On the basis of faith and reason the Church proclaims the dignity of the human person as the foundation of Catholic social doctrine. There is no real disagreement on this teaching. Nor is there any disagreement on threefold foundation of human dignity: creation in the image of God, redemption by Jesus Christ, and the call to eternal life in communion with God.

But there is an apparent disagreement, however, in the explanation of this key concept. Consider the following statements made by the U.S. bishops in 1990 and 1998.
In a world warped by materialism and declining respect for human life, the Catholic Church proclaims that human life is sacred and that the dignity of the human person is the foundation of a moral vision for society [and] . . . the foundation of all the principles of our social teaching. . . . We believe that every person is precious, that people are more important than things, and that the measure of every institution is whether it threatens or enhances the life and dignity of the human person. Each person possesses a basic dignity that comes from God, not from any human quality or accomplishment, not from race or gender, or age, or economic status.

These explanations point out important tenets of Catholic social doctrine – especially the understanding of human dignity as a permanent endowment – but do not mention that human dignity is in any way a quality or accomplishment. The bishops rightly focus on the permanent character of human dignity in order to protect vulnerable human beings from being declared unworthy of respect or of the law’s protection because of poor quality of life. The unborn child is particularly vulnerable because people can argue that he or she cannot make choices and therefore lacks dignity. The bishops undoubtedly chose not to draw attention to the full range of Catholic teaching on the subject for fear of endangering the weak and vulnerable in society. This is a reasonable decision given the climate in which we live. Yet it may be more reasonable to proclaim both the permanent character of human dignity as well as the obligation to ennoble one’s dignity by a life of holiness, with the help of divine grace.

Without teaching the twofold character of human dignity, the very keystone of Catholic social doctrine is not accurately described and therefore not quite up to the task of informing the elaboration of other important themes in the discipline. As John Paul II said in Centesimus annus, “from the Christian vision of the human person there necessarily follows a correct picture of society.” That picture is one in which all elements of society should find ways to help people perfect their dignity. Gaudium et spes, in fact, says at the beginning of its conclusion that the whole conciliar program for all people is to help them “so that perceiving more clearly their integral vocation, they may conform the world more to the surpassing dignity of the human person.” A world so conformed
would not only reflect the eminent dignity of human beings, but also be an instrument in helping people to achieve that dignity. A world not so conformed leads people astray, making the achievement of dignity more difficult.

Every element of society should promote respect for human dignity and its perfection. As Vatican Council II specifically says, “it devolves on humanity to establish a political, social, and economic order which will to an even better extent serve man and help individuals as well as groups to affirm and perfect the dignity proper to them” (ad dignitatem sibi propriam affermandam et excolendam). This means that the family, mediating institutions, the law, and the Church all have roles to play in helping individuals perfect their dignity. For example, the education a mother and father give to their children in the family will help them recognize and achieve their dignity. Schools, the primary mediating institutions, to a greater or lesser extent form the character of students so that they might be inclined to act in accordance with their dignity. The law encourages people not to act beneath their dignity by driving while drunk or acting in a discriminatory manner toward racial minorities, for example. In Centesimus annus Pope John Paul II says that the Church contributes to the enrichment of human dignity when she “proclaims God’s salvation to man, when she offers and communicates the life of God through the sacraments, when she gives direction to human life through the commandments of love of God and neighbor.” These examples show that a correct conception of the human person provides guidance to all educators and to legislators, and also enables all people to recognize that they must strive to perfect their dignity in order to be good persons and, even, good democratic citizens.

Because of his vision of the human person, the pope said the following about the democratic way of life.

Democracy cannot be sustained without a shared commitment to certain moral truths about the human person and the human community. The basic question before a democratic society is “How ought we live together?” In seeking an answer to this question, can society exclude moral reasoning? . . . . Every generation of Americans needs to know that freedom consists not in doing what we like, but in having the right to do what we ought.
Clearly, Pope John Paul II’s reflections on democracy are inspired by his understanding of human dignity. People perfect their dignity by using their freedom to live as they ought, and by so doing they contribute to the smooth functioning of a healthy democracy.

Catholic social doctrine needs more clarity about its foundational principle and therefore must return to the basic questions: What is a person and what is human dignity? A good way to approach these subjects is to reflect on the primacy of receptivity in the achievement of human dignity, and on the high calling of the human person.

**Receptivity and Exhortation.** Many years ago Professor Joseph Ratzinger, now Pope Benedict XVI, alerted me to the theme of receptivity in his justly famous *Introduction to Christianity*. He writes, “From the point of view of the Christian faith, man comes in the profoundest sense to himself not through what he does but through what he receives (or accepts). . . . And one cannot become wholly man in any other way than by being loved, by letting oneself be loved.” Otherwise stated, Mary’s fiat is the model for the person who wants to live as a Christian: “Let it be done to me according to your word.” Persons who desire to realize their dignity must be receptive to instruction, exhortation, and grace in the various communities in which they live. Especially important are the family, Church, and school. But voluntary associations and even the law also play a role in creating and developing receptivity in people.

In various places in his autobiography, Monsignor George Kelly captures the laborious struggle of the nuns in Catholic schools to educate young people to act in accord with their God-given dignity. At the very beginning of his story he tells of a meeting that he had with twenty-five of his former altar boys after addressing the New York City Police Holy Name Society. The police commissioner surprised Monsignor Kelly by bringing him into a VIP room to meet the twenty-five men who had become cops, even lieutenants and captains. “As I approached them,” Kelly wrote, “the best I could muster up, as a response to their warm greeting, was: ‘And to think that Sister De Padua and I expected most of you to end up in jail.’” After finishing his book, I understood Monsignor Kelly’s humorous hyperbole as a way of capturing all the time and effort
that once went into forming the character of the young in a typical New York Catholic parish.

Regarding human dignity as an arduous achievement in a community characterized by receptivity and exhortation is not exclusively a Catholic teaching. Consider “Wasps’ Nest,” a short story written by Agatha Christie. It seems to be about the poisoning of a wasps’ nest with potassium cyanide. It turns out that John Harrison discovers he is terminally ill and devises a plan to poison himself in such circumstances that another man, Claude Langton, will surely be blamed for his death and hanged. The terminally ill man is suddenly overcome with a desire for revenge against Monsieur Langton, who has won the heart of his former fiancée, a woman he still loves. Hercule Poirot realizes what is happening and tries to make his old friend come to his senses and give up his desire to commit murder.

[Poirot] advanced to his friend and laid a hand on his shoulder. So agitated was he that he almost shook the big man, and as he did so, he hissed into his ear: “Rouse yourself, my friend, rouse yourself. And look — look where I am pointing. There on the bank, close by that tree root. See you, the wasps returning home, placid at the end of the day? In a little hour, there will be destruction and they know it not. There is no one to tell them. They have not, it seems, a Hercule Poirot.”

John Harrison resists the instruction and exhortation. Poirot then finds a way to substitute washing soda for the poison and confronts his friend after the failed suicide. Harrison moans when he realizes that Poirot has thwarted his suicide and saved Langton from being hanged for murder. Harrison asks, “Why did you come? Why did you come?” Poirot replies, of course, that he wanted to prevent a murder and then adds:

“Listen, mon ami. you are a dying man; you have lost the girl you loved, but there is one thing you are not: you are not a murderer. Tell me now: are you glad or sorry that I came?” There was a moment’s pause and Harrison drew himself up. There was a new dignity in his face — the look of a man who had conquered his own baser self. He stretched out his hand across the table. “Thank goodness you came,” he cried. “Oh! Thank goodness you came.”
The story is both a nice example of the education and transformation of person’s disordered desire by the prudent behavior and exhortation of his friend, and, of course, it is an account of the achievement of dignity.

The receptivity of persons to instruction and exhortation is a most important element in the realization of their dignity. The ultimate end of a Christian community is both to educate the faithful to the love of God and neighbor with their whole heart and soul, and to be a living witness to that love. If Christians enhance their dignity by growing in love for their neighbors, then there should be no doubt that human dignity is both a given and an end, a high goal to be achieved by laborious efforts with the help of God’s grace.

**Human Dignity as a High Calling.** Christian dignity is a high calling toward which a person walks with the support of fellow Christians. The patristic theme of *epektasis* presents an accurate image of this reality. The patristic scholar Professor Ernest Fortin explains, “The life of the soul, as the Church Fathers saw it, is characterized by unceasing progress, indeed, not just an *extasis* or going out of oneself but an *epektasis* or perpetual going beyond oneself in the direction of an ever more perfect God-likeness.”

In Philippians 3:12-14 Saint Paul spoke in the same way: “One thing I do, forgetting what lies behind and straining forward (*epekteinomenos*) to what lies ahead I press on toward the goal for the prize of the upward call of God in Jesus Christ.”

*Epektasis* not only requires an individual effort but also depends decisively on continuous instruction and exhortation in a Christian community. In Galatians 4:19 Saint Paul says, “My children, for whom I again suffer birth-pangs until Christ be formed in you.” The language of birth pangs is a moving image, conveying all that we have to do in order to help our brothers and sisters rouse themselves to put on Christ. For example, in the latter moments of life – especially in times of weakness, suffering, and depression – family members, friends, and healthcare personnel play a crucial role in exhorting and sustaining the dying person. By giving and receiving loving exhortation Christians sustain one another’s dignity. Where there is a failure to give and receive, the dignity of human persons is diminished. Otherwise stated, physicians who don’t
dissuade their patients from thinking of suicide diminish their own dignity, as do family members who abandon relatives to fear and loneliness. The proper understanding of a person’s dignity would help Catholics resist the rhetoric of the euthanasia movement and move them to appreciate Christian teachings on the redemptive value of suffering and solidarity with the dying person.

**Bioethics and the Dignity of the Human Person.** The Christian teaching that dignity is both a given and a high calling (or an achievement) can be appreciated by non-Christians and even by nonbelievers. Leon Kass’s thinking on human dignity, as expounded in his book, *Life, Liberty and the Defense of Dignity: The Challenge for Bioethics,* illustrates this point and helps further to deepen our insight into the Catholic concept of human dignity. It may seem odd to rely on a Jewish intellectual to clarify Catholic teaching, but Kass does offer helpful clarifications by his discussion of the limitations of Kant’s thought on human dignity. Kass is one of the nation’s leading bioethicists and often – not always – a wonderful example of right reason in action.34

The most common understanding of human dignity in the contemporary period, Kass rightly argues, is that inspired by Immanuel Kant. The German philosopher attempts to supply a foundation for universal human dignity by his doctrine of respect for persons. Kass explains Kant’s approach: “Persons – all persons or rational beings – are deserving of respect not because of some realized excellence of achievement, but because of a universally shared participation in morality and the ability to live under the moral law.”35 This is the view that persons have dignity because they can reason and make choices. While Kass applauds Kant’s efforts and his influence on promoting the respect for persons in contemporary canons of ethics, he finally judges Kant’s view of human dignity as “inhuman.”

Precisely because it dualistically sets up the concept of “personhood” in opposition to nature and body, it fails to do justice to the concrete reality of our embodied lives – lives of begetting and belonging no less than willing and thinking. . . . Precisely because “personhood” is distinct from our lives as embodied, rooted, connected, and aspiring beings, the dignity of rational choice pays no respect at all to the dignity we have through our
loves and longings – central aspects of human life understood as grown togetherness of body and soul. Not all human dignity consists in reason or freedom.  

Under the influence of Kant even many Catholics look at human dignity simply as a given and not also as an end to be achieved by avoiding serious sin, loving one’s family, friends, and neighbors, and seeking to realize communion with God. Catholics rightly look to God’s creation of man in his image and likeness as the foundation of dignity, but then fail to see that living in accord with God’s image is the way of realizing their dignity in their everyday lives. It should be obvious that our longings and loves either increase or diminish our dignity, but this is not always the case.

Kass makes his most extensive comments on dignity in his chapter on “Death with Dignity and the Sanctity of Life.” The roots of the English and Latin words for dignity are indicative. “The central notion etymologically, both in English and in its Latin root (dignitas), is that of worthiness, elevation, honor, nobility, height – in short excellence or virtue.” If dignity is understood as various kinds of excellence, then it cannot be provided or claimed as a right. It makes as little sense to assert a right to dignity as to claim a right to wisdom or courage. Realizing that this description may strike his readers as a denial of man’s special dignity, Kass reaffirms his position that human beings have dignity because they are created in God’s image and likeness, and that the sanctity of life is based on human dignity. “Yet,” he adds, “on further examination this universal attribution of dignity to human beings pays more tribute to human potentiality, to the possibilities for human excellence. Full dignity, or dignity properly so-called, would depend on the realization of these possibilities.” So, the dignity of human beings is realized when they live moral lives.

Kass is right to say that full dignity depends on virtuous achievements. Why else would people say in ordinary speech, “That attitude or behavior is beneath your dignity?” I remain puzzled, however, why Kass doesn’t make more of the permanent character of human dignity, even in those who choose to live badly. In a footnote he does say that “it may be salutary to treat people on the basis of their capacities to live humanly,
despite great falling short or willful self-degradation.” Still, he doesn’t seem to go far enough. Because people are created in God’s image it is right and salutary to treat them on the basis of their inherent dignity and their capacities to live humanly.

Kass believes the achievement of dignity is possible when people have the proper models to imitate and the right kind of education. He shows that this achievement is frequently noticed in the ordinary routine of life. “In truth, if we know how to look, we find evidence of human dignity all around us, in the valiant efforts ordinary people make to meet necessity, to combat adversity and disappointment, to provide for their children, to care for their parents, to help their neighbors, to serve their country.” Of course, people need various virtues to make these kinds of valiant efforts, which is still another indication that we have to strive day in, day out to realize our dignity. The achievement of dignity is really the most ordinary occurrence, but not a common phrase in everyday speech. The absence of appropriate language keeps us from accurately perceiving all aspects of dignity.

What does get talked about is death with dignity. By that term people mean both good and bad things. The good side is the belief that people should not be dehumanized at the end of life by unnecessary or burdensome medical treatments, or subject to unnecessary institutionalization. The chilling side of death with dignity is the argument that euthanasia or physician-assisted suicide will assure the dignity of a terminally ill patient whose quality of life has diminished. Kass calls euthanasia “undignified and dangerous.” The assault on human dignity, he argues, comes not from the declining quality of life, but from improper treatment and care by hospital staff, relatives, and friends. “Withdrawal of contact, affection and care is probably the greatest single cause of the dehumanization of dying. Death with dignity requires absolutely that the survivors treat the human being at all times as if full god-likeness remains, up to the very end.”

Encouragement by “many small speeches and deeds” will shore up the courage of the dying and help them to face their physical and emotional pain. By bearing up in the face of suffering, Kass argues, the dying person maintains and increases his dignity as do his loving relatives and friends. There is no dignity in asking for lethal injections from relatives and friends. Placing such a burden on people is not dignified action.
II

The Dignity of the Human Person and the Common Good. If human dignity is not only a given, but also an achievement, then it comes as no surprise that the common good has an important role to play in protecting and promoting human dignity. Let us call to mind Pope John XXIII’s famous definition of the common good, as slightly reformulated by the Catechism of the Catholic Church: “the sum total of the conditions of social life which allow people, either as groups or individuals, to reach their own perfection more fully and more easily.” In the explanation of this definition the following clarifications have become necessary. The perfection of each citizen’s dignity is the goal of civil society and, therefore, an essential part of the common good. The various social conditions that facilitate the pursuit of perfection must be understood and explained. Establishing the requisite social conditions and educating individuals to perfection are the shared responsibility of government, the Church, voluntary associations, and individuals themselves. In other words, the government must not attempt to realize all elements of the common good, but respect the principle of subsidiarity. When that principle is observed, there is less chance of improper intrusion on the part of the government and more chance of success in the combined efforts to achieve the common good. And the common good is only rightly conceived when it is understood to be the good of every individual in a society! Catholic social doctrine recommends that certain social conditions be established so that individuals will be able to seek the perfection of their dignity without too many obstacles and with appropriate help.

The term “perfection” does not, of course, have a univocal meaning, especially in a liberal society. Catholics would necessarily understand perfection as the imitation of Jesus Christ and union with God, but would also recognize other religious and philosophic understandings of perfection as a preparation for, or partial realization of, the way taught by Jesus. Some understandings of perfection would surely be at odds with the Catholic view. Be that as it may, Catholics are always bound by the ideal of Christian perfection and would rely on the family, Church, educational
institutions, other voluntary associations, and the law to promote perfection as they understand it. What the law could and should achieve in a liberal society will always be a subject for debate, in which Catholics have the right and duty to participate. In accord with their understanding of the common good, Catholics would also support efforts by individuals, voluntary associations, and the government to promote sound but incomplete understandings of perfection.

The social conditions “which allow people . . . to reach their proper perfection” may, at first glance, seem too difficult to name or describe. Perfection is not a common term in a liberal society. Citizens and theorists would more readily speak of social conditions conducive to the attainment or preservation of liberty and equality. The attainment of perfection would require a special set of social conditions, hardly limited to instrumental goods. According to Catholic social doctrine some of these conditions are as follows: respect for life (for example, no abortion, euthanasia, or destruction of embryos), religious freedom, the fidelity of the Catholic Church to its salvific mission, fidelity in marriages, sound family life, character education in families and schools, comprehensive liberal education in the universities, high ethical principles in places of work (the trades, business, and the professions), true friendships, concord or harmony among citizens, forgiveness of injuries and reconciliation among citizens who have committed and suffered wrong, education and care for the poor, and so on. How these goals could be attained through persuasion and law is beyond the scope of this presentation.

My final comment is on the practicality of the Church’s teaching on the necessity of pursuing a substantive common good in every society. This teaching doesn’t mean that Christians have to engage in utopian political reform. Saint Augustine indirectly offers us some timely advice on how to proceed in his reflections on the nature of a republic. In the De civitate Dei Augustine comments on the definition of a republic given by Scipio in Cicero’s De re publica. Scipio says that a republic is “the affair of a people.” He then defines people as a “fellowship of a multitude united through a consensus concerning right and a sharing of advantage.” Augustine then explains that there can be no “consensus concerning right” without justice. In Augustine’s radical formulation justice requires order in the souls of citizens. Reason rules the vices and, in turn, is subject to
God through the practice of the Christian virtues. If there is no justice in individuals, “without doubt neither is there any in a fellowship of human beings which consists of such men.” Without justice so understood there can be no consensus concerning right and, thus, no real republic. This seems to be a description of a common good that would be as close to communion with God that one can imagine on this earth.

Augustine’s second and more realistic definition of a republic is “a fellowship of a multitude of rational beings united through a sharing in and an agreement about what it loves. . . . It is a better people if it agrees in loving better things; a worse one if it agrees in loving worse things.” Otherwise stated, there can be various levels of solidarity or forms of a subordinate good in any particular regime. Citizens inspired by a Catholic vision of the common good have a paradigm in Augustine’s first definition of a republic by which to take their bearings in prudently working to refine and elevate the agreement about what the political community loves.

Reasons for Catholic Teaching on the Common Good. Why does the Church even have a teaching on the common good of the political community? The answer to that question is not complicated. The realization of the common good facilitates the attainment of salvation. Since good laws and mores dispose people to receive Christian teaching and live Christian lives, and bad laws and mores do the opposite, the Church attempts to persuade political communities to establish and maintain good laws and mores or, in the language of classical political philosophy, a good regime. Pius XII made this point in his 1941 Pentecost message in which he said that the Church “must take cognizance of social conditions, which, whether one wills it or not, make difficult or practically impossible a Christian life in conformity with the precepts of the Divine Lawgiver.” He says that people need to “breathe the healthy vivifying atmosphere of truth and moral virtue” and not “the disease laden and often fatal air of error and corruption.” As a precedent and proof of his position, Pius XII cites Leo XIII’s encyclical to the world, *Rerum novarum*, which “pointed out the dangers of the materialist Socialism conception, the fatal consequences of economic Liberalism, so often unaware, or forgetful, or contemptuous of social duties.” Around the time that Pius XII was
thinking about the significance of social conditions for the faith, a famous French theologian Yves de Montcheuil, S.J. addressed the same subject in an essay entitled, “Christian life and Temporal Action.” He wrote: “The repercussions of political and social conditions in the lives of individuals can, in fact, render easier or more difficult the birth and development of religious life in humanity. It is therefore the duty of the Christian to create in this world conditions favorable to Christian life.”

He also told his readers that Rerum novarum reminded Catholics of this obligation. Montcheuil and Pius XII clearly do not limit their understanding of social conditions to instrumental goods. They have to be talking about those substantive elements of the common good that dispose people to be receptive to the gift of salvation and to perfect their dignity as persons.

The second reason for the Church’s social teaching is that the realization of a subordinate common good is a partial expression of the way human beings ought to live together. The dignity of the human person requires not only freedom for each individual, but a life dedicated to the practice of virtue and harmony among people based on truth. The Church’s teaching on the common good provides guidelines not only for political authorities and the mediating institutions of civil society, but also for individuals living in every kind of regime. People can always work at perfecting their dignity, that is to say, they can always practice virtue in view of the common good, even if they live under a corrupt government.

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7 *Gaudium et spes*, 19, “Dignitatis humanae eximia ratio in vocatione hominis ad communionem cum Deo consistit.”

8 Ibid., 21.

9 Pope John Paul II, *Veritatis splendor*, 34, quoting *Gaudium et spes*, 17.

10 *Gaudium et spes*, 17.

11 Ibid., 16.


13 *Catechism of the Catholic Church*, 1691.

14 Pope John Paul II, *Veritatis splendor*, 34.

15 *Dominum et vivificantem*, 60.


18 *Compendium of the Social Doctrine of the Church*, 116.

19 Ibid., 119.


23 The argument here is not about the achievement of dignity with the *indispensable* help of divine grace, but about making known the importance of achieving
holiness by living daily in accordance with one’s dignity. This important aspect of dignity is too often omitted in presentations of Catholic social doctrine.

24 Pope John Paul II, Centesimus annus, 65.

25 Gaudium et spes, 91: “ut, suam integram vocationem clarius percipientes, mundum praecellenti dignitati hominis conforment.”

26 Ibid., 9, modified translation.

27 Centesimus annus, 55.

28 Pope John Paul II, Homily at Camden Yards, Baltimore, Maryland, October 8, 1995.


32 Ibid., 818, my emphasis.


36 Ibid., 17.

37 Ibid., 246.

38 Ibid., 247.

39 Ibid.

40 Ibid., 248.

41 Ibid., 249.

42 Ibid., 253.


There is considerable confusion surrounding the doctrinal status of Catholic social teaching (CST). Some theologians have implied that CST commands assent in virtually every respect, while others have minimized it. I will first discuss some basic distinctions among Extraordinary Magisterium, Ordinary Magisterium, and prudential judgment, and will then examine how these three categories apply to CST, noting that in general, the principles of CST are Ordinary Magisterium and command assent, while the application of those principles is generally a prudential judgment, unless a specific application concerns a defined moral doctrine of the Catholic Church.

I

Extraordinary Magisterium and Ordinary Magisterium. The Church has been very clear about the distinction between Ordinary and Extraordinary Magisterium throughout the last century, but was not nearly as clear about the distinction between Ordinary Magisterium and prudential judgment with respect to its social teaching. This ambiguity, in combination with the proliferation of CST and the regularity of episcopal conferences, led to a series of clarifying pronouncements by the Holy Father, the Pontifical Council on Justice and Peace, and the USCCB. I will give a brief summary of the pronouncements of Vatican I and Vatican II on Ordinary and Extraordinary Magisterium, followed by a more in-depth
analysis of the Church’s recent documents on prudential judgment as it relates to episcopal councils and CST.

We may begin with *Extraordinary Magisterium*, which concerns defined doctrines of the Church. These are irrevocable decisions by which the supreme teaching authority in the Church decides a question pertaining to faith or morals, and which bind the whole Church. Four conditions are required for a defined doctrine:

1. It must be a decision by the supreme teaching authority in the Church.
2. The decision must concern a doctrine of faith or morals.
3. The decision must bind the Universal Church.
4. The decision must be irrevocable (definitive).

With respect to the first condition, there are two organs of supreme authority in the Church: (a) The Holy Father who declares himself to be speaking as supreme teacher of all Christians (*ex cathedra*) and (b) the bishops of the Church united in ecumenical council in concert with the pope.

With respect to the second condition (faith and morals), “faith” concerns what must be *believed* by Christians, while “morals” concerns what must be *done* by Christians. The third condition requires a decree (from one of the two supreme authoritative organs of the Church) that binds all the faithful (not merely some part of the faithful). Finally, the fourth condition requires that one of the two organs declare that the decision is final and will never be changed (irrevocable).

We may now proceed to *Ordinary Magisterium*, which can be infallible, but is most often non-infallible. It is infallible only when the dispersed bishops throughout the world are in union with the pope over a long period of time, and a particular teaching is to be held by the faithful for the sake of salvation. The reason that “ordinary” is used in conjunction with “infallible” here is that a particular teaching may begin as non-infallible Ordinary Magisterium, but when the pope and the bishops throughout the world have taught the same doctrine of faith and morals, to be held by the faithful, over the course of some length of time, it takes on an infallible character, and is no longer non-infallible Ordinary Magiste-
The more common non-infallible Magisterium occurs in three ways:

1. When the pope teaches authoritatively but not definitively and infallibly (for example, an encyclical letter such as the social encyclicals).
2. When an ecumenical council teaches authoritatively but not definitively and infallibly.
3. When individual bishops exercise their teaching authority in matters of faith and morals. This may also occur through regional episcopal conferences (see below, section III).

Individual bishops do not have infallible teaching authority. If a bishop is not speaking about theological truths or moral principles leading to salvation, then his pronunciation is not Ordinary Magisterium. It is a theological opinion or a prudential judgment (see below, section II). Furthermore, if a bishop is not in communion with other bishops, or makes a pronouncement which contradicts the Extraordinary or Ordinary Universal Magisterium of the Church, then his pronouncement is evidently not Ordinary Magisterium. As will be discussed below, if a regional conference of bishops (for example, the USCCB) is not speaking about theological truths or moral principles leading to salvation, their pronouncements are not Ordinary Magisterium, but only theological opinions or prudential judgments.

Why is this? Magisterial teachings by their very nature concern the salvation of human beings. Therefore, pronouncements that fall outside the domain of salvation (affirming what leads toward salvation and negating what leads away from salvation) cannot be Ordinary Magisterium.

So what can be said about “non-infallible Ordinary Magisterium”? It designates teachings about salvation that are subject to limited error (that is, they could be incorrect or reversible in certain respects), but even if they are in error, they cannot lead away from our salvation. They are subject only to limited error (that is, they cannot be completely wrong) because they are guided by the Holy Spirit.

When a pronouncement of the pope or bishops is not defined infall-
bly, it is not Extraordinary Magisterium. When a teaching of the pope or bishops does not concern salvation (or there is uncertainty about whether it leads to salvation), it is not Ordinary Magisterium. It must therefore be considered either theological opinion (in the case of faith) or prudential judgment (in the case of morals).

For example, when the bishops teach that the Columbia River watershed should not reach a specific level of pollution, or should be treated in a particular way, they are not implying that these truths are necessary for salvation. Rather, they are applying a principle of CST (stewardship of the environment) to a particular region and time. Thus, their teaching is not Ordinary Magisterium, but prudential judgment (see below, section II).  

II

Prudential Judgment and CST. The above example leads us to the third category of Church teaching, namely, prudential judgment. This category is important with respect to applying the Church’s social teaching to particular times and places and to pronouncements of regional councils of bishops.

Let us begin with papal pronouncements on CST. Papal encyclicals on social teaching contain both principles and applications of principles. Should both CST principles and their applications be considered Ordinary Magisterium? The answer may be inferred from the above general criteria for Ordinary Magisterium:

1. Since the principles of CST lead the faithful to salvation and are not likely to change over time, they qualify for Ordinary Magisterium.
2. Conversely, specific applications of these principles may not be directly concerned with salvation and may change in different places and times. Therefore, they should be considered prudential judgments.

The Pontifical Council on Justice and Peace in its Compendium of the Social Doctrine of the Church has declared that there are five major principles of CST which are binding on all the faithful:
1. The pursuit of the common good in a spirit of service.
2. The development of justice with particular attention to situations of poverty and suffering.
3. Respect for the autonomy of earthly realities.
4. The principle of subsidiarity (matters ought to be handled by the smallest, lowest, or least centralized competent authority).
5. The promotion of dialogue and peace in the context of solidarity.\(^5\)

The Pontifical Council on Justice and Peace further declared in Section 565 that these five principles of CST are Ordinary Magisterium and obligate the Catholic faithful:

> These are the criteria that must inspire the Christian laity in their political activity. All believers, insofar as they possess rights and duties as citizens, are obligated to respect these guiding principles.\(^6\)

There is also a sixth principle of CST which is implicit in the above list of five, and which forms the foundation of virtually every papal social encyclical, namely, the principle of the intrinsic dignity (worth) of every human being. Henceforth, I will refer to the principles of CST which are declared Ordinary Magisterium as the “six general principles of CST.”

We may now return to the distinction between the principles of CST and the application of the principles of CST. From the above it is clear that the six general principles of CST are Ordinary Magisterium, but as the Pontifical Council on Justice and Peace and the U.S. Catholic bishops declare, the applications of these principles are prudential judgments. Section 568 of the Compendium of the Social Doctrine of the Church states:

> When reality is the subject of careful attention and proper interpretation, concrete and effective choices can be made. However, an absolute value must never be attributed to these choices because no problem can be solved once and for all. “Christian faith has never presumed to impose a rigid framework on social and political questions, conscious that the historical dimension requires men and women to live in imperfect situations, which are also susceptible to rapid change” [1189].\(^7\)
How does this distinction work out in our daily lives? Let’s take an example. The principle of the intrinsic dignity of every human being is evidently important for our salvation and will not change over the course of time (meaning that it qualifies for Ordinary Magisterium). However, certain applications of this principle – say, membership in a particular labor union, which might help workers to obtain their appropriate dignity – do not necessarily lead to salvation and could very well change over the course of time. Such an application of the principle of intrinsic dignity would not qualify for Ordinary Magisterium, and would then be a prudential judgment.

This distinction becomes more challenging when we are considering very general applications of the six major principles of CST (for example, the right of labor to organize). Is this application only prudential judgment? Doesn’t the right to organize prevent all kinds of exploitation of labor? Wouldn’t this qualify as Ordinary Magisterium? It is easy to see how specific applications of CST (such as belonging to a particular union) would not qualify for Ordinary Magisterium, but what about very general applications?

One can see how the right of labor to organize could be considered a natural corollary to the principle of intrinsic human dignity of all people, and how this would lead to salvation. However, a closer examination of this idea reveals that there are many ways in which the organization of labor might not lead to salvation – and indeed, could lead away from it (consider forms of Marxism, totalitarian communism, and so on). The ambiguity of the word “organize” makes it impossible to say that such an application of the principle of intrinsic human dignity would lead to salvation (and never away from it). Furthermore, the notion of organization of labor could change over the course of time and may be interpreted differently in various cultures. For these reasons, it seems that even general applications of CST principles should not qualify for Ordinary Magisterium.

As noted above, this is precisely the conclusion reached by the Pontifical Council on Justice and Peace in Section 568. It was also anticipated by the U.S. Conference of Catholic Bishops in 1986 in its pastoral letter Economic Justice for All. In that letter the bishops explicitly used and defined “prudential judgment” in the area of applying the principles of
CST to concrete situations.\textsuperscript{8}

This was reaffirmed and explained in 2007 (after the publication of the Pontifical Council’s \textit{Compendium} in 2005) in another pastoral letter called \textit{Forming Consciences for Faithful Citizenship: A Call to Political Responsibility from the Catholic Bishops of the United States}.\textsuperscript{9} Once again, the bishops make a careful distinction between principles and application of principles, and clearly indicate that the application of principles belongs to the domain of prudential judgment. Their recommendation may be summarized in the following two points:

1. The above six principles of CST apply to all political issues, but in many cases do not lead prudentially to one acceptable Catholic position.
2. While the six major principles of CST (and other teachings of the pope and the bishops on faith and morals which qualify as Ordinary Magisterium) are binding, their prudential judgments on policy, legislation, and other situational applications of principles \textit{guide us but do not bind us}. The only exceptions to this are policies and practices concerned with infallible moral teaching – namely abortion, euthanasia, and marriage.

III

\textit{The Status of Regional Conferences of Bishops}. The declarations of regional conferences of bishops can sometimes be confusing to the faithful. Do these conferences have any more authority than that vested in individual bishops? Can regional conferences of bishops declare a teaching to be infallible (Extraordinary Magisterium)? Do they have similar authority to ecumenical councils of bishops? As might be surmised from the above, regional conferences of bishops do not have the authority of an ecumenical council (in conjunction with the pope), and therefore they cannot declare any teaching to be infallible (without error). Therefore, their teachings, though a manifestation of ecclesiastical solidarity and collegiality, are similar in authority to those of individual bishops – that is, Ordinary Magisterium (when their teachings lead toward
salvation and are unlikely to change with particular times and places).

In his apostolic letter *Apostolos suos*, Pope John Paul II made this quite clear:

> At the level of particular Churches grouped together by geographic areas (by countries, regions, etc.), the Bishops in charge do not exercise pastoral care jointly with collegial acts equal to those of the College of Bishops.\(^{10}\)

A regional conference of bishops derives its teaching authority from that of the individual bishops constituting it, and does not have any more authority than those individual bishops. Furthermore, the above-mentioned qualifications of Ordinary Magisterium apply to regional conferences of bishops in the same way they do to individual bishops; therefore, in order to qualify as Ordinary Magisterium, their teachings must address truths that lead to salvation (and cannot lead away from salvation even if they are in limited error) and are unlikely to change from place to place and time to time. When regional conferences are not teaching in this way, their declarations may be considered theological opinions or in the case of morals, prudential judgments. Thus, the distinction between principles and applications of principles made above applies to pastoral letters of regional conferences of bishops in the same fashion as papal encyclicals and compendia of pontifical councils.

**IV**

*Primary Principles versus Derivative Principles.* A cursory reading of the *Compendium of the Social Doctrine of the Church* might lead one to suspect that the only principles of CST that qualify as Ordinary Magisterium are the ones stated above (section II).

Are there not other principles – or even derivative principles – which also qualify as Ordinary Magisterium? For example, could we not derive some additional principles from principle #2 above (the development of justice), such as the pursuit of just wages, the pursuit of just working conditions, or the pursuit of just pricing of inelastic goods (necessities like
Robert J. Spitzer, S.J.

broad and basic clothing)? Wouldn’t these derivative principles qualify as Ordinary Magisterium? After all, they seem to lead to salvation (and never away from it) and to be unchanging from place to place and time to time.

**Derivative principles and the problem of definition.** The problem surrounding derivative principles of economic justice is, of course, definition. What is meant by “just wage,” or “just working conditions,” or “just pricing of inelastic goods”? We may analyze this problem through three distinctions.

1. **Our ethical responsibility to avoid causing gross injustice such as oppression or exploitation.** If what is meant by “just” in the above discussion of “just wages, working conditions, and pricing,” is “the avoidance of oppression and exploitation,” then there can be no doubt that we are obligated as Catholics to comply with this derivative principle because we are ethically obligated to avoid this kind of injustice by the Ten Commandments, the four gospels, and subsequent Church teaching. This is part of the infallible moral teaching of the Catholic Church.

2. **The prevention of exploitation or oppression by others.** If what is meant by “the pursuit of just wages, working conditions, and prices” is “actively preventing gross injustice (such as exploitation and oppression) by others, then the answer becomes more difficult. The principle of the development of justice seems to require that we exert influence where we can without endangering our families, ourselves, or other innocent people in order to prevent oppression and exploitation by others. However, if we are not in a position directly to prevent (or influence prevention of) oppression or exploitation by others, then we are not responsible for acting where we do not have control or influence.

3. **Altruistic definitions going beyond avoidance of serious harm.** Derivative definitions of our six principles (such as the pursuit of just wages or just prices) can go far beyond the avoidance or prevention of gross injustice or exploitation. Indeed, such definitions can be aspirational, idealistic, and altruistic. These views of, say, “just wage” or “just price” do not and cannot oblige the faithful as Ordinary Magisterium, and must be considered prudential judgments. Before delving into the reasons for this, it will be useful to understand a common distinction from fundamental ethics – the difference between the Silver Rule and the
Golden Rule.

The Silver Rule and the Golden Rule – obligatory versus altruistic definitions. The Silver Rule is what is frequently called ethical minimalism, and it is put in prescriptive terms – “Do not do unto others what you would not have them do unto you.” The prescriptive dimension is oriented toward the avoidance of harm – “Do not do a harm to others that you would not want done unto you.” This rule is to be found in every religion and culture, and is stated in multiple forms in the Old Testament. It is considered the foundational principle of ethics, both in utilitarian and principle-based systems, because if it is not commonly held, all other ethical principles fall along with it. Derivative definitions (for example, of “just wage” or “just price”) which are oriented toward the avoidance of this kind of harm should be considered obligatory and a part of the Catholic Church’s infallible teaching.

The Golden Rule, in contrast, is frequently termed “ethical maximalism.” Though it may have been formulated prior to Jesus, there can be little doubt that Jesus (and the Christian Church) brought it to the attention of the world and made it a central part of individual ethics, social ethics, and Christian culture. When the “nots” are removed from the rule, it becomes prescriptive, and is oriented toward doing the good for others – “do the good for others that you would want done unto you.”

Clearly the Golden Rule includes the Silver Rule because one cannot do the good for others while actively doing them harm. However, the Golden Rule goes far beyond the avoidance of unnecessary harm. In a certain way, the sky is the limit. The Golden Rule might include very generous social welfare packages for needy people, free public education at all public universities (irrespective of need or merit), completely free health care for everyone (irrespective of family size, need, capability for payment, and so on).

Can Golden Rule definitions of the six major principles of CST be considered ethically obligatory and required by Ordinary Magisterium? Clearly, they cannot be so considered, for two reasons which can be illustrated through an examination of “just wage” and “just price.”

“Just wage” could be defined as “living wage,” a term which came into common parlance after Pope Leo XIII initially defined it as
"sufficient to support a family" in his encyclical *Rerum novarum* (1891). This very general definition soon took on greater and greater specificity, and has now reached a form which might be attainable in Europe and the United States, but would be difficult to achieve in developing countries – “persons working forty hours a week, with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, health care, education, and recreation.” Many labor unions in Europe and the United States have taken this even further by recommending rather high levels of medical benefits, pensions, overtime, and so on. Should the faithful be held accountable to such aspirational definitions as if they were Ordinary Magisterium?

Such Golden Rule definitions cannot be considered Ordinary Magisterium, but only prudential judgments, for two reasons. First, these kinds of aspirational definitions will inevitably change from place to place, culture to culture, time to time, and economy to economy. Does “justice” really require that employers pay for pensions which are 50 percent of gross salary, in every country, at every time, in good economies versus recessionary economies? Does justice require employers to pay for 70 percent of medical benefits in Indonesia, India, Nigeria, or even Germany? What is a reasonable amount of recreation? These differential applications require that aspirational definitions of just wage be classified as prudential judgment, and as such, treated in the ways recommended by the *Compendium of the Social Doctrine of the Church* (section II, above).

There is a second reason for classifying aspirational definitions of derivative principles as prudential judgments – namely, they can come into conflict with one another. For example, if we interpret “just wage” in the sense recommended by unions in the United States and Europe, it might have an *ideal* effect in the development of justice (principle #2), but could have an *adverse* effect in the pursuit of the common good (principle #1). How so?

Inflated wages can lead to inefficiencies in business (which could ultimately lead to their demise). Such a definition might also cause businesses to be overly cautious about expansion (because there may not be enough future demand for products to cover the high additional expenses of labor). Furthermore, inflated wages in one jurisdiction can lead to movement of jobs out of state or “offshore” (which may have an
adverse effect depending on whether you are a laborer “onshore” or “offshore”). There are dozens of other adverse microeconomic effects that can occur from inflated wages and benefits that can collectively undermine the pursuit of the common good.

The same holds true for “just prices.” One might think that the development of justice (principle #2) might best be served by lowering the prices of inelastic goods (necessities like bread) below the supply-demand equilibrium. This would seemingly allow economically challenged people to buy more of life’s necessities. However, this will, in the long term, lead to shortages of inelastic goods because producers/suppliers will migrate to other goods which bring a greater or fairer price. These shortages of necessities have obvious adverse effects on the common good (principle #1), as every Marxist regime has discovered.

Sometimes social and political theorists believe that the laws of the marketplace will give way, if a cause is good enough or urgent enough. However, history has proven again and again that this is not the case. The best cure for urgent causes is for people to be generous with their resources, but not to hope for a violation of the well-prescribed laws of the marketplace.

We may now return to the central point about Golden Rule definitions of derivative principles. By now it will be evident that these ideals of social justice are important for Catholics to pursue, but they are recommended to the faithful as prudential judgments – and not as requirements under Ordinary or Extraordinary Magisterium. The likely conflicts among the Golden Rule definitions of the six principles of CST and the variations in their applicability (from place to place, time to time, and economy to economy) mean that the faithful will have to be exceedingly prudent in teaching and practicing them. For it is not the Church’s intention that these recommendations cause more harm than good. In my personal view, it is highly recommended that the faithful who have the power or influence to recommend these Golden Rule derivative principles have also some acquaintance with microeconomic and macroeconomic theory as well as the tenets of CST particularly as set out in the Compendium of the Social Doctrine of the Church.
Conclusion. CST may be divided according to the three major standards of teaching authority: Extraordinary Magisterium, Ordinary Magisterium, and prudential judgment.

With respect to Extraordinary Magisterium, there are certain principles which are declared infallible, such as the requirement to avoid gross injustice and exploitation.

There are two bodies of CST which may be classified as Ordinary Magisterium:

1. The Church’s six major principles of CST (in the Compendium of the Social Doctrine of the Church).
2. All derivative principles from these six principles which entail the avoidance of gross injustice and exploitation or, when possible, the prevention of gross injustice or exploitation by others.

What remains in CST (which does not fall under Extraordinary or Ordinary Magisterium as described above) from popes, councils, episcopal conferences, and individual bishops – should be considered prudential judgments. This includes two kinds of teachings:

1. Applications of principles (both specific and general applications).
2. Golden Rule definitions of derivative principles (such as “just wage” or “just price”).

These teachings should be taught and implemented with knowledge of the laws of the marketplace, the differences among cultures, and the complexities of political life – mindful that adverse effects can often arise out of economically or politically naïve applications of these principles.

The Pontifical Council on Justice and Peace encourages the faithful to do their best both individually and in community to apply the recommendations of CST with both prudence and reflection:

The lay faithful are called to identify steps that can be taken in concrete political situations in order to put into practice the principles and values.
proper to life in society. This calls for a method of discernment [1188], at both the personal and community levels, structured around certain key elements: knowledge of the situations, analyzed with the help of the social sciences and other appropriate tools; systematic reflection on these realities in the light of the unchanging message of the Gospel and the Church’s social teaching; identification of choices aimed at assuring that the situation will evolve positively.¹¹

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² Many Church teachings have come to their doctrinal (universal, infallible) status in this way. Since there is no definitive declaration about this kind of Magisterium, there is ambiguity surrounding which doctrines qualify. For example, how long must a particular teaching be taught in this manner? Two generations? Five generations? Furthermore, does “universal” mean “all the bishops with the pope (no dissenters)” or “most of the bishops (only a few dissenters)”? Despite these ambiguities, the faithful may be sure that this kind of infallibility exists, and that when there is ambiguity, it is best to assume the infallible character of the teaching in question.

³ Notice that we are not speaking about infallible Ordinary Magisterium here. If the Ordinary Magisterium is infallible (as described above) then that teaching cannot be subject to limited error. It is definitive.

5 *Compendium of the Social Doctrine of the Church*, section 565. This is a universally binding obligation of the faithful set out by a Pontifical Commission which has been affirmed by the bishops and the pope for many years. It therefore qualifies as Ordinary Magisterium.

6 Ibid.

7 Ibid., section 568.

8 See, for example: “We do not claim to make these prudential judgments with the same kind of authority that marks our declarations of principle.” *Economic Justice for All*, xii.


11 *Compendium of the Social Doctrine of the Church*, section 568.
Appendix

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2. We wish to form a fellowship of scholars who see their intellectual work as expressing the service they owe to God. To Him we give thanks for our Catholic faith and for every opportunity He gives us to serve that faith.

3. We wish to form a fellowship of Catholic scholars open to the work of the Holy Spirit within the Church. Thus we wholeheartedly accept and support the renewal of the Church of Christ undertaken by Pope John XXIII, shaped by Vatican II, and carried on by succeeding pontiffs.
4. We accept as the rule of our life and thought the entire faith of the Catholic Church. This we see not merely in solemn definitions but in the ordinary teaching of the Pope and those bishops in union with him, and also embodied in those modes of worship and ways of Christian life, of the present as of the past, which have been in harmony with the teaching of St. Peter’s successors in the See of Rome.

5. The questions raised by contemporary thought must be considered with courage and dealt with in honesty. We will seek to do this, faithful to the truth always guarded in the Church by the Holy Spirit and sensitive to the needs of the family of faith. We wish to accept a responsibility which a Catholic scholar may not evade: to assist everyone, so far as we are able, to personal assent to the mystery of Christ as made manifest through the lived faith of the Church, His Body, and through the active charity without which faith is dead.

6. To contribute to this sacred work, our fellowship will strive to:
   - come to know and welcome all who share our purpose;
   - make known to one another our various competencies and interests;
   - share our abilities with one another unstintingly in our efforts directed to our common purpose;
   - cooperate in clarifying the challenges which must be met;
   - help one another to evaluate critically the variety of responses which are proposed to these challenges;
   - communicate our suggestions and evaluations to members of the Church who might find them helpful;
   - respond to requests to help the Church in its task of guarding the faith as inviolable and defending it with fidelity;
   - help one another to work through, in scholarly and prayerful fashion and without public dissent, any problem which may arise from magisterial teaching.

7. With the grace of God for which we pray, we hope to assist the whole Church to understand its own identity more clearly, to proclaim the joyous Gospel of Jesus more confidently, and to carry out its redemptive mission of all humankind more effectively.
MEMBER BENEFITS

All members receive four issues annually of the Fellowship of Catholic Scholars Quarterly, which includes scholarly articles, important documentation, book reviews, news, and occasional Fellowship symposia.

All members are invited to attend the annual FCS convention held in various cities where, by custom, the local ordinary greets and typically celebrates Mass for the members of the Fellowship. The typical convention program includes: daily Mass; keynote address; at least six scholarly sessions with speakers who are customarily invited to help develop and illustrate the theme of each convention chosen by the FCS Board of Directors; a banquet and reception with awards; and a membership business meeting and occasional substantive meetings devoted to subjects of current interest in the Church.

Current members receive a copy of the Proceedings of each convention, and every three or four years all members receive a Membership Directory with current information on Fellowship members (addresses, telephone numbers, emails, etc.).

NATIONAL AWARDS

The Fellowship grants the following awards, usually presented during the annual convention.

*The Cardinal Wright Award* – Presented annually to a Catholic judged to have done outstanding service for the Church in the tradition of the late Cardinal John J. Wright, former Bishop of Pittsburgh and later Prefect for the Congregation for the Clergy in Rome. The recipients of this award have been:

1979 – Rev. Msgr. George A. Kelly
1980 – Dr. William E. May
1981 – Dr. James F. Hitchcock
1982 – Dr. Germain Grisez
1985 – Herbert Ratner, M.D.
1986 – Dr. Joseph P. Scattino
1988 – Rev. John F. Harvey, O.S.F.S.
1989 – Dr. John Finnis
1991 – Rev. Francis Canavan, S.J.
1993 – Dr. Janet E. Smith
1994 – Dr. Jude P. Dougherty
1996 – Dr. Ralph McInerny
1997 – Rev. James V. Schall, S.J.
1999 – Dr. Robert P. George
2000 – Prof. Mary Ann Glendon
2001 – Thomas W. Hilgers, M.D.
2002 – Rev. J. Augustine DiNoia, O.P.
2003 – Prof. Elizabeth Fox-Genovese
2004 – Sr. Mary Prudence Allen, R.S.M.
2005 – Prof. Gerard V. Bradley
2006 – Dr. Patrick Lee
2008 – Dr. John M. Haas
2009 – Sr. Sara Butler, M.S.B.T.
2011 – Rev. Francis Martin

The Cardinal O'Boyle Award – This award is given occasionally to individuals whose actions demonstrate courage and witness in favor of the Catholic faith, similar to that exhibited by the late Cardinal Patrick A. O’Boyle, Archbishop of Washington, in the face of the pressures of contemporary society which tend to undermine the faith. The recipients of this award have been:

1991 – Mother Angelica, P.C.P.A.
1996 – John & Sheila Kippley
2002 – Sen. Rick Santorum
2003 – Hon. Mel Martinez & Mrs. Kathryn Tyndal Martinez
2005 – Helen Hull Hitchcock
2006 – Sen. Samuel D. Brownback
2007 – Dr. Peggy Hartshorn
2008 – Richard M. Doerflinger
2009 – Mother Agnes V. Donovan, S.V. & the Sisters of Life
2010 – Archbishop Charles Chaput
2011 – Dr. Jennifer Roback Morse
The Founder’s Award – Given occasionally to individuals with a record of outstanding service in defense of the Catholic faith and in support of the Catholic intellectual life. This award has been presented to the following individuals:

2007 – Dr. Ralph McInerny
2008 – Rev. James V. Schall, S.J.
2010 – Rev. John F. Harvey, O.S.F.S.
2011 – Dr. Kenneth D. Whitehead

PRESIDENTS OF THE FELLOWSHIP OF CATHOLIC SCHOLARS

2004 – 2008 Dean Bernard Dobranski, Ave Maria Law School
2003 – 2004 Prof. Gerard V. Bradley, Notre Dame Law School
2002 – 2003 Dean Bernard Dobranski, Ave Maria Law School
1995 – 2001 Prof. Gerard V. Bradley, Notre Dame Law School
1991 – 1995 Dr. Ralph McInerny, University of Notre Dame
1987 – 1989 Dr. William E. May, John Paul II Institute on Marriage & the Family
1979 – 1981 Dr. James F. Hitchcock, Saint Louis University