

with some rich knowledge of economic complexity. This Roundtable assembles a group of voices who are up to these challenges. Using Douthat's claims and the general conundrum presented to Catholic conservatives by Pope Francis' emphases, we turn to three commentators well versed in both Catholic social teaching and economics. The conversation here is not yet one of definitive answers, but it presses forward the line of engagement set by Douthat's claims and my responses, in hopes that such answers will become clearer through good counsel. Ultimately, the goal of the virtue of prudence is effective action. Thus, the hope is that pressing the conversation along these lines will eventually lead to a more effective collective witness to the truth contained in the church's economic vision.

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II. Pope Francis, Economics, and Catholic Social Thought

Pope Francis' harsh criticism of capitalism has caused many prominent conservative Catholics, many of whom were conspicuous in their support of papal authority, to openly attack the pope. The extreme reaction has been to suggest that as a Latin American, Francis has had experience only with the corrupt form of capitalism Latin America is supposedly famous for, and not with the virtuous capitalism practiced in the United States. At the risk of sounding overly chauvinistic, I don't think that Latin America's version of crony capitalists can seriously rival Wall Street in either scope or depth of corruption. After all, Latin America's crony capitalists are an annoyance only to Latin Americans. US crony capitalists crashed the world economy. Furthermore, the United States and Europe have always been the teachers and Latin America the student in the science of getting rich at the expense of the poor. (The Latin American economies were set up to extract wealth for Europe, using the local population and African slaves as disposable tools in this process.) Current Latin American economic institutions evolved primarily from this extreme exploitation and still reflect these built-in injustices. One doesn't have to be a postmodern philosopher to suggest that the perspective of the oppressed is at least as valid as the

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“official perspective” of the oppressors. Moreover, for followers of Jesus the viewpoint of the oppressed is the privileged perspective.

New York Times columnist Ross Douthat has suggested conservatives take a more constructive approach and engage the teachings of Pope Francis. The hope, as I understand it, is that through dialogue the pope can learn of the benefits of free-market capitalism. My goal in this contribution is to articulate why I think Francis is correct in his harsh statements on neoliberalism and trickle-down economics, and that through dialogue conservative Catholics can learn why the church has always rejected, and will always reject, their free-market ideology. This, of course, is not a rejection of the practice of business or of the benefits of markets, both of which often greatly promote the common good and promote human dignity. It is a rejection of the view that markets are always just and that private greed always, or usually, promotes public virtue. It is an assertion that the statement in the writings of John Paul II that conservative Catholics most often ignore (“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, then the reply is certainly negative”) accurately describes the current economy, especially the US economy.¹⁶ In fact, the recent financial crisis is exhibit A in the case for the need for “a juridical framework” and the need to see freedom in ethical and religious terms, and not reduce it to mean nongovernment intervention in the economy (or nonintervention in the economy on the side of the poor, for there cannot be an economy that does not have considerable government intervention).

The church has always been hostile to the narrow, laissez-faire logic of capitalism, well before there was anything that could remotely be called capitalism, because it rejects the anthropology upon which this ideology necessarily rests. Catholics can never accept the extreme individualism of this brand of economic theory and policy because it is based on an anthropology that denies our dependence on God’s love for our very existence, which denies real human freedom, and which denies the social nature of the human person and the communal nature of happiness and salvation.

The church’s rejection of libertarian economics and politics is not an example of faith versus science (or economic law, as the Austrian economists claim), for the church’s view of human nature accurately reflects humans as

¹⁶ Pope John Paul II, Encyclical *Centesimus Annus*, May 1, 1991, http://w2.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus.html, §42.

we find them in the real world. It reflects the nature of what it means to be human. It promotes better science. It is a recognition of the need for an accurate anthropology to do useful social analysis. As Pope Leo XIII put it, “Nothing is more useful than to see the world as it is.”¹⁷ The church has always rejected greed and self-interest as the primary motives for virtuous behavior. It sees these as common human vices, coming from our fallen nature (sin). There is a reason Ayn Rand did not believe in God, because one cannot hold her philosophy and also believe in a God who loved us into existence, and whose love is essential for us (and the universe) to continue to exist. In no way can a Christian follow Francis Edgeworth’s famous dictum, “The first principle of Economics is that every agent is actuated only by self-interest.”¹⁸ Even as a simplifying assumption designed to provide rigor and precision, the “only by self-interest” assumption of human motivation cannot help becoming what Jeremy Bentham always meant it to be, a moral criterion for determining the “standard of right and wrong.”¹⁹

Laissez-faire economics has always been a normative system based on values Christians reject. Claims of value-free “positive” economics are merely an attempt to dress up one set of values in the cloak of “science” to shield them from open discussion and critical evaluation. But this emperor has no clothes. Similarly, the claim that Francis’ (or anyone’s) critique of capitalism in general, or the unethical practices of the financial elites who dominate money-manager capitalism, is necessarily a call for socialism or for an expansion of the state fails to appreciate that the Catholic social teaching tradition is not constrained by the Cold War straitjacket that has prevented many from seeing, or imagining, ways to solve the economic problem beyond the market versus state dichotomy, as if there are only two possibilities: the person/company who is currently oppressing you versus the institution that might oppress you even more. As Saint John Paul II often noted, the church does not offer an economic model; this is not its role. Human dignity and the common good can be promoted in many different economic systems, past, present, and future. That this is often not the case is evidence of the power of sin and our continuing need for God’s grace and mercy. Having seen so many social and economic systems come and go, it is hard for the

¹⁷ Pope Leo XIII, Encyclical *Rerum Novarum*, May 15, 1891, http://w2.vatican.va/content/leo-xiii/en/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum.html, §18.

¹⁸ Francis Edgeworth, *Mathematical Psychics: An Essay on the Application of Mathematics to the Moral Sciences* (1888; New York: Augustus M. Kelley, 1967), 16.

¹⁹ Jeremy Bentham, *An Introduction to the Principles of Morals and Legislation*, ed. J. H. Burns and H. L. Hart (London: Methuen, 1982), 11.

church to view capitalism as the “end of history” (not to mention the theological problems with such a perspective).

There are good reasons within Catholic theology to support limits on the power of the state and to support economic freedom as a virtue. The principle of subsidiarity recommends that institutions (I would suggest public and private) be as big as is necessary to be effective and as small as possible to maximize human participation. The American experiment was based on the town hall as the model for politics, and small businesses and farms as the model for the economy—both built upon the foundation of a virtuous populace. (Given that this eighteenth-century ideal was based on a reality for many of slave labor, stolen land, and genocide, a healthy dose of the perspective of the oppressed here would no doubt be helpful.) Since our reality has moved so far from this eighteenth-century ideal, it seems prudent to take off our eighteenth-century glasses and see how we can protect human dignity and promote the common good in the world we actually live in, and not stand on the “American capitalism is uniquely virtuous” pedestal promoted by Michael Novak.

In this short contribution I will attempt to answer three questions: (1) What is “new” in Pope Francis’ comments on economics? (2) How should conservatives respond to Pope Francis’ views on economics? (3) What does Catholic social thought bring to an understanding of the economy? My perspective is that of a Catholic economist who for the past fifteen years or so has been researching and writing about how Catholic social thought can help us better understand economic issues, and that of an applied economist who has worked for many groups (governments, Catholic NGOs, labor unions) attempting to improve economic outcomes based on the principles of Catholic social thought.

(1) While there is nothing new in Pope Francis’ comments on economic issues in terms of doctrines or principles, his comments are nevertheless radical and revolutionary. This should be expected of the vicar of Christ, whose revolutionariness was revolutionary, overthrowing the moral disorder of sin rather than the political disorder of the Romans. Francis is saying what we would expect Jesus to say. It is disturbing because he is not saying what we *wish* Jesus would say. This is not the “health and wealth gospel” of the TV evangelists designed to make affluent (and affluence-aspiring) Americans feel better. This is Jesus challenging us with images of large camels and small needles. This is the essence of Catholicism, real Catholicism: a gospel worth dying for.

All progress in Christian thought has come from a double movement: going backward to Jesus, the Apostles, and the Church Fathers, while at the same time being present to read the current signs of the times. Vatican II is

a good example of this double movement. Does anyone seriously think that Jesus would not see our materialist society as guilty of the “idolatry of money”? Can we doubt that American capitalism is the apex of the “throw-away culture”?²⁰ Those of us who are old enough to remember will recall that John Paul II spent most of his 1979 trip to the United States making many of these same points.

Francis’ main contribution (beyond his authenticity) to the public discourse on poverty has been his linking of poverty to inequality, and his framing of both poverty and inequality in terms of exclusion. In his “No to an economy of exclusion” Francis reformulates these issues in a way that goes beyond the typical right-left divide on the issue of wealth and poverty. Both poverty and inequality are caused by exclusion and also increase exclusion. Poverty is usually explained either in individualistic terms (which unfortunately leads some less serious commentators to blame the victim) or in terms of structures and society. Poverty as exclusion captures both individual agency and social structures, and thus allows for a more complete framing of the reality of poverty that will, it is hoped, help us to develop more effective pathways out of poverty. In theoretical terms, poverty as exclusion replaces the self-correcting equilibrium heuristic with Gunnar Myrdal’s concept of cumulative causation.²¹ Applying this broader perspective to an understanding of how capitalism developed in the West teaches us that the market-state dichotomy is completely false, that the West grew rich by developing effective governments, social protections, and businesses (with the dividing line between public and private often very fuzzy), and that it is to be expected that these will all be part of the development of the currently poor countries (though we should allow these countries to create their own combinations and not impose our versions of each as if one size fits all).

(2) Conservative Catholics like to hold up documents critical of liberation theology’s use of Marxian social analysis as if this is at the same time a rejection of the main points of liberation theology, and that this constitutes an embrace of their individualistic economic ideologies. What they miss is that the option for the poor is a fundamental concept in Catholic theology, one that grows out of the entire tradition. Any attempt to deny the option for

²⁰ Phrases used by Pope Francis; see, e.g., his homily of September 20, 2013, http://w2.vatican.va/content/francesco/en/cotidie/2013/documents/papa-francesco-cotidie_20130920_power-money.html (“idolatry of money”), and his address to the members of the diplomatic corps, January 12, 2015, http://w2.vatican.va/content/francesco/en/speeches/2015/january/documents/papa-francesco_20150112_corpo-diplomatico.html (“throwaway culture”).

²¹ Gunnar Myrdal, *Rich Lands and the Poor: The Road to World Prosperity* (New York: Harper and Brothers, 1957).

the poor as a fundamental theological truth that shapes how we understand our relationship with God, especially his love for us and how we are called to love him back, has to be rejected. To deny the option for the poor would mean a denial of the Church Fathers, Saint Paul, and the Gospels. Catholicism without the option for the poor is no longer Catholicism and needs to be called something else:

For the Church, the option for the poor is primarily a theological category rather than a cultural, sociological, political, or philosophical one. God shows the poor “his first mercy.” This divine preference has consequences for the faith life of all Christians, since we are called to have “this mind . . . which was in Jesus Christ” (Philippians 2:5). Inspired by this, the Church has made an option for the poor which is understood as a “special form of primacy in the exercise of Christian charity, to which the whole tradition of the Church bears witness.” This option—as Benedict XVI has taught—“is implicit in our Christian faith in a God who became poor for us, so as to enrich us with his poverty.” (EG §198)

That Marxian thought points out how the poor are exploited in no way invalidates Matthew 25. And the use of Marxian analysis to shed light on some of the fundamental conflicts that arise in capitalist economies is not an endorsement of state socialism, just as one can draw insights from the Austrian tradition on the role of the market process in generating and disseminating the information necessary to coordinate the activity of market participants and not become a proponent of “laissez-faire” economic policies. Similarly, the fact that many of the followers of Darwin became supporters of social eugenics does not mean that the validity of his scientific work in biology is negated. Applying Marx, Hayek, or Darwin to social policy without first correcting for their incomplete anthropologies will always cause problems, because social policy has to appreciate the whole person and the dignity of each person.

The exploitation that is inherent in many aspects of capitalism is not unique to capitalism or to the market aspects of capitalist economies. Economies are and always have been systems of power, and just because modern conservatives fail to see this obvious truth when it comes to private enterprise (a mistake Adam Smith never made), that does not mean we should ignore their fears of the abuse of economic power in the public sphere. There are too many examples of the abuse of government economic, social, and political power for us to ignore this temptation. When the government targets US citizens for execution without charges or trial we all need to worry. Adam Smith thought that the state was a major source of inequality and that greater economic freedom would create greater equality. Smith’s call for limits on the role of the state in the economy was directed at the use of state power by

merchants to enrich themselves at the public's expense (a policy called mercantilism, which is as widely practiced today as it was in the eighteenth century). The bailout of the criminals of Wall Street demonstrates this better than any economic treatise. The realities of a modern economy have changed the debate. In many instances it is not possible to pose the question of state versus market, for the options are "market with state on the side of the rich" versus "market with state on the side of the poor and marginalized."

What conservatives also do not appreciate is that the connection between the state and business is as essential to capitalism and "our way of life" (a detestable phrase) as is the right to private property that they hold as sacrosanct. In fact, there is no meaningful property without government (according to Adam Smith, governments are instituted to protect the property of the rich). Disconnecting the two is impossible. The Catholic tradition has always understood the social nature of property. When conservatives say that "governments do not create wealth, only the private sector creates wealth," they expose an ignorance of what wealth is and how it is created. In contemporary economies, wealth is more the result of government actions than any other factor. To give just the most obvious examples, the computer, the Internet, and GPS were all created by the United States government. American technological dominance comes from the federal government's spending on research, spending that no private company would or could carry out. That we allow businesses to privatize the profits of these technological developments after we have socialized the costs of developing them is a violation of justice (and that such companies do not pay their fair share of taxes to support the government compounds this injustice).

Conservatives' tradition of pushing back against political power has much to offer any discussion of our economic problems, as does their support for institutions like the family and civil society. While I have not met anyone who seriously wants the government to take over every aspect of the economy or society, it is a natural tendency of large organizations to become a threat to other organizations, especially if the latter might threaten the former's exercise of power. This is why we have a Bill of Rights and a system of checks and balances in government, and why Adam Smith promoted market competition as a means to control the power of businesses. Conservatives are typically leery of the power of government, but less often of large corporations and the influence of money in politics, yet more often than not the government exercises power to the benefit of the rich and big business. The principle of subsidiarity is not a rejection of government or economic power; rather, it is a prism to direct power toward the legitimate purpose of promoting human flourishing.

(3) The more interesting question, especially for theologians, is this: What does Catholic social thought (CST) contribute to understanding the economy?

Neither Pope Francis nor the wider CST tradition offers an alternative economic theory or system. CST is not a substitute for economic theory or an economic policy agenda. There is no Catholic fiscal or monetary policy, although there are specific fiscal and monetary policies that prudential judgment, informed by CST, would force us to reject (austerity comes quickly to mind).

What CST does contribute is a “vision” of a just economy, what Saint John Paul II called an “ideal orientation,”²² based on a more complete understanding of the nature of the human person. Every economic theory is based on some “vision” or philosophical foundation. You cannot do economics without this, for economic theory requires definitions to answer questions such as “What is human nature?” “What is society?” and “What does the good human pursue?” But it cannot adequately provide answers to any of these questions. They call for expertise beyond what the study of the economy can provide. One must follow the advice of John Henry Newman and look to the higher disciplines of theology and philosophy to answer these questions.²³ Most of the major disagreements and debates in economics can be traced back to the level of its philosophical foundations, especially the differences between Marxian economics and neoclassical economic theory (the left and right wings of economic theory). In the table below we can see how the different anthropologies and views on the nature of society shape the questions and categories economists use to attempt to make sense of economic activity.

Three “Visions” of a Just Economy			
	Neoclassical economics	Marxist	Catholic social thought
Human nature	Rational economic man	“Man is the totality of social relations”	Person: a unique individual with social nature (<i>imago Dei</i>)
Society	Mechanistic (individual egos balanced by market competition)	Organic (society creates order and individuals are needed to promote order)	Process (interaction between individuals with free will and social institutions)

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²² *Centesimus Annus*, §43.

²³ See Charles M. A. Clark, “Where There Is No Vision, Economists Will Perish,” *Econ Journal Watch* 11, no. 2 (May 2014): 136–43, with reference to Newman’s *The Scope and Nature of University Education*, 2nd ed. (London: Longman, Green, Longman, and Roberts, 1859).

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Three “Visions” of a Just Economy			
	Neoclassical economics	Marxist	Catholic social thought
Value	Utility	Productivity	Authentic human development
Mode of decision making	Autonomous rational calculus	Collective rationality/ authority	Prudential judgment
Rationality	Self-interest	Collective interest	Solidarity
Source of happiness	Consumption	Freedom	Gift of self/union with God
Common good	Total of individual goods	Total of public or shared goods	Conditions that allow authentic human development
Environment	Individual exploitation	Group exploitation	Stewardship
State	Minimalist law and order and protection of property rights	Ownership and control of means of production	Subsidiarity
Wealth	Assets that yield an income	Assets that assist in production	God and humanity as co-creators
Poverty	Flawed character theory	Structural/ discriminatory	Exclusion

I do not have the space in this short contribution to demonstrate the many ways that Christian anthropology and the principles of Catholic social thought can offer insights into how we understand the economy,²⁴ but from the table I think the reader can see that the anthropology adopted by economists greatly influences how they understand every aspect of the economy and economic activity. I will use the topic of poverty to illustrate this point, showing how Pope Francis’ contribution to rethinking poverty and inequality as exclusion provides theological insights that can help economists better understand the problem of poverty.

A Catholic understanding of poverty. Poverty and the treatment of the poor are foundational issues for the Catholic social thought tradition and the

²⁴ For more, see Charles M. A. Clark, “What Can Economists Learn from Catholic Social Thought?,” *Storia del Pensiero Economico* 5, no.1 (2008): 25–51.

mission of the church.²⁵ According to Saint John Paul II, the church's commitment to the poor is "proof of her fidelity to Christ."²⁶ The centrality of the "option for the poor" comes from God's special love of the poor as evidence that he loves us for ourselves and not for our accomplishments or attributes. Thus our solidarity with the poor is due to our being created in the image of God (*imago Dei*) and is part of our calling to imitate Christ. Furthermore, Jesus himself instructed his followers to care for the poor, so that collectively we will be judged based on how we treated the poor and marginalized. For Christians the option for the poor is not an option. Every economic issue, structure, process, and outcome is evaluated first from the perspective of how it affects the poor. Tax cuts for the rich are justified only if it can be demonstrated that such a policy is an effective means to help the poor. The evidence as I read it strongly supports Francis' conclusion that the "trickle-down" policies (giving more income to the rich in the hope that such income will trickle down to the poor) have "never been confirmed by the facts" (EG §54). The more effective means of helping the poor is to promote "sprinkle-up" policies, empowering the poor so that they can be more active participants in the economy and society.

Even more so than most economic issues, the problem of poverty calls for a broad understanding of the human person and needs to be grounded in an ethical understanding of economic activity. Moreover, poverty cannot and should not be viewed as a solely economic issue. Failure to see poverty from this broader perspective is one of the reasons that countries like the United States have made so little progress in reducing poverty amid plenty. Taking a narrow economic perspective has led to the failed policies based on promoting economic growth alone, with the belief that the market will cause the benefits of economic growth to trickle down to the poor, thus eliminating poverty.²⁷ The fundamental differences between the Christian approach to understanding poverty and one typically adopted by mainstream economists are found in how poverty is defined, how it is explained, and the fundamental role the poor play in how Christians are called to evaluate economic processes and outcomes.

²⁵ See Charles M. A. Clark, "Poverty and the Roman Catholic Church," in *The Cambridge Dictionary of Christianity*, ed. Daniel Patte (Cambridge: Cambridge University Press, 2010), 994–95.

²⁶ *Laborem Exercens*, §8.

²⁷ We have seen that rising inequality redirects the gains of economic growth away from the majority of the population, so that the gains are concentrated instead in the hands of the already affluent. See James Kenneth Galbraith, *The End of Normal: The Great Crisis and the Future of Growth* (New York: Simon & Schuster, 2014) for an extended analysis of rising inequality.

The sorrowful mystery of poverty. The Catholic understanding of poverty starts with the recognition that extreme poverty carries with it the agony of insecurity. The poor person's prayer for their daily bread is not symbolic, as food insecurity is a main feature of poverty, causing long-term health problems and especially developmental problems for children growing up in conditions of food insecurity. Research shows that the psychological effects of this insecurity are a prominent cause of higher rates of physical and mental illness among the poor. Living in conditions of insecurity with regard to one's life, liberty, and property is a major barrier to human development.

Flowing from the agony of insecurity is the scourge of violence that comes from various sources: crime, corrupt government officials who are supposed to serve, military personnel who are supposed to protect, household members who are supposed to love. As Gandhi noted, "Poverty is the worst form of violence." Violence against the poor is promoted and ignored because the poor are often stigmatized or marginalized. Sometimes they are stigmatized because they are outsiders, immigrants, or members of a minority, but most often the stigma that attaches to the poor results from exclusion. Individuals or groups that are poor are seen not as people who happen to be poor; rather, their poverty is their defining feature, and is often seen as just punishment and justification for their exclusion. Often the stigma of poverty is reinforced by politicians who argue that the poor need the spur of poverty as an incentive to lift themselves up by their own bootstraps.

Lacking social protection and independence, people in poverty must carry the cross of exploitation—the heavy burden of long, irksome work for little pay, sometimes in cruel and inhumane working conditions. Sometimes this exploitation takes the form of forced labor (modern slavery), child labor, or the inhumane sex industry, which violates the dignity God has given to each person. Frequently the only pathway offered to escape poverty is exploitation; as the economist Joan Robinson has noted, "The only thing worse than being exploited is not to be exploited,"²⁸ because then you are irrelevant, not useful to anyone. As Pope Francis recently remarked, "Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society's underside or its fringes or its disenfranchised—they are no longer even a part of it. The excluded are not the 'exploited' but the outcast, the 'leftovers'" (EG §53).

Lastly, poverty is a premature death—too often within minutes of entering the world, but on average decades before their affluent brothers and sisters

²⁸ A quote from Robinson's lectures and a paraphrase of a line from her book *Economic Philosophy* (1962; Piscataway, NJ: AldineTransaction, 2006), 45: "The misery of being exploited by capitalists is nothing compared to the misery of not being exploited at all."

leave this earth. Poverty is watching your children die from easily curable diseases, or watching your parents waste away and die because they cannot afford medications, which are often sold at higher prices in poor countries or communities than in affluent ones. Poverty is often dying in war or in a refugee camp, or crossing borders to escape violence.

Poverty is exclusion. A Christian understanding of poverty can be summed up in the phrase “poverty is exclusion.” Poverty cannot be reduced to being merely an economic phenomenon or outcome, such as low income. Poverty can be social, political, cultural, and spiritual as well as economic, and often these forms of poverty are interconnected. Economic poverty is exclusion from the production and consumption of economic goods. Social poverty is exclusion from the social life of the community in which one lives. Political poverty is exclusion from the processes by which public and civic decisions are made. Cultural poverty is exclusion from participation as a producer and benefactor of the cultural life of a community. And spiritual poverty is exclusion from God. All forms of poverty—that is, all exclusions—can be individual or structural, and most often are both, since these reinforce each other, and it is difficult to separate individual and collective causes and effects neatly.

A recent “Intervention” by the Holy See’s Permanent Mission to the United Nations clearly demonstrates the significance of this view of poverty:

Poverty constitutes a vicious circle of which exclusion is both its cause and consequence. Poverty results from people and communities being excluded from participating in the economic, social, political, and cultural life of the societies in which they live as one human family, as they are unable to develop their capacities and are denied the opportunities necessary to provide for themselves, their families, and their communities. Exclusion effectively impoverishes the whole human family, since the potential contributions of the poor to our collective well-being are lost through the goods and services that are left unrealized, political perspectives and values left unharnessed, and the art, stories, and songs for the collective human history left uncomposed.²⁹

Excluding the poor from participating in the economic, social, political, and cultural lives of the community is similar to the “partiality” that the author of the Letter of James attacked (James 2). Theologically it is a rejection of Jesus and a denial of the *imago Dei*. Economically it is an inefficient use of productive resources. Politically it is sowing the seeds of disorder and the

²⁹ Francis A. Chullikatt, “Interactive Exchange of Views on ‘Poverty Eradication,’” Statement to the United Nations in the Ad Hoc Working Group on Sustainable Development Goals, April 18, 2013, <http://www.holyseemission.org/statements/statement.aspx?id=413>.

creation of social structures of sin. Since exclusion is the central cause of poverty, eradicating poverty can come only through the inclusion of the poor. Economic, social, political, and cultural inclusion means first to break down all barriers to inclusion, all exclusionary privileges that benefit the few at the expense of the many, that generate artificial and unsustainable wealth for some while creating poverty for others.

Seeing the person who is poor as made in the image of God, and defining poverty based on economic, social, political, and cultural exclusion, do not give us an economic agenda to eliminate poverty, nor do they explain the specific reasons individuals and communities are trapped in poverty. Theology is not a substitute for economic analysis. Yet it does change the discussion and the analysis of the issue. For one thing, it forces us to include the poor in the dialogue and in the process of reducing poverty, for their participation is now seen as a right, and necessary to promote human flourishing. Moreover, a more accurate anthropology exposes the multidimensionality of poverty, its causes and consequences, thus forcing economists to go beyond simplistic income thresholds that measure poverty, such as the widely used \$1.25 a day, and instead develop multidimensional measures of poverty and well-being.

By using the lens of exclusion, Pope Francis highlights the Catholic social thought principle of participation. Human flourishing happens in the process; it is not an outcome that springs out of a black box. Categories such as human dignity, human flourishing, and the common good all fall outside the traditional boundaries of economic analysis, yet they have a significant impact on how we think about the economy, how we participate in the economy, and thus how we shape economic outcomes. A better understanding of the human person is a necessary first step if we want a more human-focused economic theory, and ultimately a more humane economy.

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III. Neither Left nor Right: Toward a Catholic View of the Economy

The tendency of Catholics to identify themselves along a left-right spectrum mirroring the political divisions in our culture has long struck me

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