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CARITAS IN VERITATE AS A SOCIAL ENCYCLICAL: A MODEST CHALLENGE TO ECONOMIC, SOCIAL, AND POLITICAL INSTITUTIONS

BERNARD LAURENT

While many elements of Benedict XVI's Caritas in veritate *subscribe to the logic of earlier social encyclicals, the absence of a connection drawn between the social realities, the economic structures, and ideology sets this encyclical apart. Like its predecessors, however, it is marked with the seal of intransigence. In the face of modern culture (judged negatively by Benedict), the challenge is to restore Christian values to people's consciences. By framing the problem as he does, Benedict turns the Church's focus away from the interplay of structural forces and gives primacy, as never before, to individual responsibility.*

THE SOCIAL DOCTRINE OF THE CHURCH (SDC) is not a political project. Pope Benedict XVI, like Pope John Paul II before him, states that "The Church does not have technical solutions to offer and does not claim 'to interfere in any way in the politics of States'" (*Cv*-9, referring to *Pp*-13).[1] The SDC's aim is to restate key moral principles, based on a

BERNARD LAURENT received his Ph.D. in economics from the Pantheon-Sorbonne University (Paris I). He is professor of economics at the EMLYON Business School and a member of OCE Research Center in Lyon. His areas of special interest are the history of economic analysis and Catholic social thought. His recent publications include: 40 entries in the *Dictionnaire d'Histoire du Catholicisme* (2010); "L'Église face à l'idéologie de la croissance," in the collection, *Quelles ressources spirituelles pour faire face à l'épuisement des ressources naturelles?* (2009); and *L'enseignement social de l'Église et l'économie de marché* (2007). In process is a paper entitled "Chairman's Value, Type of Ownership, and Governance Model: An Illustration through the Case of the Auchan Group," coauthored with Peter Wirtz.

[1] Throughout the article I use the following embedded abbreviations of papal and church documents. The numbers following the abbreviations refer to paragraph numbers in the documents. I list them here chronologically; they are available at http://www.vatican.va. All cited URLs were accessed on March 5, 2010.

Rn = Leo XIII, *Rerum novarum* (1891)
Qa = Pius XI, *Quadragesimo anno* (1931)
Mm = John XXIII, *Mater et magistra* (1961)
Pt = John XXIII, *Pacem in terris* (1963)
Gs = Vatican II, *Gaudium et spes* (1965)

Christian conception of humanity and society governed by an idea of justice, to encourage the discernment and commitment of Christians confronted with the dilemmas of economic and social life. The argument is based on permanent values—the central concept of human dignity[2] along with revelation and the natural law[3]—that give unity to the documents and are periodically updated to address emerging issues.

The words of the Church, intended for the temporal world, reflect an ambiguous position, as noted by Pierre Manent, according to whom the Church gives a contradictory definition of itself. True, it repeatedly claims to promote no particular model of social organization, and it marks a clear separation between the temporal and spiritual domains, all the more so after Vatican II, because the kingdom it proclaims is not of this world, but its teachings are very much directed at the world. Thus when salvation is imperiled the Church has not only a "right of control" but also a "duty of control" over human affairs. Because political, social, and economic actions are heavy with consequences, the Church claims broad legitimacy in seeking to influence matters of this world.[4]

The popes since Leo XIII constantly refer to major events in the political, social, and economic life of their times to throw a moral light on the issues at hand and to assert—especially in the case of Benedict XVI—that no solution can be found without guidance from the Church. This affirmation is rather ambiguous for modern minds; it has led philosopher Marcel Gauchet, for example, to doubt that the Church had given up its absolutist position.[5]

Pp = Paul VI, *Populorum progressio* (1967)
Oa = Paul VI, *Octogesima adveniens* (apostolic letter, 1971)
Le = John Paul II, *Laborem exercens* (1981)
Srs = John Paul II, *Sollicitudo rei socialis* (1987)
Ca = John Paul II, *Centesimus annus* (1991)
Compendium = *Compedium* of *The Catechism of the Catholic Church* (2005)
Cv = Benedict XVI, *Caritas in veritate* (2009)

[2] "Men and women, in the concrete circumstances of history, represent the heart and soul of Catholic social thought. The whole of the Church's social doctrine, in fact, develops from the principle that affirms the inviolable dignity of the human person" (*Compendium*-107).

[3] The SDC "shows above all the continuity of a teaching that refers to the universal values drawn from Revelation and human nature" (*Compendium*-85, quoting *Srs*-3).

[4] This idea is inspired by Pierre Manent, *Histoire intellectuelle du libéralisme: Dix lecons*, chap. 1: "L'Europe et le problème théologico-politique" (Paris: Calman-Lévy, 1987) 17–30; Engl. trans.: *An Intellectual History of Liberalism* (Princeton, N.J.: Princeton University, 1994). Tranlsations of French texts are mine throughout.

[5] When asked whether, in light of Vatican II's redefinition of Catholic universality, the Church had given up representing itself in an absolutist mode, Gauchet said he was not so sure. He added, regarding politics: "Certain statements on the impossibility of a democratic world without spiritual guidance show that the Church's

This ambiguity (Manent) reflects the Church's unsettled relations with modernity (Gauchet), perpetuating the tradition of intransigent Catholicism (Émile Poulat).[6] Though the form of the Church's uncomfortable position vis-à-vis liberalism varies greatly from one century to another, its views on modernity remain substantially unchanged.

Until Benedict XVI, the popes drew a strong parallel in the SDC between the world of ideas and the social realities of the times. For the popes, modern thinking leads to the subordination of politics and morals to the economy, declaring the free competitive market as the means for regulating not only the economic sphere but all of society (I-1).[7] The Church cannot accept a world governed by the workings of the economy (I-2). The remarkable growth in Western countries and Japan after World War II led the SDC to criticize liberalism on matters of development (I-3) and the alienating material temptations that plague people in developed countries (I-4).

While the popes' criticism of liberalism is certainly severe, it is no less damning of socialism. The popes vigorously defend the right to ownership (I-5), but they do not make of it an unassailable principle. The SDC's affirmation of the principle of the Universal Destination of Material Goods sets limits on any abusive private appropriation of goods (I-6). The SDC's acceptance of private ownership encompasses the means of production. The popes define the social obligations of companies in matters of ownership. Though they accept profit, they also assert the primacy of labor over capital (I-7) and place political authority at the top of the social edifice, viewing the state as the guardian of social justice (I-8).

Benedict XVI claims to uphold the teachings of his predecessors. He refers to Paul VI on questions of development, adding the notion of integral human development (*Cv*-8). He admits that the Church has no technical solution to offer (*Cv*-9), yet he defends a public role for the Church (*Cv*-11), going so far as to claim that "life in Christ is the first and principal factor of development" (*Cv*-8), thus perpetuating the ambiguity of the Church's position toward the modern world.

By claiming that justice and the common good are two important "practical forms" of the Church's social doctrine (*Cv*-6), Benedict remains faithful to the core principle of the SDC. His encyclical nonetheless marks a shift from this tradition because, for the first time, the description of facts is

ambition to play a key role is still alive" (Marcel Gauchet, *Un monde désenchanté*? [Paris: Atelier, 2004] 158).

[6] Poulat defended this view in all his works; see, e.g., *L'Église, c'est un monde* (Paris: Cerf, 1986).

[7] This designation means: see below, part I, subhead 1. I use this orthography throughout to refer to sections of my article.

not contextualized. Benedict avoids linking the structures of society, the representation of economic phenomena, and schools of thought of his era. *Caritas in veritate* offers no critical reading of economic liberalism or capitalism—the words are never mentioned. He does not see the economic failings and social traumas of contemporary society as caused primarily by inadequate social structures, political ideas, or a particular concept of man and society on which these structures are founded. He insists, rather and above all, on individual responsibility.

With reference to the major themes developed by the SDC, presented in the first part of this article, I will highlight the difference in Benedict's approach: the emancipation of the economy from political and moral constraints (II-1), globalization and development (II-2), materialism (II-3), businesses (II-4), and the role of the state (II-5). This second part of the article is shorter because Benedict in fact says very little about the issue of private ownership and the principle of the Universal Destination of Material Goods, a question that is absolutely central to the SDC's opposition to liberal theories. Whereas his predecessors cannot conceive of justice being served without the notion of a social function of ownership, Benedict XVI does not say a word on the matter. In spite of this, we do not think that *Caritas in veritate* introduces a move away from the social teachings of the Church. The encyclical brings the intransigent tradition up to date. To serve the truth, he calls for a return to Christian principles in every individual's conscience, rather than the traditional call for social action on the part of institutions and the reform of structures governing society.

PART I: THE SDC FROM *RN* TO *CA*

1. Modern Society Becomes an Economic Society

The SDC considers the individualism of the Enlightenment and the atheism of socialism to be responsible for economic and social upheavals, which explains the SDC's intervention in the economic sphere. It views the Enlightenment as laying the foundations for the predominance of market competition, to the detriment of morality and policy, in regulating modern society, with little concern for justice,[8] while socialism resorts to totalitarian solutions.

I will first outline some key changes in ways of thinking that emerged during the Enlightenment in order to better distinguish the Catholic Church's approach to the economy.

[8] See Bernard Laurent, "Catholicism and Liberalism: Two Ideologies in Confrontation," *Theological Studies* 68 (2007) 808–38.

Modernity[9] brought with it a new concept of man, defined as an autonomous individual possessing rights—above all, freedom—to which the organization of society must be strictly subordinated. Modern man does not look to nature to know what he must do, nor does he find there God's intent for humanity; man alone defines what is best for himself. As Manent so aptly said, human life, in modern thinking, no longer frames itself according to ideas of good or purpose—a question until now traditionally addressed by philosophy—but rather according to the idea of freedom, such that the law no longer plays a role of moral edification serving a widely shared goal: virtue for the Greeks, grace for Christians. The law becomes an instrument designed to protect the rights of the individual, the sole creator of his values. From there, the idea was to develop a political theory that would avoid any form of subordination of individuals, guaranteeing them free choice of their goals, i.e., their freedom. People may agree to submit themselves to a given authority if the purpose of that authority is the protection of their rights. Economic liberals turned to the writings of Locke to assert the new order. He values the right to hold property and sees property as ensuring human rights, the foremost of which is freedom. Persons may legitimately lay claim to land they have tilled to feed themselves. The right to property is seen as an attribute of the individual.[10]

Modern thought proposes a distinct theory of power that completely breaks from earlier tradition. Political authority is not meant to serve a widely shared goal or to promote a comprehensive system of meaning; rather, it is meant to defend the inviolability of property as a condition of exercising human freedom. Individuals define their own goals, with the result that modern individualist anthropology begins to take on shades of utilitarianism: individuals are the best judge of what is best for themselves. This glorification of the pursuit of self-interest represents a considerable shift from traditional morality and leads the modern individual to think differently about the economy. Previously, notions of the collective good set limits on individual action: an individual was expected to subordinate his interests to the group's. The modern conception of man as a free being led Locke to define him by his aptitude for work. Where earlier man was a social and political animal, modern man is an owner

[9] This paragraph loosely draws on Pierre Manent, *La cité de l'homme* (Paris: Fayard, 1994).

[10] Locke proposes the idea that hunger is a leading threat to man, which led Manent to comment: "If basic man, in a manner of speaking, is a hungry man, then he is radically separated from his peers: he only has relations with his body and with nature. If Locke succeeds in basing an individual's rights on hunger alone, on the sole relationship of the solitary individual with nature, he will have shown how rights can be considered an attribute of the individual" (Manent, *Histoire intellectuelle* 96).

and worker animal—"an owner because he is a worker, a worker to become an owner."[11] From that point on, society becomes economy-based. Economic liberalism puts property and the economy at the heart of political and social life,[12] superseding the greater good, an issue very important to traditional philosophy but one Locke humorously characterized as no more important to the modern mind than to know whether one prefers plums or apples![13]

Modern society became an economic society regulated by competitive market forces, an idea rooted in the intellectual history of modernity. The market is considered not only in its technical dimensions, as an efficient system for the allocation of scarce resources, but also as a political concept, ensuring the regulation of the modern society of freedom.[14] Proponents of the free market consider it as a mechanism that serves no collective purpose but that, on the contrary, enables individuals to serve their own purpose by giving free rein to their self-interest. This notion represents another fundamental break from traditional morality. In a modern world dominated by the economic sphere, the purpose of society comes down to the perpetual increase in goods. Modern anthropology becomes materialist, and morality, against a backdrop of utilitarianism, becomes the morality of efficiency. The invisible hand transforms the individual's pursuit of self-interest into social harmony.

The Church, in its social teachings, continually stigmatizes the individualism of modern society and the supposed virtues of the free market for ensuring social stability and order. Though there are some nuanced differences, nearly all academic readings of the SDC concur that the Church expresses reserve vis-à-vis liberalism. The divergent views on the matter can be summed up as follows: for some, the Church wants neither an economy unchecked by morality, nor a society organized solely by competitive market forces, nor businesses whose sole purpose is maximum profit, nor an economy that imposes its materialist goals on all of society. These readings therefore claim that the Church is very reserved vis-à-vis liberalism

[11] Pierre, *La cité de l'homme* 97.

[12] "What Locke has shown us is the development of the complete economic society based on a rather humble origin: a hungry man. All of economic life—trade, labor productivity, the right to ownership—takes its start from the 'natural' and undeniable right of a hungry individual to feed himself. In this hungry individual lies the substantial, natural, primordial basis of human life. We can see why liberalism, when fully developed, makes the right to ownership (and seeks to make the economy in general) the basis for all social and political life: if the rules governing social life derive from the rights of the solitary individual, they necessarily find their basis in the relationship between the individual and nature" (ibid. 102–3).

[13] Cited in ibid. 186.

[14] See Pierre Rosanvallon, *Le libéralisme économique: Histoire de l'idée de marché* (Paris: Seuil, 1989), esp. his introduction, "Penser le libéralisme" i–ix.

and capitalism.[15] Others would say that the stated intent of the SDC to subordinate the economy to morality is not incompatible with a liberal interpretation of the social magisterium, further proof of which can be found in *Centesimus annus* and *Caritas in veritate,* which give even greater recognition to the play of market forces.[16]

2. The SDC Opposes a Society Regulated by Free Markets

Leo XIII evoked the social consequences of industrialization and Pius XI the devastating effects of the crash of 1929 to condemn modern society that, void of any reference to the notion of good as defined by the faith, can only resort to the frenzied quest for personal satisfaction and the exacerbation of mercenary pursuits. The individualism of modern society obliterates the traditional structures of rural, cottage-industry, and corporatist societies and that of the family business, all of which promoted

[15] Following the recent death of Jean-Yves Calvez, it is all the more important, in support of this theory, to cite his many works, including Calvez and Jacques Perrin, *Église et société économique: L'Enseignement social des papes de Léon XIII à Pie XII (1878–1958)* (Paris: Aubier, 1959); *L'Économie, l'homme, la société: L'Enseignement social de l'Église* (Paris: Desclée, 1989); *L'Église et l'économie: La doctrine sociale de l'Église* (Paris: Harmattan, 1999); *Changer le capitalisme* (Paris: Bayard, 2001); and *L'Amour dans la vérité* (Paris: Atelier, 2009), his exposition of Benedict XVI's *Caritas in veritate*. We should also cite, among others: Michael J. Schuck, *That They Be One: The Social Teaching of the Papal Encyclicals, 1740–1989* (Washington: Georgetown University, 1991); Charles C. Curran, *Catholic Social Teaching: A Historical Theological and Ethical Analysis* (Washington: Georgetown University, 2002); the works of Émile Poulat on this subject: *Église contre bourgeoisie: Introduction au devenir du catholicisme actuel* (Paris: Casterman, 1977); "Pensée chrétienne et vie économique," *Foi et développement* 155–157 (October-December 1987) 1–9; and Bernard Laurent, *L'Enseignement social de l'Église et l'économie de marché* (Paris: Parole et Silence, 2007).

[16] In French texts, the notion of a liberal reading is understood to mean that the authors interpret the SDC in a way favorable to the competitive market economy. The Acton Institute is the most active proponent of this argument. The various authors refer to Michael Novak who, while campaigning for the Church to discover the great merits of the competitive market, voiced reservation about the supposed liberalism of the Church in his *Une éthique économique: Les valeurs de l'économie de marché*, trans. Bernard Dick (Paris: Cerf, 1987). Researchers closely connected to the Institute have no such reserves: Rocco Buttiglione, "The Moral Mandate for Freedom: Reflections on *Centesimus annus*" (1997), http://www.acton.org/publications/occasionalpapers/publicat_occasionalpapers_rocco.php; Richard John Neuhaus, *Doing Well and Doing Good: The Challenge to the Christian Capitalist* (New York: Doubleday, 1992); Jean-Yves Naudet defends this idea in France: *La liberté pour quoi faire*: Centesimus annus *et l'économie* (Paris: Mame, 1992). Maciej Zieba, while close to this liberal reading, keeps his distance from the theses of the Austrian liberal school of thought—Ludwig von Mises, Friedrich von Hayek—which inspired Acton Institute, *Les papes de Léon XIII à Jean-Paul II et le capitalism* (Saint-Maurice: Saint-Augustin, 2002).

solidarity.[17] In economic activity, work thus becomes a commodity; obtaining the highest-possible profit becomes the sole aim. Far from encouraging harmony, competition favors the powerful and makes the rich richer, thus creating strained social relations (*Rn*-3).

In its social doctrine, the Church finds it difficult to accept the subordination of politics and ethics to the logic of economics. Pius XI explicitly stigmatized the way modern society functions and is dominated by the economic world (*Qa*-109). It is not possible to sustain a stable social order in a modern society regulated by competitive market forces: "Just as the unity of human society cannot be founded on an opposition of classes, so also the right ordering of economic life cannot be left to a free competition of forces. . . . Therefore, it is most necessary that economic life be again subjected to and governed by a true and effective directing principle [justice and social charity]" (*Qa*-88). We are far from the liberal rhetoric of the natural harmony of interests (Elie Halévy's excellent description of the liberal credo) according to which competitive market forces transform individual self-interest into social harmony. While the social encyclicals preceding Vatican II speak harshly of liberalism, they are downright hostile to socialism: "Religious socialism, Christian socialism, are contradictory terms; no one can be at the same time a good Catholic and a true socialist" (*Qa*-120).[18] Leo XIII's successors take up the conviction that the world must not abandon its course "to the arbitrary laws of the economy." They cannot accept economic liberalism as the preferred tool of ideological liberalism, and they therefore continue to defend the idea that the economy must be subordinated to moral norms.[19]

With *Laborem exercens* (1981) John Paul II reinforced the Church's denunciation of liberal ideology just as the American (Ronald Reagan) and British (Margaret Thatcher) administrations were reinstating liberalism in its most original version ("ultraliberal," the French would say). John Paul believed no more than his predecessors that the combined effect of individual initiatives in unchecked free markets is any more efficient or just: "The same error, which is now part of history, and which was

[17] "The elements of the conflict now raging are unmistakable, in the vast expansion of industrial pursuits and the marvellous discoveries of science; in the changed relations between masters and workmen" (*Rn*-1). "For the ancient working men's guilds were abolished in the last century, and no other protective organization took their place" (*Rn*-2).

[18] This point deserves to be developed, but not within this context; here I am concerned with liberalism.

[19] Poulat deftly argues this theory of a Catholic Church wary of liberalism. The Church, he writes, "affirming the primacy of ethics, has [itself] never conceded abandoning the world's course to the arbitrary laws of the market economy" (*Église contre bourgeoisie* [Paris: Casterman, 1977] 50).

connected with the period of primitive capitalism and liberalism, can nevertheless be repeated in other circumstances of time and place, if people's thinking starts from the same theoretical or practical premises" (*Le*-13).

The Church rejects the conclusions put forward by the liberal school of thought, according to which social harmony results from the play of individual interests brought together in competitive markets. According to the SDC, this individual pursuit of self-interest, guided by no purpose other than a material one, and obeying no normative constraint of a moral order, can only result in an ethics of desire, craving, imitation, and rivalry. So, as these desires are exacerbated, self-interest becomes the selfish pursuit of material gain—in other words: a financial gain, so much so that the economy becomes the "defining feature" of the modern world.[20]

3. From the Criticism of Liberalism to the Challenges of Development

The Church's criticism of liberalism varies in degree according to circumstance. It is severe in the encyclicals preceding Vatican II because, the popes argued, people must be protected from the dire social consequences of unbridled capitalism. The criticism is more carefully weighed in later encyclicals, in relation to the capitalist reality of the postwar era, the severity of which was diminished by the social policies of the time.

Still, the Church never fully embraced reconciliation with liberalism. Though it observed the growth of developed countries after World War II with interest, it interpreted this as the success of an economy subjected to social goals and as the result of controlled markets (*Ca*-19); it blamed liberal practices for underdevelopment (*Pp*) as well as for consumerism and the attendant alienation in developed countries (a topic addressed in the Pastoral Constitution *Gaudium et spes,* which serves as a framework for the SDC, and given particular attention in *Centesimus annus*).

However, in *Populorum progressio* (1967), specifically dedicated to questions of development, Paul VI does not display hostility toward business or its contribution to development.[21] But he does condemn unbridled liberalism, characterized by a particular system of production (laissez-faire capitalism), with the sole aim of seeking profit and risking "the international imperialism of money" (*Pp*-26, referencing *Qa*-109). Paul VI sought to make the social doctrine more pertinent by making it more internationally

[20] This expression comes from Louis Dumont, *Homo-aequalis: Genèse et épanouissement de l'idéologie économique*, 2 vols. (Paris: Gallimard, 1985); vol. 1, *Genèse et épanouissement de l'idéologie économique*, trans. of *From Mandeville to Marx: The Genesis and Triumph of Economic Ideology* (Chicago: University of Chicago, 1977).

[21] "We must in all fairness acknowledge the vital role played by labor systemization and industrial organization in the task of development" (*Pp*-26).

applicable (*Pp*-3). Although the Church could not deny the reality of development in the West and in Japan, Paul VI still blamed liberalism for underdevelopment: "Unless the existing machinery [the modern economy] is modified, the disparity between rich and poor nations will increase rather than diminish; the rich nations are progressing with rapid strides while the poor nations move forward at a slow pace" (*Pp*-8; see also *Pp*-33).

Paul VI wanted to restrict competition to trade between equally-matched states only, so as to avoid situations in which the power of negotiation automatically lay with the richer country. He called for solidarity with the poorer countries, not just to provide short-term help via financial and technical means, but also structurally through a reorganization of the economy: to create a different economy in which the poorer countries would be equipped against the volatile nature and the speculation of competitive markets, and indeed the temptation of richer countries to impose their materialistic, utilitarian consumer society.

4. The Materialistic Dangers of a Modern Society

In considering development, Paul VI did not view it as merely a question of a well-run economy. With the ideas of Vatican II in mind, he proposed a vision of man and society that could not be reduced to economic aspects alone,[22] and that must foster the development "of each man and of the whole man" (*Pp*-14). The encyclicals that followed consistently developed this idea. John XXIII was already worried about the materialism of modern society dominated by the economic sphere (*Mm*-176).

This idea of alienation that causes men and women in the most developed countries to define the sense of their existence through an ever-increasing consumption is addressed in *Gaudium et spes*. Its examination of the econocentric modern world shows deep concern for people giving priority to "having" over "being" and insists that "a man is more precious for what he is than for what he has" (*Gs*-35). This frantic quest for material things can only exacerbate self-interest, which drives the desire to make gains and to obtain an ever higher income; it encourages speculative behavior to the detriment of healthy economic activity and leads to the collapse of social relations. Our fellow human beings are no longer friends on this journey; nor are they persons with whom we relate, collaborate, and ultimately help to create a world in solidarity; rather they are rivals standing in the way of self-interest.

[22] "We cannot allow economics to be separated from human realities, nor development from the civilization in which it takes place. What counts for us is man—each individual man, each human group, and humanity as a whole" (*Pp*-14).

John Paul II made an astute analysis of the gap between the Church and modern society, one with which all his predecessors since Leo XIII would certainly agree:

> The historical experience of the West, for its part, shows that even if the Marxist analysis and its foundation of alienation are false, nevertheless alienation—and the loss of the authentic meaning of life—is a reality in Western societies too. . . . A person who is concerned solely or primarily with possessing and enjoying, who is no longer able to control his instincts and passions, or to subordinate them by obedience to the truth, cannot be free. (*Ca*-41)[23]

5. The Church Favorable to Private Ownership

Confronted with the liberal conception of a human society structured solely around the respect of man's rights as defined in a state of nature, the Church defends the necessity to impose moral norms on social life as the only means of ensuring stability and social order.

Indeed, at an ontological level, there is a trace of individualism in Christian thought, where each person is recognized as unique in the eyes of God; in other words, people come before human institutions. However, they are concomitantly thought of as social beings, members of a political community whose organization must protect human dignity.

Also in Catholic thought, the recognition of the human person as a unique being forms normative constraints of a moral nature that weigh upon the structure of society and upon the order by which individuals must live. The common good expresses this general interest shared by the whole of the political community, in which self-interest is strictly inferior.

The pursuit of self-interest is valid so long as it does not affect the individual's integration in society. This concern for unity within the social body leads the Church to defend a unique theory of private ownership, the fundamental doctrine of which was laid down in *Rerum novarum* and then consistently reiterated and updated according to circumstances. Though Leo XIII opened his encyclical by addressing the trials and tribulations of the industrial society, by establishing a clear link between the ideas of the Enlightenment and the evolution of production methods,[24] he immediately

[23] Already in *Sollicitudo rei socialis*, the encyclical published to commemorate the 20th anniversary of Paul VI's *Populorum progressio*, John Paul II qualified the state of developed countries as: "overdevelopment" and condemned the attitude of men who became "slaves of 'possession' and of immediate gratification, with no other horizon than the multiplication or continual replacement of the things already owned with others still better. This is the so-called civilization of 'consumption' or 'consumerism,' which involves so much 'throwing-away' and 'waste'" (*Srs*-28).

[24] *Rerum novarum* begins: "That the spirit of revolutionary change, which has long been disturbing the nations of the world, should have passed beyond the

warns Catholics of the socialist solution (*Rn*-3, 4). He then begins a vigorous entreaty in favor of private ownership, which he presents as a natural right (*Rn*-6) and one that should be as universal as possible in order to prevent conflict between the classes (*Rn*-47). Leo XIII, in the same vein as Thomas Aquinas, subordinates this right and its exercise to the principle of the Universal Destination of Material Goods (*Rn*-19). The reference to Aquinas plainly distances the Church's teachings from liberal theory. Certainly Aquinas made private ownership a natural right but only a secondary natural right—i.e., one whose use is regulated by law. Private ownership is well recognized, but its use is always relative, left to the interpretation of human laws, whereas liberalism considers it an inviolable right, because it defines the modern individual.[25] With the affirmation of the dual nature of ownership, individual and social, the Church has found a stable position that enables it to target its critics and to oppose liberalism and socialism, according to circumstances (*Qa*-46).

6. The Universal Destination of Material Goods as a Limiting Principle

Vatican II and the postconciliar popes have elaborated and radicalized the theme of the Universal Destination of Material Goods. The council certainly recognized the legitimacy of private ownership (*Gs*-69, 71; *Srs*-42), but the conviction that this is subordinate to its social character led the council to authorize the seizure of material goods for redistribution in exceptional cases; it explicitly cites the case of the latifundia, whose exploitation was judged contrary to the common good because the proprietors compromised human dignity by paying paltry salaries to their workers or by demanding exorbitant rents from their tenants (*Gs*-71).

Certainly *Gaudium et spes* refers to *Quadragesimo anno* to justify state intervention (*Qa*-54). However, the preconciliar popes did not go so far. They were willing to admit "'that God has left the limits of private possessions to be fixed by the industry of men and institutions of peoples'" (*Qa*-49, quoting *Rn*-8); indeed public authority can legally—if the use of private ownership is contrary to the common good— "determine . . . what is permitted and what is not permitted to owners in the use of their property" (*Qa*-49). However, Pius XI was wary of any questioning of the right to property: "Therefore, they are in error who assert that ownership and its

sphere of politics and made its influence felt in the cognate sphere of practical economics is not surprising" (*Rn*-1).

[25] Dumont pertinently presented this opposition: in traditional societies, where the law regulates the use of private ownership, it is defined as a "social institution," whereas he considers it an "individual attribute" in modern society, a right that becomes inviolable and that the law must protect. See Louis Dumont, *Essais sur l'individualisme* (Paris: Le Seuil, 1983).

right use are limited by the same boundaries; and it is much farther still from the truth to hold that a right to property is destroyed or lost by reason of abuse or non-use" (*Qa*-47)—unless it concerns economic ownership—"for certain kinds of property, it is rightly contended, ought to be reserved to the State since they carry with them a dominating power so great that cannot without danger to the general welfare be entrusted to private individuals" (*Qa*-114). In *Populorum progressio* Paul VI[26] and later John Paul II in *Laborem exercens*[27] carried these notions further, using words that clearly distance the Church's teaching from liberalism.[28] John Paul also did not hesitate to declare himself in favor of the socialization of certain means of production (*Le*-14). *Centesimus annus did* not modify this teaching. John Paul even drew particular attention to it by devoting an entire chapter (chap. 4) to the universal destination of goods.

7. Enterprise, Profit, and the Universal Destination of Goods

The vision of work as a source of creativity, and of ownership as a fruitful institution, led the Church to defend the legitimacy of the private appropriation of the means of production and to take a benevolent view of free enterprise—on the condition that in application of the principle of the

[26] *Pp*-22 (quoting *Gs*-69) and *Pp*-23. Paul VI also justified expropriation where necessary: "If certain landed estates impede the general prosperity because they are extensive, unused or poorly used, or because they bring hardship to peoples or are detrimental to the interests of the country, the common good sometimes demands their expropriation" (*Pp*-24).

[27] "At the same time it [the Catholic principle of ownership] differs from the programme of *capitalism* practised by liberalism and by the political systems inspired by it. In the latter case, the difference consists in the way the right to ownership or property is understood. Christian tradition has never upheld this right as absolute and untouchable. On the contrary, it has always understood this right within the broader context of the right common to all to use the goods of the whole of creation: *the right to private property is subordinated to the right to common use,* to the fact that goods are meant for everyone" (*Le*-14).

[28] Almost all commentators have underlined the opposition of the social doctrine to liberal conceptions of private ownership. Thus, e.g., Hughes Puel clearly states that the conception of private ownership as defended by the Church opposed liberal theses. He emphasizes how the principle of the Universal Destination of Goods "weakens the foundations of the market economy" (*Les paradoxes de l'économie: L'Éthique au défi* [Paris: Bayard, 2001] 212).

Only thinkers close to the Acton school seek to establish a link between the Church's recognition of the right to ownership and liberal theories. For Naudet the universal destination of good is not defined as a moral principle that constrains the economic sphere, but as the result of the effective self-regulation of the competitive market. In a genuinely liberal economy, Naudet has no doubt that the majority would be provided for. If there were exceptions to this rule, then charities would ensure the universal destination of goods. See Naudet, *La liberté pour quoi faire*.

Universal Destination of Goods, this appropriation is an expression of human community, based on the principle that labor and capital should be complementary, not opposed.

From the beginning of its social teachings, the Church has regarded free enterprise positively because of the contribution it makes to prosperity in general: "Now a State chiefly prospers and thrives through moral rule, . . . respect for religion and justice, . . . the progress of the arts and of trade" (*Rn*-32). Pius XI was more explicit. He defended the positive contributions of businesses, provided that they produce useful goods for society, and he even praised the merits of lucrative activities (*Qa*-51, 136).

This benevolent attitude toward private enterprise is little known, even if it is true that the positive role of business, though recognized, is clearly subordinated to the service of justice. The successors of Leo XIII and Pius XI maintained this favorable position toward private enterprise so long as the operation was subordinate to social goals. John XXIII, who called Vatican II, summed up the common stance well in defending private appropriation of the means of production (*Mm*-19, 109), in recognizing the benefits of the right to economic initiative (*Mm*-51, 57), and finally in viewing industrial activity favorably, so long as the rights of capital respected the rights of labor and state intervention (*Mm*-58). In *Centesimus annus* John Paul II emphasized this positive attitude to business, asserting that "modern business economy has positive aspects" (*Ca*-31) and recognizing "the pertinent role of profit as an indicator of good business operation," though he underscores the point that "the goal of business is not solely to make a profit," because the "human" and "moral" factors are at least of equal importance for the long-term survival of business (*Ca*-35).

Nevertheless, John Paul did not content himself with thinking of business as merely an economic institution, taking up and developing the idea of a "society of persons" put forward by his predecessors (*Ca*-43). The economy and business are thus subject to a set of moral rules in the name of justice and to the benefit of respect for human dignity: "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" (*Ca*-35)—echoing *Sollicitudo rei socialis*, which stigmatized the exclusive desire for profit, considered by John Paul II as one of the most remarkable negative characteristics of his time (the encyclical, published in 1987, was written to commemorate the 20th year of *Populorum progressio* at the height of a period of political liberalism and of economic and financial deregulation under Reagan and Thatcher).

Deregulated capitalism refers to the primitive capitalism much stigmatized by the popes. The single-minded pursuit of profit exacerbates mercenary desires, favors the accumulation of wealth by the wealthiest, and leads to strained social relations.

Though the Church recognizes free enterprise and profit, it does so to varying degrees. The Church positions itself at a moral rather than an economic level when it speaks of the prosperity that justifies the private appropriation of means of production. In other words, property must contribute to the common good by being used in such a way that it benefits everyone:

> Ownership of the means of production, whether in industry or agriculture, is just and legitimate if it serves useful work. It becomes illegitimate, however, when it is not utilized or when it serves to impede the work of others, in an effort to gain a profit which is not the result of the overall expansion of work and the wealth of society, but rather is the result of curbing them or of illicit exploitation, speculation or the breaking of solidarity among working people. (*Ca*-43)

The importance of useful work and well-earned gains renders speculative activities, and financial capitalism in general, dubious in the eyes of the popes from Leo XIII to Benedict XVI (*Cv*-40; *Cv*-65).

The right to ownership is therefore recognized but comes attached with a certain debt to society. The enterprise must be considered a society of persons in which labor and capital play complementary, rather than antagonistic, roles.

8. The State Serving the Interest of Justice for an Integral Development of the Human Person

At the end of the 19th century, the Catholic Church pointed to the troubles engendered by the industrial revolution to challenge the rosy picture painted by liberal rhetoric and its theory of the natural harmony of interests, and advocated a subordination of economic structures to criteria of justice. Leo XIII in *Rerum novarum* (1891) expressed alarm at the injustice workers suffered (*Rn*-3, 20). Pius XI in *Quadragesimo anno* (1931) echoed Leo and adapted the Thomist concept of general justice to the crisis of the 1930s, writing of the need to promote social justice. This was a head-on collision with liberal thinking wherein the concept of social justice makes no sense, as Hayek explains, following on the ideas of Locke.[29]

[29] "For in such a system in which each is allowed to use his own knowledge for his own purposes, the concept of 'social justice' is necessarily empty and meaningless" (Friedrich Hayek, *Law, Legislation, and Liberty*, vol. 2, *The Mirage of Social Justice* (Chicago: University of Chicago, 1976) 69. "In this respect, what has been correctly said of John Locke's view on the justice of competition, namely that 'it is the way in which competition was carried on, not its results that counts' is generally true of the liberal conception of justice, and of what justice can achieve in a spontaneous order. That it is possible for one through a single just transaction to gain much and for another through an equally just transaction to lose all, in no way disproves the justice of these transactions" (ibid. 38).

Manent claimed that Hayek was being faithful to primitive liberalism.[30] With the right of ownership as the cornerstone of modern society, the political sphere finds itself assigned the role of protecting this right, without which there is no genuine freedom. For economic liberals, this is the only meaning to be found in the idea of justice. The liberal state must settle for the role of ensuring the inviolability of property, promoting maximum competition and guaranteeing the respect of contracts signed on the open market, and certainly not expect to serve a chimerical notion of social justice at the risk of leading us down the path to serfdom, as Hayek put it.[31]

The popes since Leo XIII have opposed this liberal conception of the state, which reduces its interventions to a strict minimum and relies entirely on the market to govern modern society. The Church insists on the responsibility of political authorities to ensure everyone a dignified place in society: authority "should make accessible to each what is needed to lead a truly human life: food, clothing, health, work, education and culture, suitable information, the right to establish a family, and so on."[32]

The Church never accepted the idea of allowing the world to be run by market forces. In its social doctrine, the Church has for more than a century put forward the idea of norms of justice that must ensure respect for human dignity. The economy must integrate into its workings the idea of the usefulness of political governance. A regulated economy for the good of all must serve the integral development of the human person. The Church wishes to see solidarity mechanisms at the very heart of the economy: "In this way," writes John Paul II, "what we nowadays call the principle of solidarity, the validity of which both in the internal order of each nation and in the international order I have discussed in the Encyclical *Sollicitudo rei socialis*,[33] is clearly seen to be one of the fundamental principles of the Christian view of social and political organization" (*Ca*-10).

John Paul is faithful to the teachings of the SDC, which from the beginning defended the idea of institution-organized social policies under the authority of the state;[34] however, after Vatican II, the SDC

[30] Manent, *La cité de l'homme* 99.

[31] Hayek was strongly opposed to the social policies of developed countries after World War II because they would inevitably lead to serfdom. See his *The Road to Serfdom* (Chicago: University of Chicago, 1944).

[32] *Catechism of the Catholic Church* (Washington: U.S. Catholic Conference, 1994) no. 1908.

[33] John Paul II is referring to *Srs*-38, 40.

[34] See, e.g.: Jean-Yves Calvez, "L'économie et l'État," chap. 13 of *L'économie, l'homme, la société* 243–56; Richard Camp, *The Papal Ideology of Social Reform: A Study in Historical Development, 1868–1967* (Leiden: Brill, 1969) 153–57; Schuck, *That They Be One* 149.

more explicitly[35] than ever defends a model for society that, under the auspices of the state, guarantees to all the right to health, education, employment, housing, and food. The practice of private charity cannot suffice to remedy the ills intrinsic to the system.[36] John Paul in *Centesimus annus* (no. 19) gives a good summary of the Church's position on the market's limitations, the state's role, and individual initiative when he praises the merits of policies implemented in developed countries after World War II—the same policies Hayek sees as leading to serfdom!

And yet the Church is mindful that the individual must not be crushed by the authorities. The Church regrets that modern thinking considers society either solely in terms of an omnipotent and omniscient state—as is the case in socialism—or solely in terms of the individual, who is isolated and weak—as is the case in liberalism. The Church favors the dynamics of institutions and intermediary entities, calling on the notion of subsidiarity, already present in Pius XI's *Quadragesimo anno*, to forge its vision of relations between individuals, associations, and the state.[37] Individual actions are coordinated within the communities, themselves organized in a hierarchical manner, based on their specific authority,[38] under the ultimate

[35] Amata Miller is right in saying that John XXIII is rather more interventionist than any of his predecessors; see her, "Global Economic Structures: Their Human Implications," in *Religion and Economic Justice*, ed. Michael Zweig (Philadelphia: Temple University, 1991) 163–95.

[36] "And it is for this reason that wage-earners, since they mostly belong in the mass of the needy, should be specially cared for and protected by the government" (*Rn*-37). Pius XI explicitly stigmatizes the liberal rhetoric of public noninterventionism: "And while the principles of Liberalism were tottering, which had long prevented effective action by those governing the State, the Encyclical *On the Condition of Workers* in truth impelled peoples themselves to promote a social policy on truer grounds and with greater intensity" (*Qa*-29). Forty years later, Paul VI reiterated this point: "Nor can [the Christian] adhere to the liberal ideology which believes it exalts individual freedom by drawing it from every limitation, by stimulating it through exclusive seeking of interest and power, and by considering social solidarities as more or less automatic consequences of individual initiatives, not as an aim and a major criterion of the value of the social organization" (*Oa*-26).

[37] Chantal Millon-Delsol points out that the rehabilitation of subsidiarity explicitly aims at opposing liberal and socialist conceptions of the State. See the introduction to her *L'Etat subsidiaire: Ingérence et non-ingérence de l'Etat; le principe de subsidiarité aux fondements de l'histoire européenne* (Paris: Presses Universitaires de France, 1992).

[38] John XXIII in *Pacem in terris* puts it very well: "Men, both as individuals and as intermediate groups, are required to make their own specific contributions to the general welfare. The main consequence of this is that they must harmonize their own interests with the needs of others, and offer their goods and services as their rulers shall direct—assuming, of course, that justice is maintained and the authorities are acting within the limits of their competence" (*Pt*-53).

responsibility of the political authority.[39] This teaching leads Roger Aubert to note that subsidiarity is "a median path between absorption of the economy by the state and that of the state by the economy."[40] Pius XI's successors reconsidered subsidiarity in the context of their times. The need for justice in the relations between actors was expanded to encompass the international dimension. In the encyclicals on the subject of development (*Pp* and *Srs*), the popes advocated the establishment of international rules in order to promote fairness on global markets and stronger international institutions in charge of enforcing these rules.

PART II: *CARITAS IN VERITATE*

1. Emancipation of the Economy

In perfect keeping with his predecessors, Benedict XVI, in *Caritas in veritate*, insists on the need to subordinate the economy to morality and to move away from a system that values only material wealth and personal interest to the detriment of justice (*Cv*-34). He has no more faith than did his predecessors in the self-regulating capabilities of the free market. Though he does acknowledge the benefits, he considers them to be limited to the economic sphere alone and therefore of lesser import than mutual trust among the parties involved, which can exist only if they have equal standing in the transaction (*Cv*-35). He adds that it is precisely this trust which is lacking today (*Cv*-35). He further upholds the traditional teachings of the SDC by stigmatizing the emancipation of the economy from political oversight. Modern society must not depend solely on the economic sphere to resolve social problems (*Cv*-36 and *Cv*-37).

His position is not, however, explained by a political vision of the market, as was the case with his predecessors who saw the free market as an integral feature of liberal ideology, which they condemned for its individualism, materialism, and egoism and the attendant rhetoric of a natural harmony of interests. While Benedict recognizes that the market is a social construction, he, unlike his predecessors, makes no reference to the history of liberalism nor to any critical reading of its anthropological tenets.

[39] "Organized programs are necessary for 'directing, stimulating, coordinating, supplying and integrating' the work of individuals and intermediary organizations. It is for the public authorities to establish and lay down the desired goals, the plans to be followed, and the methods to be used in fulfilling them; and it is also their task to stimulate the efforts of those involved in this common activity. But they must also see to it that private initiative and intermediary organizations are involved in this work" (*Pp*-33, quoting *Mm*-53).

[40] Roger Aubert, "Développement de l'enseignement social de l'Église en Europe de Léon XIII à Pie XI," in *L'Église et la question sociale aujourd'hui*, ed. Otfried Höffe (Fribourg: Universitaires de Fribourg, 1984) 23–37, at 34.

He simply concludes that the negative consequences of the market are attributable to individual responsibility:

> Economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends. 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*. Therefore it is not the instrument that must be called to account, but individuals, their moral conscience and their personal and social responsibility. (*Cv*-36)

2. Globalization and Development

The absence in *Caritas in veritate* of any explicit criticism of economic liberalism can also be noted in Benedict XVI's discussion of issues more specifically related to globalization and development. Paul VI in *Populorum progressio* and John Paul II in *Sollicitudo rei socialis*, when describing globalization, evoke the politico-economic system and its related institutions (the free market, capitalism, the role of multinational corporations) and explicitly condemn competitive market forces that multinational firms use to their advantage to dominate people in underdeveloped countries. Benedict, however, does no more than describe and deplore the effects of globalization[41] without incriminating or denouncing the underlying intellectual idea—liberalism—or judging the institutions and policies that accompany this process.

He nonetheless denounces the fatalism of some with regard to globalization, reminding us that, while it is certainly a "socio-economic process" (which he does not explain further) (*Cv*-42), any "malfunctions" of the process must be attributed to individual responsibility: "Globalization, a priori, is neither good nor bad. It will be what people make of it" (*Cv*-42). The solution to problems will not come solely from institutions, which are not "sufficient to guarantee the fulfillment of humanity's right to development" (*Cv*-11), but rather from individuals: "In reality, institutions by themselves are not enough, because integral human development is primarily a vocation, and therefore it involves a free assumption of responsibility in solidarity on the part of everyone" (*Cv*-11); and: "*Integral human development presupposes the responsible freedom* of the individual and of peoples: no structure can guarantee this development over and above human responsibility" (*Cv*-17).

[41] Effects such as the decline in state action (*Cv*-24, 27) in a context of "worldwide interdependence" (*Cv*-33)and in particular the decline of redistributive policies, trade unions, and worker protection (*Cv*-25); the decline of family-run businesses and the rise of global enterprises (*Cv*-40); growing inequality within developed countries (*Cv*-22) and its negative impact on social cohesion and democracy (*Cv*-32).

Never before had a pope, on matters of the SDC, sidelined institutions to this extent, emphasizing instead their moral reform as the solution to problems. This is a clear break from, for example, John Paul II's impugning the structures of the self-regulated free market as an essential cause of problems: "Moreover, one must denounce the existence of economic, financial and social mechanisms which, although they are manipulated by people, often function almost automatically,[42] thus accentuating the situation of wealth for some and poverty for the rest" (*Srs*-16).

In his observations on the negative effects of globalization, for example at the social level, Benedict XVI largely follows the path of his predecessors, but he presents his views in a peculiar manner. He suggests that the new economic context poses a threat to policies for "protection and welfare" already present in many countries because the now-globalized market enables rich countries to outsource production to low-cost countries with a view to "reducing the prices of many goods, increasing purchasing power and thus accelerating the rate of development in terms of greater availability of consumer goods for the domestic market" (*Cv*-25). The political role of the state in developed nations has given way to multinational corporations that define and organize this outsourcing.

Of course corporations are trying to stay competitive, but above all they are seeking to increase their profits. The pope thinks that this process has led to a "downsizing of social security systems . . . with consequent grave danger for the rights of workers, for fundamental human rights and for the solidarity associated with the traditional forms of the social State" and has hindered the role of trade union organizations, a role that Benedict claims must more than ever be protected (*Cv*-25). He notes further that international financial institutions have recommended cuts in social spending in developing countries (*Cv*-25). But he makes no mention of the ideology that drives this process, which was largely inspired by the neoliberal revolution starting in the 1970s and spearheaded by Reagan and Thatcher.

All over the world, the same policies have been implemented, assigning an increasingly important role to the free market in regulating economic activity and, more broadly, the workings of society. The changes include deregulated domestic markets, tax advantages for high earners and dramatically reduced taxation of capital gains, resulting in insufficient financing for social protection measures, customs barriers lowered to encourage the free circulation of capital and goods, thereby boosting international trade, deregulated financial markets to promote financing of the economy via stock markets, and weakened oversight institutions at the risk of

[42] The reference to the liberal rhetoric of self-regulation of society through the automatic workings of the free and de-regulated market is nearly explicit.

encouraging speculative behavior. Whereas John Paul II referred explicitly to this ideological context in each of his social encyclicals, his successor does not say a word. Such a lack of analysis of the underlying ideas and economic structures is without precedent in the SDC.

On the question of development, the encyclical demonstrates the Church's great solicitude toward the poverty of masses of people. But Benedict says little about the causes of underdevelopment. Where Paul VI and John Paul II were critical of production systems, the organization of trade, and the social systems facilitating globalization, Benedict XVI goes no further than to note their existence. When he does venture into the field of potential causes, his explanation differs radically from the traditional teachings of the SDC, though it can scarcely be justified by today's context. And while his criticism of the intellectual protectionism practiced in developed countries is fairly standard, he raises a surprising challenge to the cultural models of some poor countries, making extraordinary concessions to liberal rhetoric: "On the part of rich countries there is excessive zeal for protecting knowledge through an unduly rigid assertion of the right to intellectual property, especially in the field of health care. At the same time, in some poor countries, cultural models and social norms of behavior persist which hinder the process of development" (*Cv*-22). This change in the magisterium could hardly be more radical. Commenting on the standardization of cultures engendered by liberal and Western globalization, Paul VI and John Paul II alike consistently defended the uniqueness of the cultures in poor countries they saw as a bulwark against modern materialism.[43]

At a more practical level, in the recommendations addressed to political and business leaders (I presume, given that they are not directly mentioned), Benedict states that the demands of justice require that "economic choices do not cause disparities in wealth to increase in an excessive and morally unacceptable manner," and that "we" should promote access to steady employment (*Cv*-32). On the matter of development, he adds that

[43] For example, the *Compendium* recalls the teachings of the SDC, which demands that we "respect the integrity and the cycles of nature" (*Compendium*-470, quoting *Srs*-26), and praises indigenous peoples for living in harmony with their environment: "The relationship of indigenous peoples to their lands and resources deserves particular attention, since it is a fundamental expression of their identity. Due to powerful agro-industrial interests or the powerful processes of assimilation and urbanization, many of these peoples have already lost or risk losing the lands on which they live, lands tied to the very meaning of their existence. The rights of indigenous peoples must be appropriately protected. These peoples offer an example of a life lived in harmony with the environment that they have come to know well and to preserve. Their extraordinary experience, which is an irreplaceable resource for all humanity, runs the risk of being lost together with the environment from which they originate" (*Compendium*-471).

"new solutions" (*Cv*-32) are needed, but he offers no proposals; whereas his predecessors, though mindful of individual initiatives and the right to property, demanded that states intervene to correct blatant inequities. Benedict merely notes that the rise in inequality and insecurity linked to "automatic mechanisms"—are we to understand here self-regulating markets?—poses a threat to democracy (*Cv*-32).

While it is true that Benedict seeks to distance the SDC from any ideological approach, he says nothing of the ideologies of his time, other than to warn people against the "technocratic ideology," citing the words of Paul VI (*Cv*-14), but who offered a more far-reaching commentary on socialist and liberal ideologies, to which Benedict makes no reference other than mentioning that the situation in 2009 is quite different. John Paul II, who shared the same concern (*Ca*-41), did not hesitate to situate the debate at an anthropological level and to take a strong stance against liberalism, which he viewed as a prime explanation for the problematic context confronting many people.[44]

With the decline of Communism and the fall of the Berlin wall in 1989, on which he commented at length in *Centesimus annus*, John Paul II noted the grave error it would be to overly embrace liberal values and their byproducts of economic liberalism and capitalist production modes that cannot be trusted: "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" (*Ca*-33).[45]

There is more of a consensus between Benedict XVI and the previous encyclicals concerning the important role that international institutions must play, though they need reforming to reduce bureaucracy and to ensure that aid is not wasted. He calls for a reform of the United Nations and of economic and international financial institutions (*Cv*-67), while exhorting developed nations to allocate more funds to development (*Cv*-60). But here again, he does not explicitly recommend enhancing the role of political institutions, though neither the free market nor collectivization, with their ideological underpinnings, can alone solve the problem.[46]

[44] He was no less hostile to socialism. But in *Centesimus annus*, with Communism largely defeated, he focused his attention on the dominant ideology.

[45] This in no way means that John Paul II was hostile to business. In *Ca*-42, he defends business but challenges capitalism, if defined as "a system in which freedom in the economic sector is not circumscribed within a strong juridical framework," a context that he does not limit to the liberal vision of the inviolable right to property and the respect of contracts. See Laurent, *L'Enseignement social de l'Église* 267–334.

[46] John Paul II in *Srs*-21 clearly states that the SDC "adopts a critical attitude towards both liberal capitalism and Marxist collectivism."

The liberal movement delights in this de-ideologized approach taken by Benedict XVI, who sees no relation between ideas and facts, who is disinterested in institutions and structures and focuses solely on individual responsibility. Which is why Rocco Buttiglione defends the idea that the encyclical sings the market's praises.[47] Robert Sirocco settles for an encyclical that is "open to" the market economy: "Anyone seeking a repudiation of the market economy will be disappointed."[48] He is right to underline that the encyclical is not particularly focused on any specific economic system, but more on moral questions. He is also right to present the encyclical as a program of moral reconstruction with no mention of the consubstantial vices of liberalism.

I believe *Caritas in veritate* represents a clear break from the traditional teachings that, until now, closely associated the market economy with ideological liberalism. George Weigel is loyal to the Acton Institute's position, suggesting that the pope is favorable to the market economy on the condition that people be guided by a solid sense of morality.[49] Samuel Gregg defends the idea that the relationship between market and values is the most important truth of the new encyclical, so much so, he adds, that it would be an error to consider the encyclical as leftwing because the market is not itself at fault; only individual responsibility is incriminated.[50] But where Paul VI or John Paul II negatively assessed capitalism, these commentators view the debate from a moral standpoint. This excludes any judgment of the system itself—which is quite a novelty for social encyclicals.

I have shown that Benedict XVI stands by the traditional reticence of the SDC concerning the notion of a human society regulated by the competitive market; hence he called for the strict subordination of the economic sphere to moral ethics on the one hand, and to the political sphere on the other. He, like his predecessors, worries about materialism

[47] "L'encyclique n'est pas contre le marché. Elle en fait l'éloge, en revanche, comme une forme précieuse de la liberté humaine. Au centre de l'économie de marché, en effet, il y a la rencontre de deux volontés libres qui disposent d'un bien et de leurs rapports" (Rocco Buttiglione, Conférence sur "*La pensée sociale de Benoît XVI dans l'encyclique* Caritas in veritate," Liège, October 19, 2009, http://www.ethiquesociale.org (click "programmes/Discours de Rocco Buttiglione").

[48] "Anyone seeking a repudiation of the market economy will be disappointed" (Robert A. Sirico, "The Pope on 'Love in Truth,'" July 13, 2009, http://online.wsj.com/article/SB124718187188120189.html).

[49] George Weigel, "'Charity in Truth': The Vatican, The United Sates, and the Issues, after the Week That Was," July 13, 2009, http://article.nationalreview.com/399824/charity-in-truth/george-weigel.

[50] Samuel Gregg, "*Caritas in veritate*: Not the Left's Encyclical," July 8, 2009, http://blog.acton.org/archives/11078-caritas-in-veritate-not-the-left%E2%80%99s-encyclical.html/.

dominating modern society. However, his refusal to deliver any form of analysis of the structures, accusing individual responsibility alone, along with his refusal to relate ideas to facts, leads both Leonardo Boff and myself to note that no mention is made of the idea of social sin—which cannot be reduced to individual sin—leading us to believe that Benedict XVI calls more for the conversion of hearts than for action against structures.[51]

3. The Danger of Consumerism

On the vast topic of post-Vatican II encyclicals, Benedict XVI is loyal to his predecessors. He takes up the distinction between "being" and "having" to emphasize that development cannot be confined to material aspects alone: "The second truth[52] is that authentic human development concerns the whole of the person in every single dimension. Without the perspective of eternal life, human progress in this world is denied breathing-space. Enclosed within history, it runs the risk of being reduced to the mere accumulation of wealth" (*Cv*-11).

However, he does not develop this point to the extent that Paul VI and John Paul II did;[53] he does not denounce the alienation and slavery that threatens the people of modern developed societies, prisoners of their abusive consumption of material goods. On the other hand, he has made clear the codependent relationship between this slide toward materialism and the structure of a modern society dominated by the economic sphere.[54] Benedict only moderately censures a "superdevelopment of a wasteful and consumerist kind" and barely touches on the dangers for democracy due to the "systemic increase of social inequality" (*Cv*-32), while failing to suggest the mechanisms that might ensure that "economic choices do not cause disparities in wealth to increase in an excessive and morally unacceptable manner" (Cv-32).

Indeed, for him excessive consumerism is a product of the modern world; it is an exaltation of unbridled individual rights brought on by the rejection of every normative framework of a moral order that, to the Church, signifies the end of human solidarity: "A link has often been noted between claims to a 'right to excess,' and even to transgression and vice, within

[51] "The Pope Needs a Dose of Marxism," Leonardo Boff, July 15, 2009, http://www.tlaxcala.es/pp.asp?lg=en&reference=8216.

[52] 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" (*Cv*-11).

[53] See, e.g., *Pp*-19, *Srs*-28, *Ca*-19, 36, 41.

[54] The "consumer society," that of the "free market,"—i.e., a market with no constraints—defeats Marxism on the level of pure materialism (*Ca*-19).

affluent societies, and the lack of food, potable water, basic instruction, and elementary health care in areas of the underdeveloped world and in the slums of large metropolitan centers. The link consists in this: individual rights, when detached from a framework of duties that grants them their full meaning, can run wild, leading to an escalation of demands which is effectively unlimited and indiscriminate" (*Cv*-43). However, Benedict does not draw any parallels between consumer society, the economy's domination of society, and the political role of the market as a regulatory mechanism for a modern society of freedoms.

He nonetheless develops a new theme that opens interesting future perspectives for the SDC with the economy of charity and gratuitousness (Cv-34). This leads him to call for a new lifestyle "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" (Cv-51, quoting *Ca*-36), to encourage the initiatives of market actors who are not solely concerned with profit (*Cv*-37, -38) and to defend social entrepreneurship (*Cv*-41) in order to "steer the globalization of humanity in relational terms, in terms of communion and the sharing of goods" (*Cv*-42).

Here, Benedict gives new momentum to the idea of a social economy (the pre-Vatican II encyclicals) and a humane economy (post-Vatican II encyclicals) with the notion that solidarity, gratuitousness, and charity should be imprinted on the heart of the economy (*Cv*-36), with the conviction that the workings of the economy must center around justice; "the canons of justice must be respected from the outset, as the economic process unfolds, and not just afterwards or incidentally (*Cv*-37). These positions are in striking opposition to liberal ideals, though Benedict does not explicitly acknowledge it.

4. Business and Profit

On the subject of profit, Benedict XVI is loyal to his predecessors. He stresses one of their little-noticed teachings: the moral judgment made on profit should concern not only its use but also the conditions of its acquisition (*Cv*-21).

Benedict pertinently depicts the evolution of modern capitalism, but in doing so he avoids ever mentioning the word itself. Owing to their growth in scale and the need for more capital, it is becoming increasingly rare for business enterprises to be in the hands of a stable director who feels responsible in the long term, not just the short term, for the life and the results of his company, and it is becoming increasingly rare for businesses to depend on a single territory. Moreover, the so-called outsourcing of production can weaken the company's sense of responsibility towards the

stakeholders (namely the workers, the suppliers, the consumers, the natural environment and broader society) in favor of the shareholders" (*Cv*-40) in return for a significant financial compensation. This drives Benedict XVI to inveigh against "a new cosmopolitan class of managers, who are often answerable only to the shareholders" (*Cv*-40).

In this context, Benedict is nevertheless pleased to see increasing awareness of the need for greater corporate social responsibility to encompass all of a company's stakeholders, though he notes (without expressing his personal viewpoint) that "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" (*Cv*-40). He expresses his satisfaction with the development of ethical financing and ethics training, while noting a certain abuse of the phenomenon that, under the guise of ethics, may in certain cases gloss over "decisions and choices contrary to justice and authentic human welfare" (*Cv*-45). Finally, in terms of how to approach the question of work in this context of globalization, he underlines the primacy of persons (but never mentions the primacy of labor over income): "I would like to remind everyone, especially governments engaged in boosting the world's economic and social assets, that the primary capital to be safeguarded and valued is man, the human person in his or her integrity: 'Man is the source, the focus and the aim of all economic and social life'" (*Cv*-25, quoting *Gs*-63). Thus, while Benedict may underscore the SDC's traditional position in favor of a just wage and the right of every individual to "'decent work'" (*Cv*-63), he is far from the detailed exploration each of his predecessors gave to the relationship between capital and labor.

On the question of business, while the pope critically views current business practices and in particular the power of shareholders, he never addresses the world of ideas, even though the managerial promotion of shareholder value is integral to liberal ideology and seeks to restore individual freedom in the face of the spoliations imposed by social justice policies. According to Milton Friedman:

> Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible. This is a fundamentally subversive doctrine. If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is? Can self-selected private individuals decide what the social interest is?[55]

Beyond these provocative words, Friedman stresses the necessity to let the market regulate society, which is the best way to defend the freedom of its

[55] Milton Friedman, with Rode D. Friedman, *Capitalism and Freedom* (Chicago: University of Chicago, 1962) 133.

actors. Pope Benedict is strangely silent on the intellectual context that promoted the free market ideals that have shaped modern structures and currently dictate the policies of contemporary institutions in a way that favors liberalism in the extreme.

In his scant treatment of the subject of finance, though Benedict does censure certain failings, he again chooses to stick to a mere description—occasionally sugar-coated—of the facts, without ever addressing ideology. He regrets the "misuse" that has occurred, namely, the "scandalous speculation" (*Cv*-65), because this has "wreaked havoc" on the real economy (*Cv*-65). He encourages financiers "not to abuse the sophisticated instruments which can serve to betray the interests of savers" (*Cv*-65). Hence he calls for the economy and finance to be used ethically (*Cv*-65) and makes a case for the development of microcredit (*Cv*-65). The encyclical was published eight months after the fall of the merchant bank Lehman Brothers, triggering a global economic recession the likes of which had not been seen since the 1930s, and leading to unprecedented government bail-outs to save the banking and financial systems and to limit the recession. However, nothing in the encyclical reflects this crisis, whereas previous encyclicals have been notably anchored in their contexts.

Benedict says nothing about the intellectual context, namely, the ultraliberal school of thought that devised and promoted this financialization of the planet, and that vehemently defended the regulatory virtues of speculative finance and the grotesque salaries and bonuses considered a reward for talent—without thought for the public cost of saving the financial establishments made insolvent by the speculative errors of these very talented financiers. Meanwhile, the ultraliberal school justified in the name of market efficiency the most sophisticated financial instruments based on huge debts to finance the merger, acquisition, and buy-out operations and to sanction insufficiently profitable (and therefore badly-managed) companies—without thought for the employees who suffered wage cuts to allow the companies to pay the debts they accumulated in financing these operations. The *Compendium* is more explicit and reproves a finance "that has only itself as a point of reference" (*Compendium*-368), "a financial economy that is an end unto itself" (*Compendium*-369).

5. The Role of the State

Benedict XVI thinks that the current state of globalization, which is far more integrated than in the times of Paul VI, now poses a serious challenge to the role of the nation-state (*Cv*-24). The mostly domestic-based economies of former times facilitated political regulation (*Cv*-25), which, according to Benedict, explains the central role *Populorum progressio* assigns to "public authorities" (*Pp*-23, 33, 35, 37, 47).

It is surprising to observe how resigned Benedict is to the supposed impotency of states, without any mention that this vast movement toward liberalization and the deregulation of economies was developed through the ascendancy of liberal thought. The pope provides little critical insight in his description of what he sees as a natural phenomenon that imposes itself upon society. He overlooks the amazing case of China where the state is a vital partner in the development of capitalism.

Yet he defends the virtues of public intervention, made all the more acceptable in the wake of the current crisis,[56] as well as redistribution policies,[57]a traditional reference of the SDC because the market alone cannot serve social justice (Cv-37). However, at no point does he mention that this position clearly runs counter to liberalism, whereas his predecessors took care to express their vision of the role of the state as being far removed from both liberalism and socialism.[58]

Benedict's reticence about the liberal theories on the role of the state, which until now the SDC had opposed, masks a certain ambiguity in his thought. He indeed calls for legitimate intervention by the state[59] in the context of redistribution policies, but his position on how to reform the ways public authorities intervene—which he finds ineffective due to excessive bureaucracy (*Cv*-60)—leans toward the liberal rhetoric of individual responsibility, and this to an extent far greater than that of any of his predecessors (Cv-24); Benedict's position is clearly evident in his recommendations concerning the aid that developed countries might provide by favoring more individual initiatives in the context of a necessary reform of their social assistance policies (*Cv*-60). Indeed, all the modern popes who have written social encyclicals have impugned the logic of assistance,[60] but they have also clearly expressed themselves on the inability of private initiatives to resolve social questions; and this has led them to defend an institutional organization of social policies ultimately controlled by the state. At a time when unemployment, caused by the severe 2009 recession, has reached worse levels in developed, compared to underdeveloped, countries, and when, under the influence of liberal ideals, we see the slow but

[56] "Both wisdom and prudence suggest not being too precipitous in declaring the demise of the State. In terms of the resolution of the current crisis, the State's role seems destined to grow, as it regains many of its competences" (*Cv*-41).

[57] "Lowering the level of protection accorded to the rights of workers, or abandoning mechanisms of wealth redistribution in order to increase the country's international competitiveness, hinder the achievement of lasting development" (*Cv*-32).

[58] See paragraph I-8 above.

[59] Which disturbs Sirico ("The Pope on 'Love in Truth,'") who deems these calls for redistribution to be too frequent.

[60] For example, John Paul II; see *Ca*-48.

steady dismantling of social policies that have been in place since the 1980s, and, with this, the emergence in these same countries of a sizeable class of working poor, what Benedict proposes seems to go against the grain, if not reflect a surprising concession of the SDC to the liberal current. George Weigel can therefore rightly say that the encyclical is reserved in its views on public policies.[61]

CONCLUSION

Many elements of *Caritas in veritate* subscribe to the logic of the previous social encyclicals: the necessary subordination of the economy, the condemnation of materialism in modern society, the primacy of labor, the recognition of moderate profit, the legitimacy of certain public interventions, the call for integral human development. What sets this encyclical apart is the absence of a connection drawn between ideology and social, economic, and political structures.

However, in keeping with its predecessors, *Caritas in veritate* is marked with the seal of intransigence. In my view, Benedict XVI quite intentionally emphasizes the perfect continuity of the post-Vatican II encyclicals with the preconciliar encyclicals. As Émile Poulat remarks, the forms of intransigence discourse vary "according to the circumstances of time and culture."[62]

Benedict does not criticize liberal thought, certainly not explicitly, but he is suspicious of modern culture as relativist (*Cv*-4), holding it responsible for the social troubles that inevitably plague a society that turns away from the truth, that is to say, the Christian truth (*Cv*-5). He puts exceptional emphasis on the idea defended by his recent predecessors, who hold that political life should be structured around the spiritual life (*Cv*-4); and this leads him to advocate a globalization structured around Christian transcendence (*Cv*-42), at the risk of being criticized for asserting the ambition of "clerical hegemony."[63]

Until now, the SDC considered the free market, the principle of competition, and the nonintervention of states as the institutions for managing the modern liberal society born of the Enlightenment. The Catholic Church opposed the liberal rhetoric of a natural harmony of interests and questioned these institutions, calling for a subordination of the economy to the moral and political spheres.

Today, Benedict is even more concerned about the state as a flagship institution for the promotion of modern ideas. He warns his contemporaries against the attempts of modern states to promote an atheism that could be

[61] Weigel, "'Charity in Truth.'"
[62] Émile Poulat, *L'Église, c'est un monde: L'Ecclésiosphère* (Paris: Cerf, 1986) 14.
[63] As Gauchet suggests (*Un monde désenchanté*? 157).

dangerous: "When the State promotes, teaches, or actually imposes forms of practical atheism, it deprives its citizens of the moral and spiritual strength that is indispensable for attaining integral human development, and it impedes them from moving forward with renewed dynamism as they strive to offer a more generous human response to divine love" (*Cv*-29).[64]

For Benedict XVI, the challenge is to restore Christian values in people's consciences. By framing the problem in this manner, he turns the Church's focus away from the interplay of structural forces and gives primacy, as never before, to individual responsibility.

[64] Benedict is concerned about this trend in developing countries under the influence of the developed world: "It also sometimes happens that economically developed or emerging countries export this reductive vision of the person and his destiny to poor countries. This is the damage that 'superdevelopment' causes to authentic development when it is accompanied by 'moral underdevelopment'" (*Cv*-29).