



## Sixteenth Sunday in Ordinary Time July 22, 2012 B

### Capitalism and Catholicism

The following article by Fr. Donnell Kirchner, C.S.S.R., appears in the July 2012 issue of *The Priest* magazine. Fr. Kirchner has a degree in Moral Theology from Rome and spent 39 years as a priest in the Amazon. I think this is a very thoughtful article on an issue that should interest all of us. (*The Priest* is published by *Our Sunday Visitor*, a Catholic publication company known for its very orthodox stance. All of its published articles are in accord with the official teachings of the Church.)

*During the upheavals of the past three years in the economy, does the Church have anything to say about capitalism? Is she in favor or against? In the short time frame of a Sunday homily or orientating groups of faith about Catholic doctrine, is there a Catholic position about economic systems?*

*As Catholics we reject any type of idolatry, even when it comes to economic systems. Economics is never value free, beyond the capacity of the Church to evaluate, judge and criticize. God did not create capitalism, or socialism, communism or feudalism.*

*A comparison might be made of how the Church has functioned under different political systems. She has lived side by side with kings and emperors, princes and presidents, prime ministers and dictators, as long as social justice and human rights were respected.*

#### **Economic Systems**

*Much the same can be said for economic systems. The Church grew, flourished and survived in Feudal times, during the Industrial Revolution and now under capitalism. John Paul II said, "The Church has no models to present: models that are real and truly effective can only arise within the framework of different historical situations, through the efforts of all those who responsibly confront concrete problems in all their social, economic and cultural aspects as these interact with one another" (Centesimus Annus, No.43).*

*The Church can support any system that promotes human development, betters quality of life for all and rejects any system that does not meet human needs.*

*Catholics like Michael Novak, sometimes thought of as a theologian of capitalism (as he defines and*

*recognizes it), believe that it has proved to be the best way to advance the needs of the poor, even though "no democratic capitalist system should pretend to be the kingdom of God." Interesting statistics exist to prove how life has been made better since 1945, the end of WWII. Billions of people have had their standard of living and lifestyles raised by the positive side of capitalism. Free trade made goods accessible to new nations and countries. Legitimate profits enriched hundreds of millions of workers as new jobs were created. Hard work was rewarded with wealth, and many people got bigger slices of the pie. Yet at least two billion people are outside the current economic circle which dominates today's world.*

*The Church acknowledges the legitimate role of profit as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm's condition. 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 (Centesimus Annus, No.35). Some would say that the idea of making a big profit started in Catholic Italy during the 15th and 16th century, then really took off under the Protestant work ethic.*

*The defeat of so-called "Real Socialism" left capitalism as the only model of economic organization. That should not allow it, though, to be free from criticism or a critique.*

*Important questions to ask are:*

#### **The Church on Economic Systems**

*Over the past century, the Church forged principles to help us understand how and what to do to run our financial markets. It is unfortunate that they are not always as well-known as other aspects of our doctrine.*

***1. Does our economic system: Maintain and promote the dignity of the human person?*** *People are more important than things; does the amount of one's salary determine a person's importance? Are people getting enough to live a simple, dignified life? Profits are significant after the worker has been rewarded.*

**2. Does our economic system: Promote community and the common good?** *The Latin American Church talks about a fundamental option for the poor. Public policies have to take into consideration the effects upon the poor. We are our brother's keeper to a certain extent. John Paul II wrote that, if mothers want to stay home and take care of their children, there should be a way that her family does not have to go hungry.*

**3. Does our economic system: Encourage the universal destination of all goods?** *There should be a slice of the pie for everyone. Monopolies tend to exclude millions from "the table" because they do not have money to pay. Concentration of land or goods in the hands of a few is not what the Lord planned.*

**4. Does our economic system: Recognize the human contribution of the worker?** *Work should dominate over capital. The earnings of the worker are as important as making a profit for the owner. People have a right to a decent job and a salary that supports them, not just what the "market" says they should be paid. Leo XIII talked about a "family salary," one that would support a husband and wife, plus two children. The economy exists to serve the people, not the other way around. The greatest richness of a nation is its work force, says John Paul II.*

**5. Does our economic system: Practice the principle of solidarity, or love and justice in action?** *There are rights and responsibilities to be remembered by both workers and owners. All people on this one planet have a right to participate in decisions that affect their lives. That may mean having the right to join a trade union, which also has to have a global vision and not just look to the benefits of its members.*

**6. Does our economic system: Respect the newcomer on the block: the ecology?** *We are responsible for God's creation. We are the gardeners to tend it, not its owner to exploit and take out whatever we please. No longer can it be tension only between work and capital; ecology has to enter into the equation. Resources are limited, not infinite. Benedict XVI and many other Catholics are "going green." In a global economy, neither labor nor capital can afford to look out solely for their own interests, but need to recognize the consequences to others.*

**7. Does our economic system: We also find another Catholic principle which states that** *"the state has the duty to sustain business activities by creating conditions which will ensure job opportunities, by stimulating those activities where they are lacking or by supporting them in moments of crisis" (Centesimus Annus, No 48). Is that socialism, or a Christian vision of the larger community?*

*Some perceive that, by wanting to help the poor, the Church takes away the ability to get rich. Catholic thinkers like Hilaire Belloc deny that the Church is against some people becoming richer than others. Belloc did not want to equalize wealth, but to protect the small farmer, the family landowner, the small craftsman and the small retail trader. His "Differential Taxation" on larger entities was to level the playing field. Most economists agree that small businesses are the backbone of a strong economy. To get America going again, they will be the ones who create jobs and distribute wealth. Belloc did not propose (nor would his scheme produce a system) that would make it impossible for "any one individual to have much more than any other."*

**Does the Church have reservations about capitalism?** *If it's basic root motivation is only to make a profit, that is merely a small step away from greed. Father Joseph Fonseca, C.S.S.R., who has taught at the Alphonsian Academy in Rome, says that the business world today lives on the profit margin. It is the measure of all activity in the commercial world, the overriding consideration of management. A squeeze on profits means smaller dividends to shareholders, less investment in new plants, lowering of credit rating, lower stock prices, vulnerability to a takeover, flight of valuable personnel to competitors and a freeze on research and expenditure on new products. That is a lot of pressure on executives to do whatever it takes to succeed. Little people have been crushed by capitalistic initiatives; weaker nations have been overwhelmed.*

*When elephants compete, ants get crushed. Critics cite the individualist tendencies which spring up to accompany free initiative. A Christian will never make profit his chief, exclusive value or pursuit, especially if it hurts others.*

*An economic system binds a society together. It can go beyond an individual's seeking his own benefits and can help many others—or create the subprime mortgage fiasco. How do we balance and reconcile our Christian faith in the goods of creation and material things with consumerism and the materialism that far too often leads to voracity?*

### **Noble Concepts vs. Real World**

*Michael Novak talks about the internal moral responsibilities of a company to fulfill the reason for its creation, a company's needs to return to its investors a reasonable quantity for its investments and an obligation to create new riches. That, in itself, is a noble concept. In the real world of greed and sinful humanity, however, the demand to make a profit far too often crushes little people.*

*What can economic forces do to help less-educated or less-trained members of a society be capable of competing, so that they are not left behind or excluded from the benefits of today's world? Poverty and misery are an insult to God's plan. Many feel that places like Africa have been left behind to live in wretchedness. These countries are not equal partners in the economic system. Latin American bishops know that free enterprise and initiative have benefitted hundreds of millions of people, yet they have written often about a "savage" capitalism which has rewarded the few and enslaved many into their countries. That was why, in 1891, Pope Leo the XIII wanted workers to be able to possess their own house and a small plot for a garden as a way to protect themselves from big business and big government.*

*The phenomenon of unemployment and underemployment (Sollicitudo Rei Socialis, No.18) is another issue. In rich Brazil, where until very recently there was so much profit and wealth, 70% of the people barely lived on the minimal salary of less than a hundred dollars a month. At the same time, a small minority piled up enormous riches. Is that part of the DNA of capitalism or just the way the world works today? "How can we not recognize Lazarus, the hungry beggar in the parable (cf. Lk 17:19-31), in the multitude of human beings without bread, a roof or a place to stay? How can we fail to hear Jesus: 'As you did it not to one of the least of these, you did it not to me'" (Mt 25:45), CIC, No. 2463.*

*As long as human rights are observed and respected and the wellbeing of all is promoted in a just way, each people and each country has the right to choose the economic system which best serves its needs and traditions. If our current economic system rewards results and activities more than the intent to do good, big temptations will continue to enslave far too many.*

*So, the good pastor will make frequent references to social and economic issues as a part of Catholics' living out their baptismal commitments in the world. He needs to know the issues and what the Church has taught; then he must pray to the Holy Spirit to guide his parishioners with good principles to make the best decisions possible.*

## Reflection Questions

- What spoke to you most in this article?
- Did you find yourself disagreeing with any of the above mentioned principles?

Have a blessed week,

