

THEOLOGICAL ROUNDTABLE

Pope Francis and American Economics

Reaction among conservatives to Pope Francis' Evangelii Gaudium has most often been negative. Ross Douthat, however, in his 2013 New York Times op-ed, has offered a more nuanced critique. Our four Roundtable authors respond to Douthat's implied invitation to a discussion by responding from the viewpoint of Catholic social thought.

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I. Advancing the Conversation about Economics within the Catholic Church

Pope Francis' pontificate has been marked by a forthright concern for the poor, paired with often scathing criticisms of the present-day global economy. In a central section of *Evangelii Gaudium*, he writes that “today we also have to say ‘thou shalt not’ to an economy of exclusion and inequality. Such an economy kills.”¹ He condemns a “throwaway culture,” a “globalization of indifference,” and the idolatrous reduction of the human person “to one of his needs alone: consumption” (EG §§53–55). He is even quite explicit in criticizing specific economic trends and theories. For example, he notes that “some people continue to defend trickle-down theories . . . [but] this opinion, which has never been confirmed by the facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system” (EG §54). Similar systemic critiques are directed at faith in mechanisms that spawn rising inequality, financial speculation, and inordinate consumption. The pope is clear that he is not simply speaking about attitudes or “values,” but of structures that are set up in a particular, problematic way. Such criticisms have been welcomed enthusiastically by those of the economic left, while

¹ Pope Francis, Apostolic Exhortation *Evangelii Gaudium* [EG], http://w2.vatican.va/content/francesco/en/apost_exhortations/documents/papa-francesco_esortazione-ap_20131124_evangelii-gaudium.html, §53.

provoking visible, public nervousness among those on the right.² Some on the right have had recourse to strategies of outright denial, blaming media spin or trying to suggest that the pope is merely talking about his own experience in Latin America.

This Roundtable seeks to provide a more constructive conversation about Catholic social teaching and economics, one that tries to move beyond slotting Pope Francis (and the entire tradition) into “the market-state binary.” It was spurred by conservative *New York Times* columnist Ross Douthat, who rejected several strategies of his fellow conservatives.³ He rejects the “lazy” attempt to dismiss this as media spin “that pits Good Pope Francis against his bad reactionary predecessors,” the idea that the pope’s remarks are just “a general brief against avarice,” or the notion that his remarks lack authority because they are not about “faith and morals.” Instead, Douthat accepts that “his plain language tilts leftward in ways that no serious reader can deny. . . . And for Catholics who pride themselves on fidelity to Rome, the burden is on them—on us—to explain why a worldview that inspires left-leaning papal rhetoric also allows for right-of-center conclusions.”⁴

Douthat attempts an explanation by offering three claims that make the case that typically conservative, limited-government, market-centered economic policy is in fact a reasonable response to Francis’ concern for the poor. First, he indicates that “for all its faults,” it is still “global capitalism” that has the best track record for lifting large populations out of poverty. Second, he insists that solidarity is always to be paired with the principle of subsidiarity, so that “local efforts” and “voluntarism” are preferable to “national” policy and “bureaucracies.” Third, he indicates that “on recent evidence, the most expansive welfare states can crowd out what Christianity considers the most basic human goods—by lowering birthrates, discouraging private charity, and restricting the church’s freedom to minister in subtle but increasingly consequential ways.” He reminds his readers that these claims

² See, e.g., Fr. Robert Sirico of the Acton Institute, <http://blog.acton.org/archives/64238-rev-sirico-pope-francis-without-politics.html>, as well as worries about his “Marxism” or “Leninism,” <http://www.religionnews.com/2014/06/24/economist-accuses-pope-francis-following-lenin/>, or his Argentine “Peronism,” <http://www.economist.com/news/international/21598677-how-modest-canny-man-approaching-complex-task-leading-roman-catholic>.

³ Ross Douthat, “The Pope and the Right,” *New York Times*, November 30, 2013, <http://www.nytimes.com/2013/12/01/opinion/sunday/douthat-the-pope-and-the-right.html>.

⁴ Another prominent example of a conservative Catholic attempting to develop a more constructive response to Francis is *First Things* editor R. R. Reno. See his “Francis and the Market,” *First Things*, February 2014, <http://www.firstthings.com/article/2014/02/francis-and-the-market>.

are not to be taken as cover for “the Ayn Randian temptation” to libertarianism, but instead as “compassionate conservatism.”

I initiated this conversation by responding to Douthat’s invitation in a blog post.⁵ I said there: “Hurrah. Game on. This is a framework for the kind of discussion that is constructive. Let’s take the Randian rhetoric and practice off the table (and concede that it is on the table among many Republicans, and that should be a problem for Catholics), and then let’s consider how Douthat’s case represents or does not represent the kind of prudential judgment that Catholics ought to bring to economic discussions.” In that piece, I raised questions about Douthat’s three claims. I wondered if expansive claims about “global capitalism” solving poverty might be better limited to a more nuanced claim about the important role that well-regulated markets, trade, and property rights play in wealth creation. I suggested that Douthat was too quick to narrate “subsidiarity” as a kind of “preferential option for the local,” instead of seeing it as a principle for scaling solutions to problems. Subsidiarity means not using a sledgehammer to drive a nail. But if a sledgehammer is required to address the problem, it should be used—but a wrecking ball should be avoided if a sledgehammer will do. Subsidiarity is not so much about small size as it is about appropriate scale. Finally, I suggested that the evidence for Douthat’s third claim is mixed, and ought to be a topic for further research by those leaning left and leaning right. Michael Woolcock offers an overview of social capital, defined as “the norms and networks that enable people to act collectively,” in particular the importance for maintaining trust in actual government and empowering citizens to attend to collective action problems that cannot be handled well by government.⁶ The problem Douthat is identifying here has also been treated by agrarians like Wendell Berry who are concerned about how the dual forces of individual rights and bureaucratic structures (both public and private) leave no space for what he simply calls “community.”⁷ Different states in the United States have remarkably different social-capital profiles, and high-social-capital states run the gamut from quite liberal to quite conservative. All these observations suggest that Catholics interested in economics should pay closer attention to how government action and associational activity interact. (One might also wonder if large corporations enhance or crowd out associations!)

⁵ David Cloutier, “Douthat on Francis and American Conservative Catholics,” <http://catholicmoraltheology.com/douthat-on-francis-and-american-conservative-catholics/>.

⁶ Michael Woolcock, “Civil Society and Social Capital,” in *The Oxford Handbook of Civil Society*, ed. Michael Edwards (Oxford: Oxford University Press, 2011), 197–208, at 198.

⁷ See Berry’s classic extended essay “Sex, Economy, Freedom, and Community,” in *Sex, Economy, Freedom, and Community: Eight Essays* (New York: Pantheon, 1993), 117–74.

Given the central role assigned to intermediate associations throughout Catholic social teaching, Douthat's third point should prompt more careful examination.

This sort of discussion, featuring (a) data about particular economic configurations examined carefully (b) in light of a broader Catholic vision whose terms are more precisely identified, seems to open up possibilities for discussions among Catholics that get beyond the paralyzing left-right divide. Put another way, they give content to the use of the virtue of prudence. Prudence is a virtue, not a feeling. Too often, the idea of "prudential judgment" is invoked in Catholic economic discussion as a conversation *stopper*, as if prudence just means "opinion." Instead, prudential judgments should be a conversation *starter*. Thomas Aquinas defines prudence as specifically an intellectual virtue involving the obtaining of "knowledge of the future from knowledge of the present or past . . . done by a process of comparison."⁸ Such knowledge is of "contingent things," and specifically of things to be done.⁹ Aquinas explicitly insists that prudence is a virtue needed not simply for individual action, but for common action "concerning the means to a due end."¹⁰ His subsequent treatment of the details of prudence is extremely complex, but its parts and quasi parts are carefully specified.¹¹ They can be simplified in terms of three related capacities: accurate knowledge of past and present realities, an ability to take counsel from others, and a capacity for proper synthesis and application that distinguishes general rules from exceptional circumstances. These are qualities that Douthat's column and my response try to display: What are the facts about market systems and economic growth? How can we understand them with the help of those who have greater knowledge? When does an appeal to subsidiarity or to intermediate associations apply, and when doesn't it?

Too often, the Catholic conversation about economics does not display prudence, nor even attempt it. The move from basic principles to specific actions is *made too quickly*—or alternatively, *not made at all*. In the first case, papal encyclicals act as proof texts for this or that immediate economic program. In the latter case, encyclicals and principles are reduced to vague, generalized sentiments that have no real impact on day-to-day economic choices at work, in the store, or in the voting booth.

⁸ Thomas Aquinas, *Summa theologiae* [ST] II-II, q. 47, a. 1, trans. Fathers of the English Dominican Province (1948; Westminster, MD: Christian Classics, 1981).

⁹ ST II-II, q. 47, a. 5.

¹⁰ ST II-II, q. 47, a. 11.

¹¹ ST II-II, qq. 48-51.

Why this inability to move the economic conversation to more specific and detailed levels of analysis, as happens in areas such as warfare or bioethics? I would highlight two particular problems. First, Catholic social teaching, dating back to *Rerum Novarum*, has always occupied a space that offered significant criticisms of both laissez-faire market and state-based economic systems. In *Quadragesimo Anno*, Pope Pius XI warns of a “double danger to be avoided,” an “individualism” that happens when “the social and public aspect of ownership is denied or minimized” and a “collectivism” that involves “a rejection of diminution of its private and individual character.”¹² In this space between individualism and collectivism, turning teaching into practice has been made difficult by the absence of political groups vocally committed to this “middle space.” Given that the tradition deals with large-scale systemic questions (e.g., the priority of labor over capital), it is difficult to act if there are not appropriate collective vehicles that embody this alternative. While John Paul II famously suggested that Catholic social teaching is not a “third way,”¹³ Benedict XVI maintained that “when both the logic of the market and the logic of the state come to an agreement that each will continue to exercise a monopoly over its respective area of influence, in the long term much is lost.” Instead, Benedict urges “forms of economic activity marked by quotas of gratuitousness and communion,” forms that move beyond both the market corporation and bureaucratic state.¹⁴ While perhaps not positing a third way, the popes clearly do offer something more than free-floating values or attitudes. One might properly say that Catholic social teaching is not capitalist or socialist, but personalist. Francis summarizes, “The current financial crisis can make us overlook that it originated in a profoundly human crisis: the denial of the primacy of the human person!” (EG §55). “Personalism” is not to be confused with individualism. It is best understood through the axiom that the economic structures, of whatever shape and size, are meant to serve persons (“integral human development”), rather than persons serving the “god” of corporation, market, or state. Thus, it imagines economic actors and structures that are not impersonal market participants,

¹² Pope Pius XI, Encyclical *Quadragesimo Anno*, May 15, 1931, http://w2.vatican.va/content/pius-xi/en/encyclicals/documents/hf_p-xi_enc_19310515_quadragesimo-anno.html, §46.

¹³ Pope John Paul II, Encyclical *Sollicitudo Rei Socialis*, December 30, 1987, http://w2.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_30121987_sollicitudo-rei-socialis.html, §41.

¹⁴ Pope Benedict XVI, Encyclical *Caritas in Veritate*, June 29, 2009, http://w2.vatican.va/content/benedict-xvi/en/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate.html, §39.

nor impersonal government bureaucrats following designated rules. It prefers cooperation and solidarity.

What does such an economic primacy of the person really look like *in practice*? Some Catholic voices have, from the beginning, insisted that distributism is the proper practical outcome of Catholic social teaching: a commitment to the widespread, decentralized ownership of productive property. John Médaille's work is a particularly lucid contemporary outline of this approach.¹⁵ However, this vision is potentially utopian, and moreover, the encyclical tradition has proceeded to speak as if right action is still possible (even if difficult) within larger forms. But which actions, and how else might the forms reflect the priority of persons? It is surely an important task of prudence to understand more fully how to take this alternative vision and identify the practical means by which it can be at least in part realized in the present. Likely there is room enough here for several approaches, which may complement one another; but at the same time, we should not fool ourselves into believing that the present systems of corporate capitalism and government adequately serve the primacy of the person in our economic life.

The second problem that blocks the development of economic prudence comes not so much from the distinctive vision of Catholic social thought (CST) as from the other direction: a tendency to shy away from the real difficulties and complexities that constitute modern economics and modern government. Put bluntly, there is a temptation to want overly simplistic answers. But economics and finance, like many other complex human practices, are not necessarily intuitive and obvious; like the roundness of the earth or the interconnectedness of ecosystems or the workings of the human body, the operation of economies—the potential co-inciding of the self-interests of many agents, the strange complexities of monetary systems, the “paradox of thrift,” and so on—is not “just there” to be seen by the naked eye. The modern science of economics has its roots in the seventeenth- and eighteenth-century attempts by mercantilists, physiocrats, and (ultimately) Adam Smith to discover adequate models for the new complexities introduced by larger global trade and mass production. Without some real appreciation of this complexity, prudence goes by the wayside, and we are likely to find ourselves hoodwinked by simplistic slogans.

To overcome these two problems, we are in desperate need of Catholic conversations that assist prudence, conversations among people with a solid grasp of the distinctive-yet-realizable shape of the Catholic vision, and

¹⁵ See John Médaille, *The Vocation of Business* (New York: Continuum, 2006); and Médaille, *Toward a Truly Free Market* (Wilmington, DE: ISI Books, 2010).

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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