

for divine grace.<sup>55</sup> They could appreciate the moral role of friendship because they held that we can grasp the worth of particular realities and our emotions can align intelligence with them.

Rose Mary Volbrecht stresses that our friendships are not only with unique individuals, but depend upon particular contexts, namely, "the opportunities for companionship, the shared interests, values, and tastes, the mutual affection . . . which sustain the characteristic intention of goodwill in friendship."<sup>56</sup> The greatest threat to friendship comes from a change of circumstances which makes it impossible to continue the practice of conversation that sustains the union. Because our friends love us in our particularity, we are able to develop a sense of selfhood. In addition, friendship is "the primary adult context for the development of moral judgment and character."<sup>57</sup> The mutual apprenticeship of friends educates our moral capacities by exposing our values, judgments, and intentions to the evaluation of others, opens us to their perspectives, and "fosters vicarious participation in moral alternatives" as our friends give "reliable moral witness to their own experiences."<sup>58</sup> The inability of many ethicists to address the central moral practice of friendship supports the claim that ethics which ignores virtue and human flourishing is indeed a thin diet.

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#### CHRISTIAN SOCIAL ETHICS AFTER THE COLD WAR

The dramatic revolutions in Central Europe in 1989 and the continuing disintegration of the Soviet Union since the failed putsch of August 1991 are having profound effects on Christian social-ethical reflection. This section of these "Notes on Moral Theology: 1991" will review a representative sample of the literature that has begun clarifying the impact of these revolutionary events on the ethical agenda. The end of the repressive totalitarianism in these regimes is certainly cause for rejoicing. It raises the issue of what *kind* of non-Communist vision of economic life should be pursued in the future. This question is important not only in the Eastern European context, but in the North Atlantic region and the Southern Hemisphere as well.

<sup>55</sup> See Porter, *Recovery of Virtue* 168–71.

<sup>56</sup> Rose Mary Volbrecht, "Friendship: Mutual Apprenticeship in Moral Development," *Journal of Value Inquiry* 24 (1990) 307.

<sup>57</sup> *Ibid.* 308.

<sup>58</sup> Marilyn Friedman, "Friendship and Moral Growth," *Journal of Value Inquiry* 23 (1989) 3–13, at 8; see her note 1 for a selection of feminist scholars who are in the forefront on this topic. See also Michael Stocker, "Friendship and Duty: Some Difficult Relations," in *Identity, Character, and Morality* 217–33.

It has been addressed at considerable length in Pope John Paul II's encyclical *Centesimus annus*, issued on May 1, 1991 to commemorate the one-hundredth anniversary of Leo XIII's *Rerum novarum*. This is a lengthy and complex document. Though it is impossible here to discuss all of the topics treated in the encyclical, it will be useful to highlight some of its main points and selected responses to them.

### *The Collapse of Communism*

A central theme of the document is the failure of "real socialism," a term the pope uses to describe the social systems of Eastern Europe and the U.S.S.R. He presents two sorts of analysis of the reasons for this failure, one more theoretical and the other more practical and historical. On the theoretical level, "the fundamental error of socialism is anthropological in nature." It subordinates the good of the individual person to the functioning of the socio-economic mechanism. "The concept of the person as the autonomous subject of moral decision disappears." This leads to the destruction of the "subjectivity" of society, by which the pope means a civil society that respects the freedom, initiative, and legitimate autonomy of many diverse communities such as families and the other intermediate groups classically referred to in Catholic social thought under the heading of the principle of subsidiarity. Most fundamentally, "real socialism" has failed because it was atheistic. In denying God, it denied the transcendent dignity of the person. "It is by responding to the call of God contained in the being of things that man becomes aware of his transcendent dignity. Every individual must give this response, which constitutes the apex of his humanity, and no social mechanism or collective subject can substitute for it."<sup>1</sup> State absolutism, in other words, is really a form of idolatry that sacralizes the political sphere and attacks the transcendent freedom and dignity of persons in the process. From there it is but a short step, the pope argues, to a view of class conflict that is "not restrained by ethical and juridical considerations, or by respect for the dignity of

<sup>1</sup> Pope John Paul II, *Centesimus annus*, English translation (Vatican City: Libreria Editrice Vaticana, 1991) no. 13; the English text is available in *Origins* 21 (1991) 1-24. Throughout the English translation of the encyclical, the male gender is used to refer to all human beings. It would be possible to retranslate the Latin into English in a way that uses sexually inclusive language. I have refrained from doing so because the encyclical as a whole reveals an astonishing lack of concern for the economic and social problems faced by women in both advanced and developing countries. After describing the serious economic problems in both kinds of society, the document makes its sole reference to the problems faced by women in a single sentence: "The situation of women is far from easy in these conditions" (no. 33). In my judgment, this is worse than inadequate.

others (and consequently of oneself)."<sup>2</sup> The nub of the theoretical critique of "real socialism," therefore, is that its denial of transcendence leads to a denial of authentic humanity.

From a more practical point of view, the encyclical enumerates three factors that especially contributed to the collapse of Communist regimes. The first was the violation of the rights of workers. First in Poland and then elsewhere working people stood up nonviolently against regimes and ideologies that presumed to speak in their name.<sup>3</sup> Second, the inefficiency of the Communist economic systems became evident. This inefficiency was not simply a technical problem, but "rather a consequence of the violation of human rights to private initiative, to ownership of property, and to freedom in the economic sector."<sup>4</sup> Third, the official atheism of these regimes created a "spiritual void" that deprived youth of a sense of human purpose. This ultimately led many of them, "in the irrepressible search for personal identity and for the meaning of life, to rediscover the religious roots of their national cultures, and to rediscover the person of Christ as the existentially adequate response to the desire in every human heart for goodness, truth, and life."<sup>5</sup> Not only as a theoretical matter, therefore, but very practically as well, the reaffirmation of the transcendent showed the inadequacy of "real socialism."

Before turning to a discussion of the encyclical's vision of the alternative, it will be useful to note some other analyses of the failure of the Communist system in the recent ethical literature. In February 1990 (thus more than a year before *Centesimus annus* was issued), Brazilian theologian Leonardo Boff attended a series of meetings in what was then East Germany to discuss the significance of the events of 1989 for the future of liberation theology. In his reflections on these discussions, he maintains that what failed in Eastern Europe was "command socialism," "patriarchal socialism," or "authoritarian socialism." Following the dictatorial model developed by Lenin, after the Second World War so-called scientific socialism was imposed on Eastern Europe from "outside" and "above" by Soviet troops.<sup>6</sup> The breakdown of this kind of socialism is beneficial for everyone. But this does not mean the end of all socialist models. For Boff, "it is evident that socialism will have a future if it has the capacity to enter into the path of a democracy that is worthy of the name: a popular democracy, structured from below, with the greatest possible participation, and open to the

<sup>2</sup> Ibid. no. 14.

<sup>3</sup> Ibid. no. 23.

<sup>4</sup> Ibid. no. 24.

<sup>5</sup> Ibid.

<sup>6</sup> Leonardo Boff, "La 'implosión' del socialismo autoritario y la teología de la liberación," *Sal Terrae* 79 (1991) 321-41, at 322.

inevitable differences among people." This commitment to popular participation is more basic than efforts to create a society in which all are equal. It must however, be accompanied by solidarity, i.e. "collaboration with others and the joint construction of history." Such participation and solidarity will, in turn, lead to social equality, to respect for differences among people, and finally to "communion" among persons.<sup>7</sup> These commitments represent "the true nucleus of utopian socialism."<sup>8</sup> Boff does not present a detailed description of capitalism, though he presupposes that an economic system based on private property and the market is inherently exploitative and "creates so many victims on a world-wide scale."<sup>9</sup> Because of this presupposition, he views capitalism as itself an obstacle to popular democracy. Its "internal logic" leads to inequalities, to an asymmetrical relationship between capital and labor, and to the formation of monopolies and oligopolies. So even though the collapse of "really existing socialism" in Eastern Europe means that the socialist vision is "sadly and in purification passing through its 'Good Friday,'" it will yet know its "Easter Sunday."<sup>10</sup>

Max Stackhouse and Dennis McCann proclaim a very different conclusion in the "Postcommunist Manifesto" they jointly issued in January 1991. Marx and Engels' Manifesto began with the words "A specter is haunting Europe—the specter of communism."<sup>11</sup> Stackhouse and McCann turn this sentence upside down: "The specter that haunted the modern world has vanished. That specter is Communism."<sup>12</sup> This fact has important implications for Christian social ethics. For, in their view, much of the modern Christian tradition had identified itself with the failed socialist project:

The Protestant Social Gospel, early Christian realism, much neo-orthodoxy, many forms of Catholic modernism, the modern ecumenical drive for racial and social inclusiveness, and contemporary liberation theories all held that democracy, human rights, and socialism were the marks of the coming kingdom. For all their prophetic witness in many areas, they were wrong about socialism.<sup>13</sup>

They were wrong in believing that capitalism is "greedy, individual-

<sup>7</sup> Ibid. 331–32.

<sup>8</sup> Ibid. 327.

<sup>9</sup> Ibid. 339.

<sup>10</sup> Ibid. 334.

<sup>11</sup> Karl Marx and Friedrich Engels, "Manifesto of the Communist Party," in Louis S. Feuer, ed., *Basic Writings on Politics and Philosophy: Karl Marx and Friedrich Engels* (Garden City, N.Y.: Doubleday, 1959) 6.

<sup>12</sup> Max L. Stackhouse and Dennis P. McCann, "A Postcommunist Manifesto: Public Theology after the Collapse of Socialism," *Christian Century* 108 (Jan. 16, 1991) cover and 44–47. This citation is from the cover.

<sup>13</sup> Ibid. cover and 44.

istic, exploitative and failing" while socialism is "generous, community-affirming and coming." In fact the truth is quite the opposite: capitalism is the more cooperative system and socialism the more exploitative. And "no one who has experienced 'really existing socialism' now believes that it was God's design. What we now face is more than a delay in the socialist *parousia*. It is the recognition that this presumptive dogma is wrong." The collapse of Communism calls for more than a readjustment in ecumenical social thought. It "demands repentance." This does not mean, however, that Stackhouse and McCann think the churches should embrace the status quo in capitalist societies. Rather they advocate "a reformed capitalism—one that uses law, politics, education, and especially theology and ethics to constrain the temptations to exploitation and greed everywhere."<sup>14</sup>

A recent issue of the World Council of Church's *Ecumenical Review* is devoted to the theme of "Ecumenical Social Thought in the Post-Cold-War Period." Several of the articles move in the same direction as do Stackhouse and McCann. Paul Abrecht, who was director of the Church and Society Sub-unit of the WCC from 1948 to 1983, argues that for the past twenty years that body has emphasized the importance of the creation of a "new world economic order." The model of that order was taken to be some form of socialism. Consequently, "the collapse of socialism in Central and Eastern Europe and its disarray throughout the world has shocked those who pinned their hopes on the socialist model."<sup>15</sup> The fact that the WCC was not intellectually prepared to deal with the events of the past few years, Abrecht says, was particularly evident at the world convocation on "Justice, Peace, and the Integrity of Creation" held in Seoul in March 1990. The report of this conference does not even mention the end of the cold war.

Most important of all, the inability of the convocation to agree on an 'exposition' or interpretation of the present social situation and the causes of injustice and violence in our times resulted in a series of concluding affirmations and covenants so abstract and so generally phrased as to be of little use in guiding Christian social thought and action in the world.<sup>16</sup>

Abrecht traces the historical roots of this vacuum to the fact that WCC proponents of revolutionary and liberation models of social change "were more explicit about what they opposed in the present system than about the character of the new one which they envisaged."<sup>17</sup> Abrecht's conclusion on the situation in WCC circles is somber:

<sup>14</sup> Ibid. 44.

<sup>15</sup> Paul Abrecht, "The Predicament of Christian Social Thought after the Cold War," *Ecumenical Review* 43 (1991) 318–28, at 319.

<sup>16</sup> Ibid. 324.

<sup>17</sup> Ibid. 323.

After twenty years of "revolutionary" thought and action on economic and social justice issues, ecumenical thought in these areas is at a dead end. There is no longer a theological-ethical consensus which commands any measure of agreement. Cut off from its historic theological-ethical roots and obliged to recognize that the concept of a revolutionary transformation of the world economic and social order is an illusion, ecumenical social thought faces a crisis of historic proportions.<sup>18</sup>

A major reconstruction is called for, which Abrecht does not think will be easily achieved. But the collapse of Communism in Eastern Europe reinforces two key insights of an earlier generation of Protestant ecumenical thinkers: "the interdependence of democracy and social justice," and the ecumenical critique of "Marxism's spiritual and ethical illusions."<sup>19</sup> On these bases an effort of renewal and self-criticism can begin.

### *Is Capitalism Victorious?*

Some years ago Peter Berger argued in *The Capitalist Revolution* that the future will—or at least ought to—belong to capitalism. In a second edition of that book published in 1991, he admits that recent events have led to "a certain euphoria among those who have been in favor of capitalism all along" and that "it is nice for a change to be able to indulge in a bit of *Schadenfreude*" over the difficulties being experienced by ideological adversaries.<sup>20</sup> Nevertheless, Berger does not think that the appeal of the socialist idea will entirely vanish, for it has greater mythopoetic power to generate loyalty than does capitalism, especially among the intelligentsia. Some will find a way to sustain a "socialist faith" despite the evidence all around them. They will try to do this by refusing to call a spade a spade:

Since *capitalism* continues to be a negatively charged word in many places, especially among intellectuals, it is often avoided in favor of the less upsetting synonym *market economy*. Conversely, where *socialism* is still a word that uplifts some hearts, it will also be avoided as the term to describe a *nonmarket* economy; instead reference may be made to *command*, *Communist*, or even *Stalinist* economies.

In Berger's view, such distinctions "are semantic games. What is being described is, very clearly, a broad shift from socialist to capitalist mod-

<sup>18</sup> Ibid. 325.

<sup>19</sup> Ibid. 326.

<sup>20</sup> Peter L. Berger, "Capitalism: The Continuing Revolution," *First Things* 15 (1991) 22–27, at 23. This is an excerpt from *The Capitalist Revolution: Fifty Propositions about Prosperity, Equality, and Liberty*, with new Introduction (New York: Basic Books, 1991).

els of economic organization."<sup>21</sup> Those who hold out against this conclusion "now appear as people who argue that the earth is flat."<sup>22</sup>

If drawing distinctions between capitalism and market economies is playing semantic games, *Centesimus annus* may be fairly accused of playing them. The passage that has received most attention by commentators addresses the question of the significance of the collapse of Communism. John Paul asks whether this means that capitalism has been victorious and should consequently become the goal of the countries of Eastern Europe and the Third World. His response is carefully constructed and deserves quotation at some length:

The answer is obviously complex. If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a "business economy," "market economy," or simply "free economy." But if by "capitalism" is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, the answer is certainly negative.<sup>23</sup>

Further, the pope warns several times that the collapse of Eastern European models of society should not be confused with the victory of what we might call "really existing capitalism." For example, he says that "it is unacceptable to say that the defeat of so-called 'Real Socialism' leaves capitalism as the only model of economic organization."<sup>24</sup> Or again, after discussing the continuing reality of marginalization and exploitation, especially in the Third World, and the reality of human alienation, especially in advanced societies, the pope adds a strong note of warning:

The collapse of the Communist system in so many countries certainly removes an obstacle to facing these problems in an appropriate and realistic way, but it is not enough to bring about their solution. Indeed there is a risk that a radical capitalist ideology could spread which refuses even to consider these problems, in the *a priori* belief that any attempt to solve them is doomed to failure, and that blindly entrusts their solution to the free development of market forces.<sup>25</sup>

What then is the encyclical saying? Rocco Buttiglione has proposed an interpretation of its "complex" answer to the question of whether

<sup>21</sup> Ibid. 23.

<sup>22</sup> Ibid. 24.

<sup>23</sup> *Centesimus annus*, no. 42.

<sup>24</sup> Ibid. no. 35.

<sup>25</sup> Ibid. no. 42.

capitalism has been victorious. It has been reported that Buttiglione participated in the drafting of the encyclical, so his views should be carefully noted.<sup>26</sup> He observes that the word "capitalism" has different meanings charged with different emotions on different sides of the Atlantic and in the Northern and Southern Hemispheres. In the United States it "implies free enterprise, free initiative, the right to work out one's own destiny through one's own efforts." It is "a thoroughly positive and respectable word" because of its link with a form of widespread entrepreneurship which grew organically in American soil. In Europe, on the other hand, the development of the industrial revolution was often under the control of small groups led by banks with decisive support from the state. In that context "capitalism" came to connote "the exploitation of large masses through an elite of tycoons who dispose of the natural and historical resources of the land and expropriate and reduce to poverty large masses of peasants and artisans." In Latin America, because of its distinctive history, "capitalism is simply synonymous with social injustice," at least among the intellectuals and a large section of the masses.

Buttiglione suggests, therefore, that there are different kinds of capitalism or at least different meanings to the word. The formal rules of market exchange may be the same in Europe, the United States, and Latin America. But where control of the market is concentrated in the hands of a privileged group, these rules will produce very different effects.<sup>27</sup> In some countries, only a small percentage of the population have the prerequisite skills and resources necessary to gain access to the market. Thus "they have no choice but to accept whatever conditions are offered them by those who have a monopoly of access to the market." In such a context, Buttiglione suggests, radical change will be needed. "Something just short of a social revolution is needed to create a market: a peaceful revolution of freedom."<sup>28</sup>

This line of argument is surely central in the encyclical. John Paul strongly affirms the efficiency and productivity of market economies. And he endorses entrepreneurship and economic initiative in terms that remind Max Stackhouse of Max Weber's discussion of the "Prot-

<sup>26</sup> Giancarlo Zizola writes that a group headed by Buttiglione (whom he calls a "theoretician of the Communion and Liberation movement") was involved in revising an earlier draft produced by the Vatican Council on Justice and Peace, and that the pope himself made subsequent revisions ("Les revirements d'une encyclique," *L'Actualité religieuse dans le monde* 90 [June 15, 1991] 10-11).

<sup>27</sup> Rocco Buttiglione, "Behind *Centesimus Annus*," *Crisis* 9 (July/Aug., 1991) 8-9, at 8.

<sup>28</sup> *Ibid.* 9.



estant ethic.”<sup>29</sup> At the same time, the pope repeatedly stresses that many persons are unable to participate in the marketplace because they lack the resources needed to do so. The following passage is illustrative: “The fact is that many people, perhaps the majority today, do not have the means which would enable them to take their place in an effective and humanly dignified way within a productive system in which work is truly central. . . . Thus, if not actually exploited, they are to a great extent marginalized; economic development takes place over their heads.”<sup>30</sup> The pope’s argument is here in full agreement with the United States Catholic bishops’ statement that “Basic justice demands the establishment of minimum levels of participation in the life of the human community for all persons.”<sup>31</sup> The lack of such participation (which the pope calls marginalization) continues to be present in advanced societies “in conditions of ‘ruthlessness’ in no way inferior to the darkest moments of the first phase of industrialization.” It is the condition in which “the great majority of people in the Third World still live.” And on the global level, “the chief problem [for poor countries] is that of gaining fair access to the international market.”<sup>32</sup> The pope calls the conditions that lead to such marginalization “structures of sin which impede the full realization of those who are in any way oppressed by them.”<sup>33</sup> And he says the Church can contribute to an “authentic theory and praxis of liberation” through its social teaching and its “concrete commitment and material assistance in the struggle against marginalization and suffering.”<sup>34</sup> It was statements such as these that likely led *The Economist* of London to comment that, though the encyclical supports free markets, “thoroughgoing capitalists cannot take off their sackcloth yet.”<sup>35</sup>

### *Rethinking Private Property*

One of the keys to the encyclical’s discussion of the need to overcome marginalization is its innovative treatment of ownership in the long chapter on “Private Property and the Universal Destination of Material Goods.” Earlier Catholic social thought, both in Aquinas and in

<sup>29</sup> *Centesimus annus* nos. 32 and 34. See Stackhouse, “John Paul on Ethics and the New Capitalism,” *Christian Century* 108 (May 29–June 5, 1991) 581.

<sup>30</sup> *Centesimus annus* no. 33.

<sup>31</sup> National Conference of Catholic Bishops, *Economic Justice for All* (Washington, D.C.: United States Catholic Conference, 1986) no. 77; available in *Origins* 16 (1986) 408–56.

<sup>32</sup> *Centesimus annus* no. 33.

<sup>33</sup> *Ibid.* no. 38.

<sup>34</sup> *Ibid.* no. 26.

<sup>35</sup> “God’s Visible Hand,” *Economist* 319 (May 4, 1991) 42.

the modern period, defended the legitimacy of private property. But this teaching (again in Aquinas and especially since Pius XI) did not regard the right to private property as an unlimited one. The use of privately owned goods was subject to strict limits because the material world was created by God for the benefit of all human beings, not just a few. This is the so-called "universal destination of material goods." As John Paul puts it, "The original source of all that is good is the very act of God, who created both the earth and man so that he might have dominion over it by his work and enjoy its fruits (Gen 1:28). God gave the earth to the whole human race for the sustenance of all its members without excluding anyone." It is only through their intelligence and work, however, that human beings make the earth fruitful. John Paul, echoing Locke and Leo XIII, affirms that persons make part of the earth their own through work. "This is the origin of individual property." But its accumulation is limited by "the responsibility not to hinder others from having their own part of God's gift."<sup>36</sup> This again echoes Locke, who maintained that the natural law limited the acquisition of property by the requirement that there be "as much and as good left in common for others."<sup>37</sup>

It is clear that in Aquinas, Locke, and earlier modern Catholic social thought this line of reasoning envisions private property as initially the ownership of land and natural resources based on individual labor. John Paul's innovation arises from his awareness that this paradigm does not describe the reality of an advanced technological and industrial world. In such context, the "givenness" of the world of land and natural resources is easily overshadowed by the creativity of human intelligence. Thus the temptation arises to say that the product of human work comes solely from the activity and initiative of the individuals who do the working. This can lead to belief that the fruits of industry belong solely to those who actively produced them. This would undercut the limits on the right to private property asserted by the earlier tradition. So John Paul maintains that "a deeper analysis"

<sup>36</sup> *Centesimus annus* no. 31.

<sup>37</sup> John Locke, *Second Treatise on Civil Government*, in *Social Contract*, ed. Sir Ernest Barker (New York: Oxford Univ. 1967) 18. The degree to which Locke took this requirement seriously is disputed. Those who, like C. B. MacPherson, see Locke as a paradigmatic "possessive individualist" think he did not. A recent interpretation that argues Locke believed in strict limits on property and that his views are closer to Thomas Aquinas than to modern individualism is that of Andrew Lustig, "Natural Law, Property, and Justice: The General Justification of Property in Aquinas and Locke," *Journal of Religious Ethics* 19 (1991) 119–49. To the extent that John Paul echoes Locke, it is Lustig's rather than MacPherson's Locke that is at issue.

of the scope and limits of the right to property is called for than that based on a paradigm of agriculture and mining.<sup>38</sup>

This deeper analysis begins with the assertion that "it is becoming clear how a person's work is naturally interrelated with the work of others. More than ever, work is *work with others* and *work for others*: it is a matter of doing something for someone else."<sup>39</sup> Entrepreneurship based on the knowledge of the needs of others and the development of creative ways of meeting those needs is an important source of wealth in modern society. Such activity "requires the cooperation of many people working toward a common goal." Moreover, the ability to engage in it depends on "the possession of know-how, technology, and skill."<sup>40</sup> The possession of these resources today plays a more important role in generating wealth than ownership of land or natural resources. But the pope applies the same moral criteria to the human capital of knowledge and skill that the tradition formerly applied to land: its moral purpose is to serve the needs and well-being of the human community. It will do so when it is organized in ways that lead to "ever more extensive working communities" bound together "by a progressively expanding chain of solidarity."<sup>41</sup> Paralleling the earlier argument that the earth and its natural resources were created by God for the benefit of the whole human community, John Paul argues that human beings as such—with their capacity for creative intelligence—have been created by God for solidarity with others in the economic sphere. The resources of "know-how and technology" are not the purely private possession of anyone. They are meant to be at the service of others. They should be used to open up ways for the vast numbers of people who are marginalized from the market to become active participants in it. Thus Archbishop Jorge Maria Mejía, who as secretary of the Vatican's Council for Justice and Peace was doubtless close to the drafting of the encyclical, has commented that it presents the principle of the universal destination of material goods in a new way. "Today, therefore, 'the know-how,' 'technology,' and 'skill' (§32) are part of these 'goods' destined for all, but that do not reach everyone and are not enjoyed by all."<sup>42</sup>

This line of argument was anticipated in *Laborem exercens*, where John Paul wrote that through work a person "enters into two inherit-

<sup>38</sup> *Centesimus annus* no. 6.

<sup>39</sup> *Ibid.* no. 31.

<sup>40</sup> *Ibid.* no. 32.

<sup>41</sup> *Ibid.* nos. 32 and 43.

<sup>42</sup> Jorge Maria Mejía, "Centesimus Annus: An Answer to the Unknowns and Questions of Our Times," *Ecumenical Review* 43 (1991) 401–10, at 406. This issue of *Ecumenical Review* is devoted to articles commemorating the *Rerum novarum* centenary.

ances: the inheritance of what is given to the whole of humanity in the resources of nature and the inheritance of what others have already developed on the basis of those resources." In productive activity persons never act independently. There is always an element of dependence: "dependence on the Giver of all the resources of creation and also on other human beings, those to whose work and initiative we owe the perfected and increased possibilities of our own work."<sup>43</sup>

For example, the small group of high-tech entrepreneurs who founded the Apple computer corporation were dependent on a historical heritage of technological and scientific knowledge given them by others through education. They did not create that corporation simply out of their own resources, even though they began it in the apparent isolation of the garage behind the home of one of the founders. Even highly creative and innovative activity is linked by moral bonds of interdependence with a vast community of other human beings. So *Centesimus annus* concludes that if ownership of physical capital or control of "know-how" and "skill" impedes the participation of others in this network of solidarity, it "has no justification, and represents an abuse in the sight of God and man."<sup>44</sup> Put positively, this means that the alternative to the failed Communist system is what the pope calls "a society of free work, of enterprise and of participation." This will be a society with a mixed economy, in which the market is "appropriately controlled by the forces of society and the State, so as to guarantee that the basic needs of the whole society are satisfied."<sup>45</sup>

### *Reforming Capitalism*

Thomas S. Johnson spells out the challenge this involves very pointedly in an essay written for a conference held at the University of San Francisco to commemorate the *Rerum novarum* centenary. Johnson is a Catholic layman who was President of Manufacturers Hanover Trust Corporation at the time the essay was written. He believes that the collapse of Communism changes the framework for debate about the shape of social and economic life in two interrelated ways. First, the argument over the relative advantages of economic "decision-making by bureaucrats versus an open marketplace has been settled."<sup>46</sup> Sec-

<sup>43</sup> John Paul II, *Laborem exercens*, English translation (Washington, D.C.: United States Catholic Conference, 1981) no. 13; available in *Origins* 11 (1981) 225-44.

<sup>44</sup> *Centesimus annus* no. 43.

<sup>45</sup> *Ibid.* no. 35; emphasis in the original.

<sup>46</sup> Thomas S. Johnson, "Capitalism after Communism: Now Comes the Hard Part," in

ond, we have an opportunity to shed the ideological baggage and conceptual rigidities that often encumbered debate during the cold-war period. This will enable us "to focus our energy and attention on eliminating the significant faults and inadequacies of capitalism that we know to exist, while at the same time preserving those special properties that imbue the markets with their special genius."<sup>47</sup> Johnson illustrates both the genius and the faults of the market from the example of the city where he works. In New York City the fruits of the free and competitive spirit abound. "The atmosphere is dynamic, resulting in the best there is to offer, not only in the areas of business and commerce but also in the arts, entertainment, education, and scholarship." At the same time, the city is beset with serious problems: devastating homelessness, drug abuse, crime, decaying infrastructure. Most deeply troubling are those who lack the skills to enter the city's economy, "large groups of people whose spirits have been crushed and who live literally without hope. They are the people who have been left out of the process—the very poor in a city of enormous wealth."<sup>48</sup> The end of Communism thus calls for much more than victory celebrations. It will require the best available thinking by business, political, educational, and religious leaders to identify ways of addressing these devastating problems. The challenge is succinctly put in Johnson's title: "Capitalism after Communism: Now Comes the Hard Part."

Perhaps the most useful contribution of Johnson's essay to this thinking is its stress on the fact that different societies in the capitalist world organize markets in notably different ways. Just a few of the differences he cites can be noted here. In Japan, ownership patterns differ from those in the United States, for in Japan much ownership is in the form of cross holdings by one company in another. There are also significant differences among market systems in the degree to which productive property is state-owned. For example, until recently, more than fifty percent of West German gross national product was produced by state enterprises. In Japan and many European societies there is much more coordination among companies and the other institutions of society and their governments than in the United States. The role of government in redressing inequalities is also notably different from country to country. It is extensive in Sweden, minimal in Hong Kong. In Western Europe, the provision of health care and housing "is measurably greater, and arguably fairer, than what is provided

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John A. Coleman, S.J., ed., *One Hundred Years of Catholic Social Thought: Celebration and Challenge* (Maryknoll, N.Y.: Orbis, 1991) 240–55, at 247.

<sup>47</sup> *Ibid.* 240–41.

<sup>48</sup> *Ibid.* 241.

in the United States." And this has been accomplished while aggregate growth has on average been greater than in the United States.<sup>49</sup>

Johnson's point is that there is more than one way to organize a market economy. The serious debates of the post-cold-war world concern the human costs and human benefits of the various systems of ownership, market structure, and governmental redistribution that are possible. He thinks Christian ethics can make an important contribution to these debates on the basis of several key principles. As a minimum, all human beings should have the "freedom to live a life in which they can choose to follow God's will. At the least, this measure must assure that human beings are removed from bondage—either the literal bondage imposed by a political system or the de facto bondage that results from such a low level of sharing in the wealth that does exist that all hope for progress is extinguished and individual work is always seen as inadequately rewarded."<sup>50</sup> Second, all persons have a responsibility to contribute to the future of their community and to preserve resources for future generations. This has important implications for the tax system and for savings and investment. It is "the responsibility of those who have relatively greater wealth to save and invest more, so that others will be given the opportunity . . . to raise their participation in the economic system in the future."<sup>51</sup> Finally, since in market economies work is increasingly done in large corporate organizations, the structures and activities of these corporations must be evaluated in light of their impact on those who work in them. This means giving careful thought to "ways to include workers as full members of an enterprise, including empowering them to participate genuinely in decision-making."<sup>52</sup>

Johnson's essay was written in the context of the United States for an American audience. Though published just as *Centesimus annus* was being issued, it provides a helpful framework for interpreting the encyclical's implications in this country. *Centesimus annus* states that the Church "has no models to present" for the precise way social-economic affairs should be organized. Such models must be developed in light of the historical situations in different societies. Rather the pope's intent is to provide an "ideal orientation" based on recognition of the values of the market and enterprise, of the need for these to be oriented to the common good, and of the importance of broadening the possibilities of participation.<sup>53</sup> Nevertheless the encyclical goes beyond the restatement of general moral principles and indicates that not all

<sup>49</sup> Johnson, 248 and passim.

<sup>50</sup> Ibid. 248.

<sup>51</sup> Ibid. 249.

<sup>52</sup> Ibid. 253.

<sup>53</sup> *Centesimus annus* no. 43.

models of a market economy are compatible with its orientation. Johnson's discussion of the diverse forms of market economy is a stimulus to careful consideration of what the encyclical says in this regard.

In the pope's reading of post-World War II history, the spread of Communist totalitarianism evoked three different responses in Europe and other parts of the world. The first sought to counter Communism by rebuilding democratic societies, in which free markets and economic growth were encouraged, but which avoided "making market mechanisms the only point of reference for social life" by subjecting markets "to social control." Some of the restrictions on the market are "a solid system of social security and professional training, the freedom to join trade unions and the effective action of unions, the assistance provided in cases of unemployment, the opportunities for democratic participation in the life of society." This calls for action by both society and state to protect workers "from the nightmare of unemployment" by seeking "balanced growth and full employment" and "through unemployment insurance and retraining programs." Wages must be adequate for living in dignity, "including a certain amount for savings." And legislation is needed to block exploitation "of those on the margins of society," including immigrants.<sup>54</sup> These limits are some of the elements of the "strong juridical framework" that the encyclical says is necessary if a free economy is to serve freedom in its totality.<sup>55</sup>

The second kind of post-war response to the spread of Communism is described as a system of "national security" that aimed at making Marxist subversion impossible by "controlling the whole of society in a systematic way" and by increasing the power of the state. This gravely threatens freedom, and it is clearly rejected by the encyclical. Though no specific regimes are named, the pope clearly has in mind those like Chile under Pinochet.<sup>56</sup>

The third post-war response is called that of "the affluent society or the consumer society." It sought to defeat Marxism by showing that it could satisfy material human needs more effectively than Communism. According to the pope, this consumer society shared a reductively materialist view of the person with Communism.<sup>57</sup> I think the pope is here referring to significant currents in the societies of Western Europe and North America. But I doubt this description gives a full account of what is going on in those countries, nor does he claim this.

It is nevertheless clear that the first of these post-war models is approved by the encyclical while the second and third are rejected. I have written elsewhere that the functioning economic system that

<sup>54</sup> *Ibid.* nos. 15 and 19.

<sup>56</sup> *Ibid.* no. 19.

<sup>55</sup> *Ibid.* no. 42.

<sup>57</sup> *Ibid.*

most closely resembles what the pope is describing is the social-market economy (*Sozialmarktwirtschaft*) of Germany.<sup>58</sup> An editorial in *La Civiltà Cattolica* commented that German and Scandinavian social democratic movements have been notably successful in implementing the objectives outlined by the pope.<sup>59</sup> And in Britain, Frank Turner has written that *Centesimus annus* "sometimes reads like an unusually well written Labour manifesto," and is certainly closer to the program of the Labour Party than it is to laissez faire or libertarian objectives. Turner observes, however, that the democratic socialist parties of Western Europe themselves are often ironically prone to accepting "the primacy of economic criteria and the values of corporate pragmatism."<sup>60</sup> To the extent that they do, they are challenged by *Centesimus annus* from the Left. Thus there is considerable room for debate about the specifics of social-economic systems that would be compatible with the ethical teaching of the document. In my judgment, the principles it lays out call for major changes both in the domestic arrangements presently in place in the United States as well as in the global marketplace.

### *The Role of Government*

As noted above, *Centesimus annus* says that the responsibility for bringing about these changes falls on both "society and the state." This reemphasizes the traditional principle of subsidiarity of Catholic social thought, which rests on the distinction between civil society and the state. This distinction emphasizes the fact that a free society is composed of many freely formed and freely active communities.<sup>61</sup> The idea of civil society has been a central theme in the revolutions of Eastern Europe. Adam Michnik, a Polish intellectual who was a leader of the Solidarity movement, put it this way: "[In totalitarian regimes] the State is teacher and civil society is the pupil in the classroom, which is sometimes converted into a prison or a military camp. In civil society, by contrast, people do not want to be pupils, soldiers, or slaves; they act as citizens."<sup>62</sup> Michnik, who is Jewish, says that one of the principal influences on his thinking about the role played by a strong civil so-

<sup>58</sup> David Hollenbach, "The Pope and Capitalism," *America* 164 (June 1, 1991) 591.

<sup>59</sup> "Capitalismo nell'Encyclica 'Centesimus Annus,'" *La Civiltà Cattolica* 142/3383 (1991) 417-30, at 426.

<sup>60</sup> Frank Turner, S.J., "John Paul's Social Analysis," *The Month* (August, 1991) 344-49, at 347-48.

<sup>61</sup> See Michael Walzer, "The Idea of Civil Society: A Path to Social Reconstruction," *Dissent* (Spring, 1991) 293-304.

<sup>62</sup> Interview with Adam Michnik, "Towards a Civil Society: Hopes for Polish Democracy," *Times Literary Supplement* (February 19-25, 1988) 188 ff., at 198.



ciety in sustaining democracy was "a priest from Kraków, Fr. Karol Wojtyła."<sup>63</sup> As John Paul II, Fr. Wojtyła has strongly reaffirmed this role.

At the same time, John Paul repeatedly links the principle of subsidiarity to the ideas of solidarity and the common good. For this reason, as Kenneth Himes has pointed out, the pope's understanding of subsidiarity is clearly different from the *laissez-faire* view that the market will solve all problems and that the role of government should be as small as possible.<sup>64</sup> In discussing the role of government in promoting the goals of economic justice, the encyclical makes a distinction that should be considered carefully, especially in the context of the United States:

The State must contribute to the achievement of these goals both directly and indirectly. Indirectly and according to the *principle of subsidiarity*, by creating favorable conditions for the free exercise of economic activity, which will lead to abundant opportunities for employment and sources of wealth. Directly and according to the *principle of solidarity*, by defending the weakest, by placing certain limits on the autonomy of the parties who determine working conditions, and by ensuring in every case the necessary minimum support for the unemployed worker.<sup>65</sup>

I would interpret this passage in the following way. The indirect role of government in addressing issues such as poverty and unemployment is through macroeconomic policies that stimulate growth and create jobs. These policies create the conditions in which the individuals and the many communities of civil society can freely exercise their initiative and creativity. In Michnik's words, this will enable people to act like citizens, not pupils or slaves. It will enable them to work together and for each other in families, in entrepreneurial activity, and in personalized forms of service and self-help. But if and when this leaves serious problems in place, government should undertake more. For example, legislation regarding working conditions, fair labor practices, and minimum wages are called for. In addition, more direct stimulation of job opportunities, unemployment insurance and other forms of social support will be called for.

In my judgment, this provides a key to understanding what *Centesimus annus* says about the welfare state or what it calls "the social assistance state." The pope notes that the range of state intervention to

<sup>63</sup> Ibid.

<sup>64</sup> Kenneth Himes, O.F.M., "The New Social Encyclical's Communitarian Vision," *Origins* 21 (1991) 166–68, at 167.

<sup>65</sup> *Centesimus annus* no. 15.

remedy "forms of poverty and deprivation unworthy of the human person" has expanded in recent years. "In some countries," he suggests, this has led to "malfunctions and defects in the Social Assistance State," which are the result of an inadequate understanding of the principle of subsidiarity. These defects are the sapping of human initiative and energy through excessive bureaucratization. State interventions to alleviate poverty, the pope says, are "justified by urgent reasons touching the common good" (this is the principle of solidarity). But subsidiarity implies that such interventions are "supplementary" to the primary source of economic welfare, which is active participation in economic life through work. They are also supplementary to the direct assistance that, if possible, should be provided by families, neighbors, and others who are closest to those in need.<sup>66</sup>

These specifications of when governmental involvement is called for should be kept clearly in view in discussions of the encyclical's relevance to the debate about welfare reform in the United States. It is clear that the encyclical will be embraced by those who argue that recent increases in poverty in this country, especially among children in single-parent families, is due to a welfare dependency in large part *caused* by misguided governmental programs. This is the view of Daniel Patrick Moynihan, who argues that the remedy for poverty is parental self-sufficiency and parental responsibility to contribute to the well-being of their children. Moynihan also argues, however, quoting Judith Gueron, that "the responsibilities of government are to provide the means for parents to become self-sufficient—such as employment services and supports—and to provide income when their best efforts fall short."<sup>67</sup> This is not the place to review the complexity of the welfare debate in this country. But two additions to what Moynihan has said are crucial. First, poverty is not due simply to welfare dependency. In fact, a substantial majority of those receiving social assistance do so either because employment is simply unavailable or because they lack the skills needed for available jobs. Second, many of the poor in the United States work full time. They are poor simply because their wages are too low. For both of these reasons, the poverty problem has more complex causes than those who blame dependency acknowledge. Efforts to alleviate it will have to be correspondingly complex.<sup>68</sup> The encyclical recognizes this in its call for a blend of in-

<sup>66</sup> Ibid. no. 48.

<sup>67</sup> Daniel Patrick Moynihan, "Social Justice in the *Next Century*," *America* 165 (Sept. 14, 1991) 132–37, at 137.

<sup>68</sup> For a careful and balanced discussion of this complexity, see David Ellwood, *Poor Support: Poverty in the American Family* (New York: Basic Books, 1988); William Julius

dividual initiative, voluntary assistance, and both indirect and direct government intervention. It does not offer a blueprint for how these should be combined, but it is a strong call to place discussion of these matters on the public agenda.

*Consensus on the Common Good?*

The need for a serious discussion of how to deal with poverty in America will highlight one final theme of the encyclical's vision of Christian ethics after the Cold War. In the name of subsidiarity, the pope opposes all forms of totalitarianism. But he also warns the West of the opposite danger: the loss of a vision of and commitment to the common good. He writes of "a crisis within democracies themselves, which seem at times to have lost the ability to make decisions aimed at the common good."<sup>69</sup> In advanced societies "the individual is often suffocated between two poles represented by the State and the marketplace. At times it seems as though he exists only as a producer and consumer of goods, or as an object of State administration."<sup>70</sup> This experience leads to distrust and apathy in the face of political and financial power, with consequent decline in political participation and civic spirit. This, I think, is a key element in the pope's critique of "consumerism."

On the most obvious level, a consumer society for the pope is one in which persons organize their lives around the pursuit of material gratification and maximal profit independent of concern for the effects on others.<sup>71</sup> More deeply, it is a society that regards all political, cultural, and religious values as matters of personal preference to be selected cafeteria-style. On this level, a consumer society is one in which the spirit of marketplace has leached into the sphere of politics, culture, and religion. When this happens, there develops "a tendency to claim that agnosticism and skeptical relativism are the philosophy and the basic attitude which correspond to democratic forms of political life." This further leads to a politics in which the preference of the majority determines all. And this, the pope concludes, is "open or thinly disguised totalitarianism."<sup>72</sup> If, therefore, a marketplace of exchange based on personal preference becomes the overarching framework in

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Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: Univ. of Chicago, 1987); and Alan Wolfe, "The Right to Welfare and the Obligation to Society: A Communitarian Balance," in *Responsive Community* 1/2 (1991) 12-22.

<sup>69</sup> *Centesimus annus* no. 47.

<sup>71</sup> *Ibid.* no. 41.

<sup>70</sup> *Ibid.* no. 49.

<sup>72</sup> *Ibid.* no. 46.

society, the market itself becomes totalitarian. *Centesimus annus* raises a strong voice against this tendency. "There are goods which by their very nature cannot and must not be bought and sold."<sup>73</sup> Some of these goods are directly at stake in the marketplace, such as the dignity of working people, the survival of the poor, and the greater participation of developing countries in the global economy. But the pope also implies that the image of the marketplace of ideas is inadequate to portray what is at stake in discussions of how a democratic society should govern itself.

*Centesimus annus* repeatedly asserts that democracy and freedom are rooted, not in agnosticism and skepticism, but in commitment to the truth: "*Obedience to the truth about God and man* is the first condition of freedom."<sup>74</sup> This is sure to set many Americans' teeth on edge. Truth claims in politics, we tend to believe, are the prelude to oppression, not freedom. But we have something very important to learn from the recent experience of Central and Eastern Europe. The Czech philosopher Erazim Kohák has written that the "the entire tenor of Czech dissent, whose most prominent figures are playwright-philosopher Václav Havel and priest-theologian Václav Malý, has been on *life in the truth*. . . . In word and deed, Czech dissidents have demonstrated their conviction that there is truth, that there is good and evil—and that the difference is not reducible to cultural preference."<sup>75</sup> Kohák acknowledges that these dissidents are marching to a very different drummer than the one heard by the French philosophers Foucault and Derrida and the American Richard Rorty.<sup>76</sup> So is the pope. And like the pope, Kohák asks whether the newly liberated Central European countries should abandon their commitment to living in truth, the importance of which they learned when faced with the lies imposed by apparatchiks, for the "mindless consumerism of the Atlantic basin."<sup>77</sup>

I am uneasy with simplistic uses of the term "consumerism." But a careful reading of *Centesimus annus* will show that what the term means there is not simplistic at all. It is used to criticize those strands of the culture of North Atlantic nations that have abandoned the effort to achieve a greater solidarity than the market can produce. This sol-

<sup>73</sup> Ibid. no. 40.

<sup>74</sup> Ibid. no. 41.

<sup>75</sup> Erazim Kohák, "Can There Be a Central Europe?" *Dissent* (Spring, 1990) 194–97, at 195–96.

<sup>76</sup> For Rorty's rejoinder to Kohák, Havel, and Jan Patočka (the philosopher who was the symbolic and spiritual leader of the Charter '77 movement that brought down the Communist regime in Czechoslovakia) on the question of truth, see his "The Seer of Prague," a review of three books by Patočka, one of them edited by Kohák, *New Republic* 205 (July 1, 1991) 35–39.

<sup>77</sup> Kohák 195.

idity is rooted in the human capacity for self-transcendence and for justice. The pope's insistence that freedom comes from obedience to the truth about one's fellow human beings is similar to John Courtney Murray's insistence that the opening words of the American Declaration of Independence were an affirmation that "there are truths, and we hold them." The encyclical has learned enough from the democratic experience to affirm that the discovery of these truths will come not from theology alone but from a truly interdisciplinary inquiry, that it demands attention to the practical experience of diverse peoples, and that "many people who profess no religion" will contribute to it.<sup>78</sup> But to this democratic experience, it makes an indispensable contribution: the need for solidarity and a commitment to the fact that human beings are not for sale, whether they be the poor in the advanced societies of the North Atlantic or those who live in the developing countries of the Southern hemisphere. Those who have been led to believe that *Centesimus annus* endorses "really existing capitalism" should take a hard look at the text. I hope that this modest "note" will encourage both such careful reading and subsequent talking in the spirit of solidarity and commitment to the common good that permeates the encyclical.

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#### THE JUST-WAR THEORY AFTER THE GULF WAR

Pictures on the nightly news from Croatia, Israeli-occupied territories, El Salvador, South Africa, and Iraq itself regularly remind us that the Gulf War of 1990-91 is simply one episode in the continuing history of military conflict and armed violence. But for several reasons it is worth special attention.

First, as an example of the new high-tech form of conventional warfare, the Gulf War gives us our first extended view of what the moral and policy problems of this new stage or type of warfare will be.

Second, the Gulf War, since it is the first major conflict to arise since the collapse of the Soviet empire, may well be an important indicator of the political shape of wars to come as well as of crises that will lead people to think they are on the edge of war. The coalition response to aggression in a world that has moved beyond bipolarity manifests one significant aspect of the international order of the future. The fact that the original conflict arose between a state that was lightly armed and very wealthy and a state that had both a modernizing economy and an extensive and diversified supply of armaments raises a whole series of

<sup>78</sup> *Centesimus annus* no. 60.