

Pope Francis & The Modern Economy

Michael Sean Winters | May. 17, 2013 | Distinctly Catholic

Yesterday, I thought I did a fairly decent job taking on the economic worldview lodged at the Acton Institute in my review of Samuel Gregg's book "Becoming Europe." Alas, I have been upstaged, and not just a little, by Pope Francis who delivered some powerful remarks on economics in an audience where he was receiving new ambassadors. You can find the full text of his remarks [here](#) [1].

There were three central paragraphs in the pope's remarks that warrant examination. Let us examine them one at a time. Pope Francis praised some modern developments, and then went on to say:

At the same time, we must also acknowledge that the majority of the men and women of our time continue to live daily in situations of insecurity, with dire consequences. Certain pathologies are increasing, with their psychological consequences; fear and desperation grip the hearts of many people, even in the so-called rich countries; the joy of life is diminishing; indecency and violence are on the rise; poverty is becoming more and more evident. People have to struggle to live and, frequently, to live in an undignified way. One cause of this situation, in my opinion, is in our relationship with money, and our acceptance of its power over ourselves and our society. Consequently the financial crisis which we are experiencing makes us forget that its ultimate origin is to be found in a profound human crisis. In the denial of the primacy of human beings! We have created new idols. The worship of the golden calf of old (cf. Ex 32:15-34) has found a new and heartless image in the cult of money and the dictatorship of an economy which is faceless and lacking any truly humane goal.

"Cult of money." "Dictatorship of an economy which is faceless and lacking any truly humane goal." Hmmm. I wonder what economic system he is talking about here? Hint: It isn't communism. Here we see the views of someone from the global South, someone who knows that while the modern, globalized, free market economy may be increasing national GDPs, many, many people are not sharing in the new found wealth and, in fact, are being made poorer. And, that this resulting income inequality illustrates the problems with the neo-liberal economic worldview: It is not designed to share wealth and is, in fact, hostile to any scheme that seeks a more equitable distribution of the world's resources.

But, the Holy Father is on to something deeper as well. No one denies that it is a good thing for someone to want to provide for his or her family. No one denies that running a business can be a worthwhile task. But, this modern economic system, with all its baubles, and with its powerful and effective marketing devices, so prizes acquisitiveness that it is foolhardy to expect you can somehow add on a bit of altruism at the finish, like whipped cream on a sundae. To play this game, as the rules of the game are configured, results in the idolization of money. As my friend David Schindler has powerfully asked ? and I have quoted this before but it bears repeating, and repeating, and repeating: Does the market create a spiritual poverty that is coincident with its creation of material wealth? Does the market demand a set of values that are so laden with material forms of measurement, that these values obscure the human dignity of all? And, for the Christian, does not the market encourage ? and reward ? those who sacrifice all before their pursuit of competitive advantage, and if one makes

an idol of money along the way, so be it.

The next key paragraph of the pope's remarks is this:

The worldwide financial and economic crisis seems to highlight their distortions and above all the gravely deficient human perspective, which reduces man to one of his needs alone, namely, consumption. Worse yet, human beings themselves are nowadays considered as consumer goods which can be used and thrown away. We have begun a throw away culture. This tendency is seen on the level of individuals and whole societies; and it is being promoted! In circumstances like these, solidarity, which is the treasure of the poor, is often considered counterproductive, opposed to the logic of finance and the economy. While the income of a minority is increasing exponentially, that of the majority is crumbling. This imbalance results from ideologies which uphold the absolute autonomy of markets and financial speculation, and thus deny the right of control to States, which are themselves charged with providing for the common good. A new, invisible and at times virtual, tyranny is established, one which unilaterally and irremediably imposes its own laws and rules. Moreover, indebtedness and credit distance countries from their real economy and citizens from their real buying power. Added to this, as if it were needed, is widespread corruption and selfish fiscal evasion which have taken on worldwide dimensions. The will to power and of possession has become limitless.

Really, now, if I were to have denounced the "ideologies which uphold the absolute autonomy of markets" and argued for the "right of control of the States," you can bet that I should be denounced as a socialist at best. The pope is no more enamored of the ideology of the free marketeers than he was with the Marxism of certain liberation theologians years ago. When ideology trumps real, human concerns, it is corrosive of a humane culture. I also think Francis' words about consumption are vital, especially in the affluent West. Our neo-conservative friends always downplayed the call for a conversion of lifestyles found in John Paul II's writings (including in *Centesimus Annus*) and in Benedict's *Caritas in Veritate*. These calls for a conversion from opulent lifestyles, we were told, was just bureaucratic boilerplate. Perhaps it was easier to dismiss some of Benedict's insights because they always came wrapped in scholarly prose. I do not criticize him for that in the least - in the event, I loved Benedict's scholarly prose, even though I can concede the truth of a friend's observation on the phone last night that Benedict was a little too fond of the subjunctive. But, with Francis, the words are straight forward and readily accessible. No reading the text with red and gold pens here.

And, in this regard, it is worthwhile recalling something the Holy Father said at one of his morning Masses, in which he said, "The ideologue does not know what love is, because they do not know how to gift themselves." Here we see the continuity with Pope Benedict's emphasis on the importance of gift in understanding economic relations correctly, which is to say humanly. The problem with modern capitalism is not just the inequality of the results it achieves, but the fact that it has no capacity to value the importance of grace and gift in our understanding of economics. Any social program that guarantees a minimum of subsistence commensurable with human dignity is denounced as a disincentive to work. And social welfare program that seeks to provide for basic human needs is condemned as *dirigiste*. And, isn't it nice to see a pope named Francis reminding Christians that "consumption" is not what we were made for.

The last paragraph of Pope Francis' remarks that commands our attention is this:

Concealed behind this attitude is a rejection of ethics, a rejection of God. Ethics, like solidarity, is a nuisance! It is regarded as counterproductive: as something too human, because it relativizes money and power; as a threat, because it rejects manipulation and subjection of people: because ethics leads to God, who is situated outside the categories of the market. These financiers, economists and politicians consider God to be unmanageable, unmanageable even dangerous, because he calls man to his full realization and to independence from any kind of slavery. Ethics - naturally, not the ethics of ideology - makes it possible, in my view, to create a balanced social order that is more humane. In this sense, I encourage the financial experts and the political leaders of your countries to consider the words of Saint John Chrysostom: "Not to share one's goods with the

poor is to rob them and to deprive them of life. It is not our goods that we possess, but theirs? (Homily on Lazarus, 1:6 ? PG 48, 992D).

The quote from Chrysostom is wonderful. I wonder what Adam Smith would have made of it? But, it is clear that the Holy Father understands the human condition so powerfully. ?Ethics, like solidarity, is a nuisance!?! Isn't that how, for example, Governor Mitt Romney spoke about the 47%? As a nuisance? Isn't this the way some Tea Party folk speak of entitlements, as a nuisance? The Holy Father, I am quite confident, does believe people are entitled to the basic necessities of life and does not really care whether providing them hurts productivity or not, especially if any increase in productivity goes only to enrich the already rich.

A key point here, however, and it already shaping up as the principal fault line in our politics, is the idea that the laws of the market are subject to ethical assessment. I am not comfortable entrusting that ethical assessment solely to governmental authority, but better a government that is answerable to voters than a financial oligarchy answerable to no one. Developing ways of introducing ethical accountability can be achieved by many means, such as the requirement in Germany that workers have a say in the decision-making of the companies where they work: The government only mandates that this happen, it does not mandate an outcome. But, you can be sure that at least the good of the workers will not be thrown under the bus when it comes time to downsize. Instead of the race-to-the-bottom that characterizes the modern, globalized economy, perhaps the Holy Father's witness will take hold and inspire politicians and even financiers to think more deeply about how they can bring ethics and solidarity to bear on their methods, and to let these determine their decisions, not just considerations of the bottom line. (It costs nothing to hope.)

This call to conversion in Francis' talks is not limited to economics. It is the willfulness of modernity that stands in contrast ? I had almost written condemned ? by the Gospels. It is the priority given to self-assertion in modern thinking over the self-surrender demanded by the Gospel. It is the hermeneutic of suspicion, seen even in coverage of Pope Francis himself, over the hope and trust called for by the Gospels. It is the pride in what we have made over what we have received. It is the utilitarian calculus that trumps the willingness to stand firm, even to the point of suffering, for what is right and true, and for Him who is truth, who is at the center of the Gospels.

The Holy Father is on fire. When he was elected, some of our conservative Catholic friends suggested that he would be great because, after all, he had tangled with some liberation theologians in Argentina. The implication was ? he is one of us. Well, this speech yesterday probably means Papa Francesco cannot hope to retire to a corner office at the American Enterprise Institute or the Acton Institute anytime soon. The Holy Father calls for an economic system that puts the human person at the center of its ethical analysis, not some abstract theories about economic growth. More deeply, he is calling us to conversion, a conversion of heart first and foremost, but also a conversion a lifestyles and attitudes, and, finally, a conversion of our societal systems. His namesake changed the culture of his time when he first kissed a leper. Perhaps our new millennium will be awakened to such new possibilities by Papa Francesco. He has clearly, and unequivocally, sounded the trumpet.

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[1] http://en.radiovaticana.va/news/2013/05/16/pope:_financial_reform_along_ethical_lines/en1-692694