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Chapter 3

Capitalism: An assessment from recent Catholic social teaching

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■ Introduction

In 1989, three decades ago, some important changes occurred in the vision of the world. One of the main events of that year was the fall of the Berlin Wall. Symbolically, it confirmed the suspicions about the communist promise, with the failure of the regime built

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upon it. After three decades, with the world divided into two blocks, under different economic and social systems, capitalist and communist, respectively, the moment also seemed to contain a promise: it could represent the triumph of capitalism, as a system able to fulfil the promise of bringing unity and prosperity to the world. This was the premise formulated by Kant in 1784, the 'achievement of a universal civic society which administers law among men' (Kant 1963, especially the fifth and the eighth theses). According to Kant's vision, this new government would be intertwined with the development of commerce, which would bring prosperity and benefits to the whole of society.

Three decades after that triumph of capitalism, there seems to be no reason for absolute optimism. After the economic crisis of 2008, in many European countries, a sense of a decrease in economic standards persists, such as acquisitive power, social inequality or inequity in the distributions of goods. Academic voices have begun to clamour for the adaptation of capitalism as an ideology and way of life, in order to foster a genuine comprehension of value. As Sandel (2012) argued, if everything is given a quantitative value in the market, it is possible that, paradoxically, spiritual goods would lose their intrinsic value. Therefore (Sandel 2012):

[/]n the end, the question of markets is really a question about how we want to live together. Do we want a society where everything is up for sale? Or are there certain moral and civic goods that markets do not honor and money cannot buy? (pp. 201-203)

Other social thinkers believe that consideration needs to be given to a better distribution of goods pointing to the inequities created by the global situation, in which the structures of power, linked to territory, have become irrelevant (Bauman 1998). However, in spite of the international movement, they are not able to respond to new challenges, including economic ones.

Catholic social teaching has made several statements about the development of capitalism and its transformation, in recent years, into an ideology that invades almost all aspects of human life. In this sense, the aim of this inquiry is to follow the main

pronouncements of the Catholic social teaching to provide an answer to the development of the current debate. We will focus on *Caritas in Veritate* by Benedict XVI, because it represents the main pronouncement of the Catholic Church about globalisation, and also on *Laudato Si* by Pope Francis, because it broadens thinking from the former encyclical to formulate the concept of an ‘integral ecology’, which includes respect for human dignity.

For this purpose, I approach the pronouncements from a systematic perspective. As such, I start with the definition of the conceptual framework of Catholic social texts on economy and capitalism. These reflections form part of a broader reflection about social morality, which, for its part, has its origin in the conviction that the human person is intrinsically social, and that reaches back to the blessing and commandment to the humankind as a whole in Genesis 1:26–30. The Catholic Church considers that, although social issues stem from individual decisions, it is also true that social structures and systems can be improved to make them fairer (see, e.g., Pontifical Council for Justice and Peace 2005:5–10).

In order to make an assessment of capitalism as such, I have selected texts that underline the positive aspects of capitalism. The third stage of my inquiry will be to show the negative aspects of capitalism because they pose some challenges to the improvement of human existence in this world. As a first premise, I stress the fact that the adequate response to such challenges, both at the individual and institutional levels, is mainly the responsibility of lay Christians, because they are the ones who directly receive from God the responsibility of ordering the structures of the world.

In any case, Catholic social teaching makes proposals addressed to every person of goodwill who desires to contribute to the creation of a better world. It is easy to observe that this coincides with the concerns expressed by researchers from other Christian confessions about economy, finance and markets (Van Wyk & Vorster 2012). Such an encounter has its foundation in the attempted understanding of the gospel of Jesus Christ from

both perspectives. I consider that it is a good field for working together towards unity. In any event, proposals are also open to anybody who seeks justice.

As a first approach to the issue, I draw on a reflection by Pope John Paul II. It was published shortly after the fall of the Berlin Wall, and establishes the terms of the discussion. At the same time, it synthesises the Catholic position regarding capitalism (John Paul II 1991):

Can it perhaps be said that, after the failure of communism, capitalism is the victorious social system, and that capitalism should be the goal of the countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third World which are searching for the path to true economic and civil progress?

The answer is obviously complex. If by 'capitalism' is meant 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, then 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 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 the reply is certainly negative. (n. 42)²

From the words of John Paul II, we can infer an initial answer to the Catholic assessment of capitalism. Firstly, the Catholic Church regards economic systems as forms of a plural organisation of

2. Bibliographic note: Following the common use in quotation of Catholic Church documents, I will reference texts from the official gazette of the Holy See since 1909, *Acta Apostolicae Sedis*. Normally, texts are in the official language of the Vatican State, Latin. It can also include texts in modern languages, mainly in speeches and addresses. In this case, it reproduces the language in which each intervention was pronounced. Official translations into English are available at the Vatican website, www.vatican.va, organised by popes, years and kinds of text. Since 2013, *Acta Apostolicae Sedis* has published monthly issues, data of which will be reflected in the final references. When quoting official Catholic Church documents, it is also common to make reference to the numeration of paragraphs instead of pages.

human life. As such, the vision is not perforce dialectic: apart from the communist systems and capitalism, there can be other ways of organising the distribution of goods. In other words, capitalism is not necessarily a unitarian phenomenon, because organisation depends on the particular circumstances. Following *Centesimus Annus*, and in broad terms, we can consider at least two forms: ‘unbridled’ capitalism that represents liberalism, which is not subject to any other authority apart from the market itself, and ‘regulated’ capitalism, in which the authority (usually, the State) ensures the protection of human rights and human dignity.

Secondly, the church is not against private property or profit. It considers the first as an essential human right, and the second as an index of prosperity, stemming from well-done work. Profit is regarded as a manifestation of the development of the creativity given by God to humankind in order to develop the world.

Thirdly, it considers that economic development must be in agreement with human freedom and human dignity. In this sense, it requires an independent juridical frame that, in the final analysis, guarantees justice in relationships amongst individuals and groups. This means that, when considering the production of goods, or providing certain services, the entrepreneur has a right to pursue sustainability and profit but at the same time has to think about the social impact of managerial decisions, whether upon his workers, his suppliers or consumers.

■ Conceptual frame: The contribution of the Catholic Church to social issues

The first approach to any question about the Catholic voice in debate must be to look at the Bible. In order to define a conceptual frame, we start from a brief review of some scriptural references.

In the book of Genesis, God commanded the first human couple to take care of the Earth. This is the ‘dominion’ subordinated to God himself, as collaborators with him, Lord of the Creation

(Gn 1:28-29). Following the original sin, disorder was introduced into human nature, specifically in the human will. Consequently, human relationships were damaged, starting from the one between the first couple (Gn 3:12-13), and following with Cain murdering Abel (Gn 4:1-16). Significantly, the motive for the murder was the accomplishment of the moral obligation of giving praise to the Lord with the results of work (Gn 4). The damaged relationships stem from a corruption of the concept of dominion (Gn 3:16), which leads to the imposition of the self, in the form of power, over another.

Significantly, also, the original harmony between human creature and nature becomes distorted, and therefore, the duty of work, which was designed to lead Creation to the end established by the Lord, becomes painful and requires effort (Gn 3:17-19).

In any case, the truth of Genesis perceives work as a result of human effort. From this stems a comprehension of work from a personal perspective. In this sense, John Paul II identified a common problem in early capitalism and in communism; that is, the consideration of work as an object, or as a material product of change, ignoring the person who does the work (John Paul II 1981:n. 7)³.

Broadly speaking, the story of salvation, both in Israel and in the church of the New Testament, includes some reflections on the economy. But the biblical thought does not stem from scientific or technical experts. Instead, the core message of the Bible is of a spiritual kind, following the spiritual nature of salvation and pointing to the moral foundations of decisions.

3. 'The error of early capitalism can be repeated wherever man is in a way treated on the same level as the whole complex of the material means of production, as an instrument and not in accordance with the true dignity of his work - that is to say, where he is not treated as subject and maker, and for this very reason as the true purpose of the whole process of production.'

This notwithstanding, the message recipients are individuals, with a body and a soul, which means they have material needs and a right to share in the goods of the Earth, required for human subsistence and welfare. In this sense, justice in the distribution of goods is a prerequisite for living a life of charity in line with God's plan. This explains the inclusion of certain measures aimed to regulate the distribution of goods, promote equity and guarantee access to primary goods for all. One of them was the Jubilee Year, every 50 years. Following its definition in Leviticus 25:10-16, it included a threefold principle:

- proclamation of liberty for every inhabitant of the land, putting an end to inequity in the form of slavery
- returning of the property to its original owners, limiting inequity in the possession of goods
- rest for the land, whose fruits should not be consumed.

Underlying the prescription, there was a consciousness that land is the property of God and that every human being is equal in dignity. The law also required people to assist the more vulnerable groups in Israel, such as widows, orphans and strangers (Dt 10:18).

The same attitude was expected, in the New Testament, from the followers of Jesus Christ, which pays attention to the suffering of the weakest. His attitude towards them is well summarised in the statement, 'It is not the healthy who need the doctor, but the sick. I came to call not the upright, but sinners' (Mk 2:17). Here, he pointed to a connection between physical and spiritual health. He also stresses the latter as the core and main goal of his mission, without ignoring the moral requirements of justice.

This statement provides the scriptural basis for the 'preferential option for the poor' in the Catholic Church. But this is not to be intended as a political intervention because it 'is never discriminatory exclusive or discriminatory towards other groups' (John Paul II 1991:n. 57). This principle differentiates the official Catholic position from liberation theology, which adopts Marxist principles of the immanence of justice and class struggle, external to the theory of charity and to the ideal of spiritual and moral

perfection. As Pope Francis recalls (Francis 2013; Congregation for the Doctrine of the Faith, 1984:nn. 9, 18):

[7]he worst discrimination which the poor suffer is the lack of spiritual care ... Our preferential option for the poor must mainly translate into a privileged and preferential religious care. (n. 200)

At this point, we bring into focus other verses concerning the mission of the church, as an institution and in an individual sense: 'You are the salt of the Earth ... You are the light of the world' (Mt 5:13-16). The salt mixes with food, without being the same, in order to enhance its flavour and preserve it from corruption. So, Christians live in the world, with the mission to build it according to the order of charity established by God at the beginning and protecting it from corruption or sin. In this sense, Christians, through their example and attitude, can bring light to the world, illuminating moral issues with the principles of their faith (Ratzinger & Flores D'Arcais 2013)⁴. In this regard, it is possible for the Catholic Church to be a significant contributor to the development of a moral consciousness amongst humankind, as stated by Habermas (2002:149), amongst other outstanding thinkers.

This is the concept of the relationship between the Catholic Church itself and the world, as expressed from *Gaudium et Spes* onwards. In this text, the Vatican Council II brought about a shift in the Catholic relationship to the world, as being in the middle of it, renouncing any pretention of prejudice (Schlag 2017:1-47). This stance was preceded by John XXIII's encyclicals *Mater et Magistra* (1961) and *Pacem in Terris* (1963).

As part of the conditions of the world we still live in, the Council declared, 'the industrial type of society is gradually being spread, leading some nations to economic affluence, and radically transforming ideas and social conditions established for centuries' (Vatican Council II 1966:n. 6). The voice of the Catholic Church regarding the economy, or capitalist system, intends to help

4. This is the transcription of a famous debate held at the Quirino Theatre in Rome in 2000.

develop a moral sense as part of a broader dialogue with the world. It stresses the fact that every decision contributes to shaping a social structure that can impact the decisions of other people.

In the middle of a pluralistic world, the mission of the Catholic Church consists of bringing its message of love and moral integrity to all. It is her commitment to caring for the whole human person, and to ensuring justice as a prerequisite to the exercise of charity (John Paul II 1980:n. 4)⁵.

It is not, however, the task of the Catholic Church to give solutions to technical problems, or to promote political changes. Its concern is with the well-being of the human family, mainly spiritually, but such spiritual good presupposes equity and justice. It is not its aim to blame capitalism but to help people to live according to the requirements of justice, illuminating their consciences. This is the main ethos found in some pronouncements about capitalism.

At this point, it is important to note that the economy, as part of human reality, has a right to its own autonomy. The issue at stake is whether that autonomy is total or not, namely, if there is a dependence on a Creator. The question was formulated in clear terms in the following passage (Vatican Council II 1966):

If by the autonomy of earthly affairs we mean that created things and societies themselves enjoy their own laws and values which must be gradually deciphered, put to use, and regulated by men, then it is entirely right to demand that autonomy. Such is not merely required by modern man but harmonizes also with the will of the Creator... But if the expression, the independence of temporal affairs, is taken to mean that created things do not depend on God, and that man can use them without any reference to their Creator, anyone who acknowledges God will see how false such a meaning is. For without the Creator the creature would disappear. (n. 36)

5. 'Society can become ever more human only if we introduce into the many-sided setting of interpersonal and social relationships, not merely justice, but also that "merciful love" which constitutes the Messianic message of the Gospel.'

Economics and theology must interact because the economy is directed by human decisions, for all the parts implied, namely managers and consumers. Economic theory moves between two considerations of human beings, and it must consider both equally if it wants to be respectful to the nature of things (Mankiw 2018):

- as Homo oeconomicus, who applies a rationality that pursues the maximization of profit (for the manager) or utility (for the consumer). To meet that end, reason constantly balances costs and benefits.
- as Homo sapiens, who is more complex, because there are more elements taken into consideration for each decision, and sometimes these are impulsive or emotional. These men and women can be satisfiers, trying to give satisfaction to demand, but not necessarily concerned about the maximization of opportunity and efficiency. (pp. 471-472)

Underlying these different decisions, there can be another kind of rationality, which, not being strictly economic, expresses and follows wisdom. This fact leads us to reflect on the anthropological and ethical roots of economic rationality, demanding a broadening thereof. In this regard, Benedict XVI extends to economic issues the proposal he made for reason in general terms, in the Regensburg discourse (Benedict XVI 2009:n. 32; Hodge 2012). According to *Caritas in Veritate*, the best complement to the economic theory is a theory of gratuity, which is also a form of rationality, as it also weighs up all the aspects of a certain situation, but it does it from the moral perspective of the common good, of what is good for the person. And this is possibly the main challenge of economics in an era of globalisation (Benedict XVI 2009):

The principle of gratuitousness and the logic of gift as an expression of fraternity can and must find their place within normal economic activity. This is a human demand at the present time, but it is also demanded by economic logic. It is a demand both of charity and of truth. (n. 36)

A 'principle of gratuitousness' and a 'logic of gift' does not refer to gifts as opposed to labour, which would contradict the logic of business because it would provoke a loss of profit. It will also contradict Saint Paul's commandment, 'if anyone was unwilling to work, neither should that one eat' (2 Th 3:10). What they mean, instead, is the effort which the creation of wealth implies, for the businessman in the first place, when assuming risks, and the idea of situating what is good for people above other interests, for those involved in commercial trade: entrepreneurs, workers and consumers. It implies, for example, the establishment of fair wages, fair working conditions, fair prices or social profit sharing. Therefore, this approach is opposed to the diverse forms of exploitation or to a disordered accumulation of capital by itself.

Besides decision-making, there is the problem of justice, which is formulated in terms of equity and distribution. This has to do with establishing what is 'fair' in market relationships. Once more (Mankiw 2018):

In addition to efficiency, the social planner might also care about equality – that is, whether the various buyers and sellers in the market have a similar level of economic well-being. (p. 145)

Moral philosophy is then the meeting point for theology and economic science, because it aims to guide conscience to the recognition and election of what is good. In this regard, the church has a right and a duty to talk about economic issues (Healy 2010:586).

In the following paragraphs, we will consider capitalism from the moral stance taken by Catholic social teaching, focussing on the official statements. To better understand its meaning and relevance, we will also make use of some Catholic social thinkers, and we will emphasise the most recent concerns expressed by the church regarding capitalism.

■ Positive capitalism: The generation of welfare

‘A rich man shall hardly enter into the kingdom of heaven’ (Mt 19:23). The statement seems hard to understand for people dedicated to business. In this respect, it is useful to contrast the statement with this other statement, pointing to the priorities in a subject’s life (Mt 6):

No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to the one and despise the other. You cannot serve both God and money. (v. 24)

The core of the question is the priority of God over money or material goods, and if personal interests and decisions depend on the former or the latter. Whether a person is wealthy or not is of secondary relevance. The gospel tells us about wealthy people who met Jesus Christ: Matthew, who abandoned his position to follow Christ (Mt 9:9-10); or Zacchaeus, who did not abandon his social position but decided, as a result of conversion, to restore the damage his greedy attitude could have inflicted on others (Lk 19:1-10).

Coming back to the first text, Jesus Christ is saying that it is more difficult for a ‘rich man’ to reach heaven. It is not owing to an activity but to a certain attitude of the heart. By ‘rich man’, he is referring to someone who puts happiness in the possession of material goods.

The commandment ‘be perfect just as your heavenly Father is perfect’ (Mt 5:48) follows others asking disciples to be charitable to the ‘least of these’ (Mt 25:35), and is echoed by ‘be merciful’ in the gospel (Lk 6:36). It is formulated openly at the end of the Sermon on the Mount. It is addressed to everyone. Thus, every man and woman are called to sanctity. So also, rich men, businessmen, are called to holiness.

In this sense, Pope Francis has defined economy as a part of the common good, and a way to sanctity, when guided by ethical principles.

Business is an asset of common interest. Although it is a privately owned and operated asset, for the simple fact that it pursues goals of general interest and importance, such as, for example, economic development, innovation and employment, it should be protected as a good in itself. Business and the economy need an ethic to function properly; not any ethics, but ethics which place the person and the community at the centre (Francis 2015b).

This means that the professional exercise of business is one of the multiple ways to find sanctity. A witness to it is the process of canonisation of businessman Enrique Shaw, started in 2001 by the Cardinal Bergoglio of Buenos Aires (Francis 2016). His life shows that the fields of marketing, economy and finance can rely on professionals (Francis 2014b):

[A]ble to serve more effectively the common good and to make the goods of this world more accessible to all ... many men and women of great personal honesty and integrity, whose work is inspired and guided by high ideals of fairness, generosity and concern for the authentic development of the human family. (n. 104)

Following the former, we can state that 'positive economy' means, first and foremost, that the economic agency can be a sort of collaboration with God's providence. In this case, it develops creativity to overcome scarcity, intended as a limited number of goods. As such, it is a positive exercise of an 'ethos of burden-bearing' (Barrera 2005:141-142): the economic activity implies accepting inconvenience freely, assuming risks and self-sacrifice, in order to obtain benefit for others, at least that of work. It also increases with time.

Secondly, it also means a way of accomplishing the commandment of taking care of the Earth and its resources. Before original sin, it had the positive sense of caring, of profiting from the resources of the Earth, as part of the mission given from the Creator to mankind. It was an occasion to grow themselves and develop their capabilities, using the resources for the well-being of the world. Following Barrera (2005:146-147), this is an 'antecedent scarcity', a fact that the option for certain goods

requires renouncement of others. It is different from a 'consequent scarcity', which results from sin, meaning that there are options that deprive others of access to goods. The positive meaning of business is a form of antecedent scarcity. And the contribution of positive economy is to fight consequent scarcity.

Scarcity points to the fact that goods are limited, both in the quantitative sense (durability, obsolescence, number of goods to satisfy necessities, such as water or food) and in the moral sense (human virtues can also grow). The art of economy, as the etymology suggests, consists of 'administering the goods of a household'. In its global dimension of today, it means making the most profit of the goods, for us and for the future generations, and to make those goods accessible to every person. This is the core of economic activity, in its most positive sense.

This positive character of economy can be illustrated through two historical examples, amongst many others. Although Max Weber, in his renowned treatise about the relationship between Christianity and capitalism (Weber 2005), stated that the Catholic faith was an obstacle to the development of capitalism, this assertion seems incorrect. Applying the stewardship commandment of Genesis, Christian monasteries gave rise to the first industries, mainly in construction but also in the production and selling of goods. These emergent industries were much smaller than those of the 19th century, but, in any case, they were propelled by a sense of the common good and the benefits of work (Woods 2005a:153-167).

Following the Industrial Revolution, from the 19th century, and from a historical point of view, scholars note that indicators of wealth, such as life expectancy and salaries, have increased. This permits the justification of economic liberalism as defended, amongst others, by the thinkers of the Austrian school (Woods 2005b).

Also today, as Pope Paul VI stated, it is possible to 'acknowledge the vital role played by labour systemisation and industrial organisation in the task of development' (Paul VI 1967a:n. 26).

In this sense, it is not only good in an individual sense, namely for the sustenance of one's own family, but is a requirement for the whole of humankind. The businessman, in fact, can bring a broad social benefit by increasing work, making goods and providing financially for all.

In this sense, Benedict XVI stated that markets can bring opportunities for social cohesion and the promotion of justice. The condition to meet this end is for the market to find 'internal forms of solidarity and mutual trust', without which 'the market cannot completely fulfil its proper economic function' (Benedict XVI 2009:n. 35). Although in some respects, the Pope is critical of the globalisation process, he envisions it as a human reality, with visible economic implications, but, in any case, much more than a technical process. In this case (Benedict XVI 2009):

[T]he common good and the effort to obtain it cannot fail to assume the dimensions of the whole human family, that is to say, the community of peoples and nations, in such a way as to shape the earthly city in unity and peace, rendering it to some degree an anticipation and a prefiguration of the undivided city of God. (n. 7)

Following this, it can be said that the economic activity is positive under certain conditions. These are the same as for capitalism: the principles of subsidiarity and solidarity, ordered to build an order of justice.

Pope Francis, sometimes considered as a denouncer of capitalist abuse, also values positively the contribution of economic management, as honest use of money, for the development of communities, countries and the world. In this sense, these are the following words, which define the enterprise in terms of *communio*, close to Benedict XVI's challenge about the inclusion of market activity in the theory of gratuitousness (Francis 2016):

An enterprise is a community of work in which everyone deserves fraternal respect and appreciation from their superiors, co-workers, and subordinates. Respect for the other as brother or sister must also extend to the local community in which the enterprise is physically located, and in a certain sense, all of the enterprise's legal and

economic relationships must be moderated, enveloped in a climate of respect and fraternity. There is no shortage of examples of actions of solidarity in favour of those most in need, carried out by people in businesses, clinics, universities or other work and study communities. This should be a common way of acting, the result of profound convictions in everyone. (p. 1371)

The point of identification of positive capitalism, and its main criterion, is the common good. This is a social condition in which every member of a community has what he or she needs to live in dignity, peacefully and is free to search for happiness. There is also a common good for all humankind, which means the aspiration that these conditions are accomplished for the whole of humanity spread all over the world.

As an application of this principle, Francis encourages businessmen to promote labour, as the best means of obtaining those goods necessary for living and supporting a family. On the other hand, he considers that aid assistance to the poor must be provisional and transitory; what allows escape from poverty is labour, because it procures personal growth: 'The broader objective should always be to allow them a dignified life through work' (Francis 2015a:128).

John Paul II suggested infusing the economy within the concept of communion (John Paul II 1991:n. 35). Benedict XVI in *Caritas in Veritate* went further with the insertion of the economy in the frame of Trinitarian relationships. He proposed that, as an image of God the Creator, economic relationships can also be modelled by the unity which respects and enhances distinction (Benedict XVI 2009:n. 53-54; Shadle 2018). He also pointed to the promotion of models of the shared property of the enterprise, such as mutualism, as expressions of this kind of exchange in which each member gives and receives.

This can be important for the Southern Hemisphere, specifically for Africa. It has denounced dependence on Northern enterprises, sometimes established with the connivance of corrupt local leaders. In this regard also, Paul VI, at the beginning of the

decolonisation process, denounced inequity in the treatment of natural resources, which was in many respects one of the consequences of the colonisation, and appealed for the fostering of development in underdeveloped countries, also through investments to help them be an equal interlocutor to all countries (Paul VI 1967a:n. 57). This means to truly empower Africans through education, to fight corruption in governments and to overcome ethnic divisions (Paul VI 1967b):

[E]xpanding economic forces have purported, as everywhere, to a growing and necessary interdependence between ethnical groups, seemingly to indicate that to progress everyone depends on each other. Such a requirement of mutual collaboration claims for the overcoming of the shadow of mutual fear, and studying the way to change, without harming convulsions, those conditions which entail sequels of injustice, humiliation, and offense to human dignity, and that obstacle comprehension and warm collaboration to the common good. (n. 18)

As Chu Ilo suggests, the contribution of the Christian work of charity, through institutions independent of governments, can be important. But he adds that in African countries, owing to the coexistence of different cultures and religions, it is equally important to develop joint initiatives, through points of agreement such as the African emphasis on ‘abundant life’ (Chu Ilo 2014:21).

■ Negative capitalism: The challenge of the equal distribution of goods

Whenever an economic system ignores ‘the objective good of the person and human solidarity, [it] assumes a deficient model of economic activity’ (Healy 2010:585). In an intervention at the conference ‘Church and economy in dialogue’, held in Rome in 1985, Cardinal Ratzinger (1986) contended that liberal capitalism shares with Marxism the same philosophical foundations, namely:

1. A deterministic vision, associated in capitalism with the impersonal leading forces of the market. In this respect, he pointed to two intrinsic limitations or contradictions. Firstly,

men could believe themselves to be free, when truly governed by market forces. Secondly, it is supported by the faith in continuous unidirectional progress, which is contradicted by facts such as inequity amongst Northern and Southern Hemispheres. As a conclusion, he denied the universal validity of the liberalist promise.

2. Quoting Adam Smith, Weber and Roosevelt, amongst others, a denial of the intervention of ethics in economic issues, which also considers Catholic morality as an obstacle to economic development, owing to its ethical basis.

Catholic social documents do not condemn capitalism as such, but warn against 'unbridled liberalism [which] paves the way for a particular type of tyranny ..., for it results in the international imperialism of money' (Paul VI 1967a:n. 26), also named 'unbridled capitalism' (John Paul II 1991:n. 8). The expression refers to the unlimited dominion of market forces, frequently responding to an unlimited desire for capital and material goods and set apart from considerations about human dignity and rights. In this respect, one of the first official denouncements of the Catholic social teaching was about the unjust conditions established for workers (Leon XIII 1891:n. 131). It is regarded as a kind of materialism, in which the possession of goods and of money takes prevalence over any other human dimension of life and acquires an absolute character. And, as Ratzinger (1985) put it in his speech, there are some moral decisions in the distinction between the various forms of capitalism.

This unbridling of capitalism is not necessarily owing to capitalism itself. As we have seen in a previous paragraph, capitalism can be regarded as a conceptualisation of communion and of the generation of the common good, in the form of providing those goods necessary to conduct a life in dignity. 'Unbridling' is, instead, the result of an attitude towards goods, consisting of pursuing profit as an individual benefit. At this moment, it becomes ideology and an object of moral assessment

and of warnings from the popes. In this sense, Paul VI (1967) warned against a capitalism:

[W]hich present[s] profit as the chief spur to economic progress, free competition as the guiding norm of economics and private ownership of the means of production as an absolute right, having no limits nor concomitant social obligations ... Such improper manipulations of economic forces can never be condemned enough; let it be said once again that economics is supposed to be in the service of man. (n.p.)

But he also observed that (Paul VI 1967a):

[/]t would be a mistake to attribute these evils to the rise of industrialisation itself, for they really derive from the pernicious economic concepts that grew up along with it. (n. 26)

Benedict XVI, for his part, answered to the pretension of an absolute autonomy of economic activity, recalling that it has moral implications, and that the pretension of total autonomy is, in religious terms, a sin against God and our fellow men, because it ends in different forms of abuse: ‘the conviction that the economy must be autonomous, that it must be shielded from ‘influences’ of a moral character, has led man to abuse the economic process in a thoroughly destructive way’ (Benedict XVI 2009:n. 34). He also stressed the distinction between technique and attitude, and the fact that ‘instruments that are good in themselves can thereby be transformed into harmful ones. But it is man’s darkened reason that produces these consequences, not the instrument per se’ (Benedict XVI 2009:n. 36). The problem is fixing selfish ends to the market decisions.

What are the particular problems associated with ‘unbridled capitalism’? From the official statements of the Catholic Church, they can be synthesised as follows.

■ The labour question

Unequal distribution of work, which is indispensable to survival, and the development of life according to human dignity – this was the first concern for the development of the social Catholic

doctrine, as in *Rerum Novarum* of Leo XIII (Pontifical Council for Justice and Peace 2005:88). Inequity in this respect frequently stems from an attitude of exploitation of the worker, which stems from an unnatural desire for profit.

As we have already noted, Pope Francis affirms, in this respect, that subsidies have to be limited in time. He also expresses a preference for the promotion of work, which he regards as the long-term solution because it increases the dignity of the person who works, giving them the opportunity to develop their abilities.

Today, there is a concern amongst Catholic leaders about the spreading of precarious labour. In recent years, Pope Francis has made several statements about the future of young generations, forced to accept wages too scarce to build a family, or temporary, not permitting them to decide on a future in the long term.

The most vulnerable social sectors to precarious labour, amongst youngsters too, are migrants and the poor. For this reason, the issue is also linked to inequity in the distribution of goods that provokes unjust inequity in poverty.

Access to education is also important to find a job in order to overcome poverty and enhance the dignity of the person. For this reason, Pope Francis has promoted the charity *Scholas Ocurrentes*, which promotes education amongst the most vulnerable social groups.

■ Inequity in the distribution of wealth

In his 1985 discourse, Joseph Ratzinger pointed to extreme differences between the Northern and Southern Hemispheres as the main problem. Long before, it was also pointed at by the *Gaudium et Spes*, as a profound injustice (Vatican Council II 1966:85). John Paul II, for his part, also denounced the inequity in distribution of goods (John Paul II 1991):

In spite of the great changes which have taken place in the more advanced societies, the human inadequacies of capitalism and the

resulting domination of things over people are far from disappearing. In fact, for the poor, to the lack of material goods has been added a lack of knowledge and training which prevents them from escaping their state of humiliating subjection. (n. 33)

In the context of the recession of 2008, Benedict XVI also came back to the issue, stating that it also affects the inequity internal to countries (Benedict XVI 2009; recalls Paul VI 1967:n. 9):

The world's wealth is growing in absolute terms, but inequalities are on the increase. In rich countries, new sectors of society are succumbing to poverty and new forms of poverty are emerging. In poorer areas, some groups enjoy a sort of 'super development' of a wasteful and consumerist kind which forms an unacceptable contrast with the ongoing situations of dehumanizing deprivation. (n. 18)

The concern, therefore, is that the increasing level of benefit is being concentrated progressively in a few hands. This means that the economy is not fulfilling its end of distributing wealth or administering scarcity, in the sense of a limited number of goods. Under the theory of integral humanism, 'the Christian vocation to development helps to promote the advancement of all men and of the whole man' (Benedict XVI 2009:n. 18; recalls John XXIII 1963:n. 42).

More recently, Pope Francis has confirmed his concern about the contrast between a decreasing number of rich and an increasing number of the poor. Along with war, it is one of the main causes of the drama of migrations. Wealth is increasingly being concentrated in fewer hands, and this fact seems to contradict the universal destination of goods and the same idea of common good, which is good for all and equally accessible to all. It was one of the issues raised in a recent interview by Valentina Alazraki for Televisa, on 29 May 2019⁶.

The current Pontiff goes even further, pointing to the fact that inequity can be corrected with the development of a new attitude towards goods, which relativises the significance of material

6. <https://www.youtube.com/watch?v=VOcLWcW6Elw>

goods and is prompted to set a limit to economic prosperity (Francis 2015a):

[W]e need also to think of containing growth by setting some reasonable limits and even retracing our steps ... the time has come to accept decreased growth in some parts of the world, in order to provide resources for other places to experience healthy growth. (n. 193)

Here, he is pointing to the fact that global decisions, even if necessary, are not sufficient, or at least must be preceded and guided by individual decisions about consumption. Benedict XVI also pointed to such a solution, inviting advanced societies to adopt sobriety in their lifestyle (Benedict XVI 2010:n. 9).

■ The ecological question

Concern about this issue is recent in the Catholic Church teaching, as it is in society as a whole. The first significant reflections were made in the pronouncements of Benedict XVI and Francis. This is also included in what they call a 'human ecology'. This is concerned about material resources but includes them in a theory of responsibility towards people, fostering a better quality of human relationships.

Natural goods, such as water, climate and air, are considered as intergenerational goods, which future generations have a right to use. This means that the reason for concern is the abuse of natural resources, which extinguishes them and generates forms of deprivation for future generations.

In his speech at the German Reichstag, Benedict XVI made a first positive official statement about the ecological movement (Benedict XVI 2011):

The importance of ecology is no longer disputed. We must listen to the language of nature and we must answer accordingly. Yet I would like to underline a point that seems to me to be neglected ...: there is also an ecology of man. Man too has a nature that he must respect and that he cannot manipulate at will. Man is not merely self-creating freedom. Man does not create himself. He is intellect and will, but he is also nature, and his will is rightly ordered if he respects his nature,

listens to it and accepts himself for who he is, as one who did not create himself. In this way, and in no other, is true human freedom fulfilled. (p. 668)

Benedict XVI expresses the interest of the church in recovering the sense of nature and thinks that the ecological movement, within its proper limits, contributes to the development of a moral sense in our societies. He advocates for an 'ecology of man', which sets the dignity and inviolability of human life and dignity at the centre in every decision. Indirectly, the issue also concerns the economy: decisions about the dignity and freedom of workers are also of primary importance.

The ecological question was raised, officially, by Francis in *Laudato Si*, the first official Catholic pronouncement. It denounces, for example, that excess in production, in search for profit, easily lacks respect for nature and its own rhythms (Francis 2015a):

Where profits alone count, there can be no thinking about the rhythms of nature, its phases of decay and regeneration, or the complexity of ecosystems that may be gravely upset by human intervention. Moreover, biodiversity is considered at most a deposit of economic resources available for exploitation, with no serious thought for the real value of things, their significance for persons and cultures, or the concerns and needs of the poor. (n. 190)

Pope Francis advocates for the development of a new sensitivity, not necessarily less technological, but definitely more sensitive to nature and, first and foremost, to the other people. Following his pronouncements, Ludescher Imanaka (2018) has made a distinction between the 'powers of technology' and 'the technologies of power'. The former are manifestations of human creativity in order to co-operate with God the Creator in the development of the world. The latter uses technology to create a framework of conditions for human life, according to the dictates of groups of interest and power (Francis 2015:n. 107)⁷.

7. Jessica Ludescher Imanaka (2018) put the teaching of the pope in dialogue with certain claims of Marxist theory. She finds the root of Francis' position in some reflections in Guardini and Jesuit thought about contemplation. I do not agree with her, though, as regards the

The first corresponds to a contemplative attitude, the second to a greedy one.

Both nature and the poor have in common the need for attention and respect without giving anything in return. For this reason, both of them are at the core of this new attitude of contemplation, of looking with respect at reality as it is, and making every effort to bring it to its final end.

■ A call to social responsibility of lay Christians

The core of the new attitude proposed in *Caritas in Veritate* and *Laudato Si* is contemplation. This means the non-dominant style of confronting reality: the other's times, requirements and needs, and the rhythms of the environment. It is compatible with activity, with business and with technology, because it consists, once more, in an inner attitude.

Contemplation is complementary to economic protocols and laws. Moon, Bonny and Bloom (2001) have noted that protocols of action fall short when facing economic issues because these are part of the human agency. They support this statement for two reasons. The first is that the fast evolution of contemporary societies makes rules that quickly become out of date. The second, more importantly, takes into consideration differences between persons and cultures, in the frame of the rich circumstances of free human agency, which render it impossible to devise a rule for every situation. The authors consider it a priority requirement to 'instil ethical values' into organisations. However, this assumes a return to personal responsibility in the exercise of one's own freedom, whether for the businessman or for the consumer.

(footnote 07 continued...)

proposal of relativising the place of the human person in the world; I do not think such a statement really responds to Francis' thought.

More than three decades ago, Ratzinger made his speech about the economy, affirming the need for technical specialisation for making an ethical assessment of particular issues. It is the key ability to prevent such statements from moralism, or an external assessment of the situation, that frequently lacks enough knowledge about daily practice (Ratzinger 1986):

Today we need a maximum of specialized economic understanding, but also a maximum of ethos so that specialized economic understanding may enter the service of the right goals. Only in this way will its knowledge be both politically practicable and socially tolerable. (p. 204)

This conviction echoes the proposal of *Caritas in Veritate*, presenting the moral dimension as intrinsic to economic development. It demands interdisciplinarity, a deep collaboration between economy and ethics, in the service of man: ‘moral evaluation and scientific research must go hand in hand, and that charity must animate them in a harmonious interdisciplinary whole, marked by unity and distinction’ (Benedict XVI 2009:n. 31).

Furthermore, Pope Francis, in his characteristic poignant style, asks for a change that departs from attitudes or, put in another way, a conversion. The sense of this movement is to give to any reality its proper value (Francis 2015):

All of this shows the urgent need for us to move forward in a bold cultural revolution. Science and technology are not neutral ... Nobody is suggesting a return to the Stone Age, but we do need to slow down and look at reality in a different way, to appropriate the positive and sustainable progress which has been made but also to recover the values and the great goals swept away by our unrestrained delusions of grandeur. (n. 114)

The main correction is to relativise the value of the economy, because ‘the growth of equality demands something more than economic growth, even though it presupposes it’ (Francis 2015:n.p.). The challenge and the goal are ‘to ensure that humanity is served by wealth and not ruled by it’ (Francis 2014). Again, the principle proposed for making decisions is humanism,

the search for the well-being of every individual and of the community, in equal terms.

The most poignant consequence of capitalism in its globalised dimension is the situation of the poor, with the challenge to include them, by the promotion of work. Attention to the poor must concern the whole church, but regarding the technical and managerial solutions, it can be said that, 'it is quite true that the essential vocation and mission of the lay faithful is to strive that earthly realities and all human activity may be transformed by the Gospel' (Francis 2013:n. 201).

Poverty is particularly severe in African countries, and is the root of alarming migration movements. These are both inside and outside a continent that is, paradoxically, rich in natural resources that are also being damaged (Benedict XVI 2012:n. 80). Giving voice to the proposals of the African Catholic Bishops, Benedict XVI characterises poverty as a 'complex drama which seriously affects Africa's human capital' and that is rooted not only in abusive economic interest but also in 'deficiencies in public administration' (Benedict XVI 2012:n. 84).

Together with the Synod Fathers, I ask all the members of the church to work and speak out in favour of an economy that cares for the poor and is resolutely opposed to an unjust order which, under the pretext of reducing poverty, has often helped to aggravate it. God has given Africa important natural resources. Given the chronic poverty of its people, who suffer the effects of exploitation and embezzlement of funds both locally and abroad, the opulence of certain groups shocks the human conscience. Organised for the creation of wealth in their homelands, and not infrequently with the complicity of those in power in Africa, these groups too often ensure their own prosperity at the expense of the well-being of the local population. Acting in concert with all other components of civil society, the church must speak out against the unjust order that prevents the peoples of Africa from consolidating their economies and from developing according to their cultural characteristics (Benedict XVI 2011:n. 79).

The text points to two sources for the underdevelopment in African countries, namely the interests of private groups and the lack of control from governments. This creates an unjust order that must be overcome. The goal is to help the poor exit from poverty, obtaining the means for a life of dignity for all.

The starting point for a change is the new attitude demanded by the two last popes. Conversion also includes the search for new developments of economy, finance and commerce, developed according to the urgent need of 'a humanism capable of bringing together the different fields of knowledge, including economics, in the service of a more integral and integrating vision' (Francis 2015:n. 141).

Part of this view embraces a form of temperance, which Francis refers to as 'positive poverty' in the sense that it is chosen as a way of mastery over material goods, which helps in the search for the spiritual goods. It is a way of imitating Christ himself who, being rich as God, wanted to live as a poor, namely without dependence on material goods (Francis 2013:n. 198). This form of chosen poverty must be promoted. Instead, there is an obligation to combine efforts to suppress the imposed poverty, or objective situation of lack of confidence, solidarity and hope (Francis 2014a, n. 2), owing to finding oneself excluded from labour, from the possibility of gaining one's own subsistence (Francis 2013:n. 158). This goal can only be met through deep changes (Benedict XVI 2009):

The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones. The crisis thus becomes an opportunity for discernment, in which to shape a new vision for the future. (n. 21)

With a new attitude towards material goods, it follows that new structures must be established. A solution can be to complement the dichotomy between corporations and State with other institutions, smaller and closer to communities and individuals. These structures emerge from the initiative of the civil society,

in the form of mutualism, co-operativism or NGOs and charities. In the development of initiatives that put into practice the proposal of *Caritas in Veritate*, Catholic thinkers have pointed to them as a resource for the humanisation of the economic agency. They join efforts with other scholars, like Sen and others (Cortina 2011:33). They can be models of business which integrate the poor more efficiently, permitting them to participate in shares and benefits, and thus making them protagonists of their own growth.

For example, from *Caritas in Veritate* 39, Italian sociologist Pierpaolo Donati proposed that the binary state-market structure can be overcome. The regulation of markets, therefore, can also come from alternative legal prescriptions such as managerial or consumer decisions that mandate to increase solidarity. He proposed, following his research into goods, a consideration of the common good as a relational good, in which civil society can contribute to developing ways of a reciprocal interchange (Donati 2012).

The current situation stems from irresponsibility, on the one hand, from business owners and governments. However, there is also another source based on the lack of information. An example of this is the assessment of risk in the global sphere, certainly more difficult than in past times, owing to the increased number of actors (Baroni 2012; Guitián 2013). For this reason, there are initiatives to establish protocols of action that take into consideration the professional virtues, such as truthfulness, as a correction to greed, and generosity as overcoming of covetousness, in relationships such as lending, financing or crediting. The introduction of virtues also means taking into account the rights of both sides of the relationship, namely the borrower, who has the right to proportionate rates of interest and terms of devolution, and the lender, who has the right to certain compensation for assuming the risk of helping others with his or her money (Bøsterud & Vorster 2019).

Inequity can be overcome with the development of ethical virtues. Globalisation, indeed, renders it impossible for a State or a group of States to ensure that justice rules in every commercial relationship. It is not fair, on the other hand, to try to pose extrinsic limits on profit, which is a legitimate aspiration, to generate a competency that makes prices decrease over time and expands the availability and acquisition of necessary goods. The solution can be to work on the ethical preparation, particularly, of businessmen. The creation of a culture of ethical responsibility, based on the final analysis of the natural law for the common good, links individual attitudes with economic decisions and the regeneration of social structures, in a down-to-up renewal. It consists of responsibility and fraternity, different from charity, which leads to making economic decisions based on a consideration of the good and dignity of employees and other people (González 2015).

Professionals in the managerial and business fields, when nurtured by an ethos of the primacy of the human person, are seemingly the most suitable agents to promote such a change of mind and such a kind of growth. In this sense, the training of professionals in the economic field becomes essential. An important contribution to this development is the university centres in which professional studies in Business Management or International Master's in Business Administration are accompanied by ethical values and virtues, mainly justice and prudence. The Deusto Business School, founded in 1916, was a pioneer in this kind of institution. The interest of its project is being supported by a foundation (related to the order of the Jesuits), and thus is independent both from the State and the economic agents: it represents a social responsibility shared by the civil population (Cortina 2017). Another important centre for research and teaching, with a long historical experience, providing impetus to other similar centres all around the world, is the IESE Business School of the University of Navarra. It also promotes business

management according to a Christian ethos of virtues (Argandoña Ramiz 2011). This notwithstanding, rigorous research into the skills and virtues demanded by small and medium enterprises to implement CSR points out a demand for networks that, amongst other resources, promote this kind of formation (Ortiz-Avram et al. 2018). One of them is the development of initiatives that follows the IESE experience all over the world, including Africa with the Lagos Business School and the MDE Business School in Abidjan.

In my view, this proposal entails a call for the responsibility of lay Catholics in economic matters. One reason is that, as we have seen before, the mission of the official representatives of the Catholic Church is not to give technical solutions for worldly matters. They do not receive, ordinarily, the specific preparation required to give a professional assessment or take a particular decision in this field. Being obliged to be open, as Christ himself was, to every person who looks for help in them, it is better for them not to interfere in such technical issues or opinions.

The case of lay Catholics is different. As the Vatican Council recognised, they are mandated to live an ‘existential priesthood’ (Vatican Council II 1965:n. 31). This means their Christian vocation is intertwined with the world. Without exclusiveness, they are called in the first place to accomplish the vocation of working in the world in union with Christ, who devoted most part of his earthly life to work and family life. Their professional preparation makes it part of their mission, in the first place, to consecrate the world to God, living and working in it, devoting their work to him and trying to restore the plan of God for creation. They are intrinsically the point of encounter of moral principles, charity as a theological virtue and technical competence.

■ **Conclusion: A Catholic assessment of capitalism**

To close this inquiry, I would like to come back to the starting point, with the question about the triumph of capitalism. Thirty

years later, we can resume the Catholic social teaching in affirming its value as a source of human growth, observing also that it needs some limits and its incorporation in an *ethos* of the primacy of the person and the common good.

The exercise of business can be and must be a way to sanctity, obtained in the administration of goods, looking for a better distribution of them. An important part of this administration is the investment of resources and efforts to bring the benefit of labour to all, in conditions according to human dignity.

This notwithstanding, we are currently witnessing the development of ‘unbridled capitalism’, which makes an absolute value from profit understood in an individual sense. This kind of capitalism generates human crises such as the lack of access to labour or access to precarious labour, the inequity in the distribution of goods and the exhaustion of the natural resources of the planet. They affect countries in the Southern Hemisphere most dramatically, Africa in particular. There is a need for (Benedict XVI 2009):

[F]urther and deeper reflection on the meaning of the economy and its goals, as well as a profound and far-sighted revision of the current model of development, so as to correct its dysfunctions and deviations. (p. 32)

A question arises about a force that would be able to contain the disorder of capitalism. One could be the State, but it seems insufficient because of the global dimensions of corporations, and sometimes because of corruption.

At this point, the alternative of bottom-up solutions emerges, which emerge from civil society and are closer to small communities and to the poor. They seem more prepared to include the poor in work, shares and benefits. However, to make this a reality, a new *ethos* is required for business, in which personhood is the core value, together with the virtues of justice and prudence.

The implementation of this new ethos is the responsibility of the whole church, but of lay Christians in the first place, because they are called to find sanctity by means of living a life immersed in earthly structures, and making efforts to organise them according to the Creator's plan. In this sense, the ethos of Catholic professionals can meet the efforts of other Christian and non-confessional professionals who are searching for a way to establish a more humane economy.