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Holy See v. Laissez Faire

Michael Sean Winters | Oct. 24, 2011 Distinctly Catholic

The Holy See?s Pontifical Council for Justice and Peace has issued this morning a new document [1]dealing with the global financial crisis. It is bound to cause a stir and I suspect Mr. George Weigel [2]is already looking for his red and gold pens to tell us what we can ignore and what we must follow in the current text. (He will be disappointed: There is next to nothing in this document that will cause Weigel to get out his gold pen!)

Looked at through the lens of contemporary political debate, as virtually everything anyone does is now looked at, there is no denying that the document?s economic vision is somewhere to the left of the most vigorously leftie politicians in this country. Can you imagine the cries of tyranny that would emanate from the Tea Party crowd if it were President Obama, rather than Pope Benedict XVI, who was calling for an international organization with oversight powers over the financial sector?

It has been a distinguishing feature of Catholic Social Teaching, starting with Pope Leo XIII?s encyclical Rerum Novarum in 1891, that it stands as a bulwark against both the totalizing impulses of socialism and the moral vacuity of laissez-faire capitalism. For example, the Church has long defended the right to private property but it has also viewed all the goods of the earth, including property, as seized with a divine purpose, to be used in accordance with the moral law. So, those socialists who deny the right to private property and those defenders of capitalism who think that property, especially capital, should be completely unrestricted in its use both fall short of Catholic Social Teaching.

Of course, socialism is dead. It lives only in the fantasies of the Tea Party and in GOP talking points. So, the new document from the Vatican is clear about where blame lies for the current economic crisis:

> What has driven the world in such a problematic direction for its economy and also for peace?
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> First and foremost, an economic liberalism that spurns rules and controls. Economic liberalism is a theoretical system of thought, a form of ?economic apriorism? that purports to derive laws for how markets function from theory, these being laws of capitalistic development, while exaggerating certain aspects of markets. An economic system of thought that sets down a priori the laws of market functioning and economic development, without measuring them against reality, runs the risk of becoming an instrument subordinated to the interests of the countries that effectively enjoy a position of economic and financial advantage.

To be clear, what Europeans call economic ?liberalism? is not what we call ?liberalism? in America. As you can see, the liberalism here condemned is laissez-faire economics of the kind we witnessed during last week?s GOP debate when both the ?moderate? Mitt Romney and the Tea Party darling Herman Cain said, in response to a question about foreclosures and the housing crisis, that we should let the market run its course.

The Church, however, does not put forward its vision with a view towards where it lands on the political or economic spectrum. The Church does not aim to be ?in the middle? politically. The Church aims to proclaim the truth about the human person as revealed by Jesus Christ. It is not wrong to view the current text as an economic text, given its subject. But, it is wrong to view the document as an expression of economic theory. The Church has a different starting point, revelation, and her examinations of human life flow from that starting point, not the other way round.

It is obvious that the revelation of Jesus Christ bears little resemblance to the norms that govern global financial institutions in our day. We are told to love our enemies, but the modern market lives by competition. We are told that whatever we do for the least of our brethren, we do for Him, but financial institutions do not usually consider the least of the brethren. We are told that we must deny our very selves if we are to enter the Kingdom of God, but our entire economic system is built on self-interest. Despite the efforts of Mssrs. Weigel and Novak and other neo-cons to wiggle self-interest into a virtue by pointing to its ?creative? potential, there is no denying that the Church cannot but view self-interest with suspicion.

On this point, I cannot do better than to quote from Professor David Schindler?s magisterial book, Heart of the World, Center of the Church: Communio Ecclesiology, Liberalism and Liberation [3], in which he writes: ?The question rather is twofold: a) whether we recognize that a selfishness become mutual is not yet mutual generosity; and b) whether we recognize that our primary ?exigence? or dynamic remains for the latter, however much we fail to realize it?.A mutual selfishness which produces material wealth will, by virtue of its intrinsic dynamic, create a spiritual poverty which is exactly coincident with the production of material wealth.?

To be clear, I am not objecting to that impulse in the human heart to run a business and provide for one?s family. That is an entirely noble and humane impulse. But, in our current economic reality, it cannot be denied that too often the ?demands of the market? actually make it harder for someone to provide for his or her family in the fullest sense of the word, that both parents must work in order to afford a mortgage and college and thereby are denied as much time with their children as they might want. To employ Schindler?s terms, the ?exigence? in favor of familial life is often cast aside by the dynamic of the market. The same could be said of neighborhoods that lose their souls when ?big box? stores force small scale ?mom-and-pop? shops to close.

All that is noble and humane about the instinct to provide, about the ?creativity? of the entrepreneur is, in today?s financially driven economy, cast upon the altar of profit at all costs, profit today not tomorrow, profit as the only measure of human success. It is barbaric. It is part and parcel with the ?dictatorship of relativism? and the assault on reason that neo-cons tend to decry. Surely, no one can, with a straight face, defend the ?invisible hand? or ?market rationality? after what the world has gone through the past few years. Of course, given the uneven track record of the United Nations on a host of issues, I am not sure that a new global regulatory power holds out great hope either but I do think it would serve as a check on the unrestrained power of markets and, just so, bring political, moral and social concerns into the realm of economic decision-making in a way that might achieve some semblance of balance.

Kudos to Cardinal Turkson and the Holy Father for calling the world?s attention to the barbarism in our midst and pointing us towards a different set of values than those that govern Wall Street and insisting on the proposition that human reason can through instruments of public governance be brought to bear on the economy.

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[1] http://whispersintheloggia.blogspot.com/2011/10/toward-world-watchdog-vatican-talks.html

[2] http://www.americamagazine.org/blog/entry.cfm?id=96010589-3048-741E-5629933635387293
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