JOHN PAUL II AND THE MORAL ECOLOGY OF MARKETS

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[Editor's note: John Paul II has addressed the morality of economic life but has not directly addressed the question: Under what conditions would markets be just? An analysis of the "moral ecology" of markets identifies four elements toward an adequate answer: legal restrictions on self-interest in markets, the provision of essential goods and services, the morality of individuals and groups, and a network of voluntary association.]

DEBATE OVER THE morality of markets took a critically important turn with the collapse of the Soviet Union and Eastern European Communist governments. Many commentators argued that these historic changes marked the death of socialism. This claim is excessive since nearly all socialists in the industrialized world long ago repudiated Moscow's version of socialism; the claims of most socialists remain largely unaffected by the collapse of Soviet Communism. Politically the prospects for socialism have indeed waned because many have concluded that the Soviet Union's demise demonstrated the fundamental

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1 For an example among Christian ethicists, see Max Stackhouse and Dennis McCann, "A Postcommunist Manifesto," Christian Century 108 (January 16, 1991) 33, 44-47. I am indebted to David Hollenbach, S.J., Kenneth Himes, O.F.M., John Pawlikowsky, O.S.M., Charles Curran, and others who made helpful suggestions following the presentation of an earlier version of this paper at the annual meeting of the Catholic Theological Society of America in Ottawa, June 1998. I am also grateful to Joseph M. Friedrich.

impracticality of all socialist options. As a result, much moral debate has now moved away from a comparison of capitalism and socialism and focuses instead on making capitalism, or more accurately the market system, humane.

In this context, and with an obvious awareness of debates about alternative economic systems in Poland and other Eastern European nations, Pope John Paul II has continued to analyze economic life from a Christian perspective. By and large he has assumed that centrally planned socialism is no longer an attractive ideal and has moved on to a helpful, though incomplete, analysis of capitalism.

I wish to offer here a brief critique of John Paul II's analysis of economic life and to argue that the central shortcoming of his perspective is the weakness of his contextual and institutional analysis that is needed to complement his personalist thought. Having demonstrated this, I then propose a constructive framework which I call "the moral ecology of markets," that is capable of encompassing both the pope's personalist insight into economic life and an institutional analysis that up to now he has eschewed. My critique argues that John Paul II has not yet addressed one fundamental and difficult question: Under what conditions could a Christian give moral approval to the market system? Although the framework I propose does not provide a precise answer to many practical policy problems, I do identify four elements constitutive of any adequate answer. This framework I trust will contribute to the ongoing debates even among secular scholars. Among its principal advantages is the interperspectival analysis of contemporary secular debates about alternative economic systems. This assertion however would require argument more extensive than I can offer here.

JOHN PAUL II'S ANALYSIS

John Paul II has addressed economic life and economic institutions more thoroughly and with greater subtlety than any of his papal predecessors. He has enriched contemporary Catholic social thought. Nonetheless, his work exhibits two problems that Catholic moral theologians need to overcome. The first and less important relates to his rhetoric; the second arises out of his understanding of personalism.

The Pope's Rhetoric

Moral theologians are sometimes uncomfortable with John Paul II's rhetorical style in his discussion of conflicting goods. Rather than analyzing conflicts by comparing and contrasting competing goods, he tends to make strong affirmations about goods on both sides of an argument as well as denunciations about the dangers attendant to each. Marciano Vidal has described the pope's rhetoric as a circle or
spiral that renders ordinary interpretive procedures problematic.\(^3\) This rhetorical style leaves sharp tensions unresolved.

A vivid example of this tendency is John Paul II's answer to his own question whether capitalism should be the goal of economies in transition in Eastern Europe. He gives two answers. First he notes that "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."\(^4\) For many on the right who think of market economies in these terms, this appears to be a clear endorsement of capitalism.\(^5\) But in his second answer he states that if by capitalism is meant "a system in which freedom in the economic sector is not circumscribed within a strong juridical framework,"\(^6\) then the answer is "no." He attributes many of the world's economic problems, particularly those suffered by the poor, to "the desire for profit" and "the thirst for power."\(^7\) He warns that "the human inadequacies of capitalism and the resulting dominion of things over people are far from disappearing."\(^8\) For many on the left who view capitalism in largely negative terms, such arguments represent a clear rejection of capitalist economies.\(^9\)

Those leaning to the right tend to ignore the pope's harsh words about the market system, whereas those on the left tend to ignore his appreciation of markets.\(^10\) Moral theologians need to develop a sharper analysis of differences between right and left and to clarify the ambiguities found in John Paul II's rhetorical formulation. The pope's use of antithetical affirmations may be defensible. Ultimately it may be better for the leader of a global church to highlight general themes, instead of prematurely closing debate or employing a cultural framework that is too narrow.

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\(^3\) Marciano Vidal, "La sospechosa cristianización del capitalismo Juicio ético al capitalismo a partir de la encíclica Centesimus Annus," \emph{Persona y Sociedad} 7 (1993) 115–39, at 116

\(^4\) John Paul II, \emph{On the Hundredth Anniversary of Rerum Novarum Centesimus Annus} (Washington USCC, 1991) no 42


\(^6\) \emph{Centesimus annus} no 42

\(^7\) \emph{Solicitude rei socialis} no 38

\(^8\) \emph{Centesimus annus} no 33


John Paul II's use of a personalist perspective has notably enriched his analysis of work, but it also poses a problem. Personalism provides a kind of reading-glass that magnifies and brings into sharper focus the personal experience of contemporary economic life and the moral call that the Church needs to formulate today. However, personalism leaves John Paul II's analysis somewhat near-sighted. Although his personalist perspective clarifies the experience of the human individual, it fails to focus on the institutional background. A few examples may illustrate this.

In his encyclical *Laborem exercens* the pope restricts the meaning of "capital" to the material means of production—tools, machines, and factories—as distinct from "labor," persons who work. From this definition he easily concludes that there should be no conflict between capital and labor. Since persons are without doubt more important than things, labor must have priority over capital. This analysis eclipses the more common meaning of the conflict between labor and capital, namely the clash between the interests of workers and the interests of owners of the means of production. One cannot simply apply the notion of the superiority of persons over things since there are persons on both sides of this conflict, not persons on one side and machines on the other. The debate should focus on the claims of workers that conflict with the claims of owners; these should be adjudicated on moral grounds. John Paul II's focus on the person as his point of entry into an economic analysis of the workplace leaves this broader and yet important debate insufficiently analyzed.

A second example involves the practice within capitalism of laying off workers when, for example, demand slackens during a recession. On the one hand, John Paul II recognizes that nearly all jobs will be created by private businesses in the market and that the state's primary role is to create conditions "which will insure job opportunities, by stimulating those activities where they are lacking." He observes that "the State could not directly insure the right to work for all its citizens unless it controlled every aspect of economic life and restricted the free initiative of individuals." He opposes efforts by government to attain such control. This seems to indicate that unemployment in the marketplace could be morally justifiable. On the other hand, the pope criticizes the existence of unemployment and laments even the fear of losing a job during difficult economic conditions. During his visit to Poland in 1997, he cautioned employers who were considering lay-

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11 For a broader discussion of John Paul's personalism, see Andrew N. Woznicki, *A Christian Humanism: Karol Wojtyla's Existential Personalism* (New Britain, Conn.: Mariel, 1980).


13 *Centesimus annus* no. 48.

14 Ibid.
offs: "Do not let yourselves be deceived by visions of immediate profit, at the expense of others. Beware of any semblance of exploitation." Elsewhere he commented that "the demands of the market, deeply marked by competition, must not go against the primordial right of every man to have work through which he can earn a living for himself and his family." Here John Paul II seems to be arguing that to maintain profit is never a sufficient reason for laying off workers. His position is not altogether clear.

A third example entails one of the central questions of any economic ethic: the role of self-interest. Remarkably, John Paul II has had little to say about morally appropriate self-interest in the marketplace. He reports that "the Church acknowledges the legitimate role of profit," but he explains this by adding the phrase "as an indication that a business is functioning well." Such a statement avoids the fundamental moral question whether self-interested action to seek a profit is morally justifiable, or, more precisely, whether under certain conditions such action might be justifiable.

Other examples could be given. My point is that John Paul II's personalism, in spite of its strength as a tool for understanding economic life, needs to be supplemented by a broader analysis of economic structures. The pope noted that the social dimension of Christian morality requires going beyond "an individualistic interpretation of Christian ethics." What is needed is a more robust consideration of the institutional context of markets.

THE MORAL ECOLOGY OF MARKETS

My fundamental contention is that John Paul II's personalist economic analysis would be significantly strengthened by joining it to a stronger institutional framework in order to form a more comprehensive view of economic life. Although he has often indicated that Catholic social thought is not a "third way" between capitalism and socialism, he has also argued that "it would be wrong for the Church to remain on the level of mere social critique. It is up to its members, who are experts in various fields of knowledge, to carry on the search for valid and lasting solutions that may guide human processes toward

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17 Centesimus annus no 35
18 Homily in Edmonton, Alberta, Canada, September 17, 1984 (Origins 14 [October 4, 1984] 245–47, at 246)
19 Solicitude rei socialis no 41, Centesimus annus no 43 John Paul II denies that Catholic social thought is an “ideology,” unlike the economic perspectives that compete in the secular world. Yet Florencio Jose Armando argues that the pope's work treats many of the same themes as liberalism and Marxism and thus the difference in intellectual character may not be as stark as appears at first (“Alcance de la doctrine social de la Iglesia,” Valores 15 [April 1997] 22–24, at 22)
the ideals proposed by the revealed word.” The framework I propose points to four fundamental elements that should be part of any moral analysis of economic life.

Just as a single species of plant or animal life cannot be adequately understood except within its broader ecological setting, analogously an adequate moral assessment of self-interest or markets cannot ignore their context. This fact is what I identify as the moral ecology of markets. Such a comprehensive view includes the strengths of John Paul II’s analysis while integrating them into a realistic and morally helpful perspective on self-interest in economic activity. I argue that four elements make up this moral ecology. Before I enumerate those four, allow me to offer some preliminary remarks about self-interest.

The Moral Status of Self-Interest

It is noteworthy that John Paul II fails to analyze the moral status of self-interest, a notion central to both the critique and defense of capitalism. Such omission has a long history in Christianity, a religion whose central moral tenet is love of neighbor. Christians have recognized an appropriate form of self-love, but one conditioned and limited by Jesus’ command to love one’s neighbor.

In the economic realm, moral analysis of self-interested action depends heavily on the consequences of such action for others. Few worry about the blatant self-interest involved when at the supermarket one chooses the best melon for one’s family. This decision to take the best and leave behind the bruised ones obviously results in a less favorable choice for other shoppers. Such behavior is typical in the marketplace, and few Christians would find it objectionable. The consequences of this action are largely beneficial. Other shoppers are not greatly harmed. More importantly, in order to protect business profits, the supplier may take steps to train fruit-handlers or to switch wholesalers. In this situation there emerges a certain equality of power among shoppers; self-interested action by shoppers, suppliers, and distributors will predictably lead to greater care in stewardship over the fruits of the earth. This supports the basic moral logic inherent in the argument of Adam Smith and others in favor of markets.

A second example illustrates a weakness in markets. Imagine that one sets out to buy a rug from among a large supply of beautiful rugs at an inexpensive price. One’s choice does not adversely affect the options of other shoppers. But suppose that one knows that these rugs were made by children in a particular country under conditions close to slavery. Consider the consequences if one purchases one of these rugs. The shopkeeper will find that he can sell more of this variety and will

order more from that foreign factory, thereby increasing its profits. At the same time, other factories, ones that employ adults and provide fair wages, will be put under competitive pressure to lower costs, perhaps by reducing wages or hiring children simply to remain in business. In this situation a Christian might conclude that the self-interested decision to buy the less expensive rug is morally wrong, and that one should instead buy a more expensive rug produced under humane conditions.

Moral integrity is critically important in both examples. But there are two simplistic interpretations of the role of moral intentions that need to be rejected. The first erroneous view is that it is always wrong to act out of self-interest. The second erroneous view is that acting out of self-interest in the economic realm is always morally acceptable. The difference in the moral assessment of the two purchases is related to our obligation to love our neighbor, but such love of neighbor does not forbid self-interested action. It requires that one assesses both the immediate and the institutionally mediated consequences of self-interest. This is why most nations have passed legislation against child labor in order to prevent the downward spiral to which self-interested action within markets would otherwise lead. When markets are structured to prevent abusive treatment of others, one may have more confidence that self-interested activity is morally justifiable. This is the key to the first of four elements in the moral ecology of markets.

**Markets Bounded by Law**

The moral ecology of markets begins with a view of markets that is both empirically and morally accurate. In a market each person is free to propose or accept an exchange that furthers one's interests. But this freedom could not be endorsed morally if it were not limited by law to prevent abusive activities.

John Paul II explicitly affirms the multiple strengths of markets. "A balanced and well-regulated world market can bring with prosperity the development of culture, democracy, solidarity and peace."\(^{22}\) His view is based on the importance of human dignity, rooted in the creation of humans in the image of God. Economic freedom is understood as one dimension of freedom considered as a gift from God.\(^{23}\) The pope upholds "the right of economic initiative"\(^{24}\) and endorses "the positive value of the market and of enterprise."\(^{25}\) He recognizes the productivity of markets for utilizing resources better and meeting needs, at least those needs represented by purchasing power in the market.\(^{26}\) He also praises markets because they "give central place to the person's desires and preferences, which, in a contract, meet the desires and preferences

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\(^{22}\) Address to the Pontifical Academy of Social Sciences, no. 5.  
\(^{23}\) *Centesimus annus* no. 39.  
\(^{24}\) *Solicitudo rei socialis* no. 15.  
\(^{25}\) *Centesimus annus* no. 43.  
\(^{26}\) Ibid. no. 34.
of another person." In accord with the principle of subsidiarity he argues that "the state must not supplant the initiatives and responsibilities that individuals in smaller social groups can assume in their respective fields." Institutionally, his conclusion is that "there is certainly a legitimate sphere of autonomy in economic life which the state should not enter." He even assigns to national governments the responsibility for maintaining the freedom of these markets.

Nonetheless, John Paul II argues that government must set rules for the market. This is based on his awareness that "the church since Leo XIII's Rerum novarum has always distanced itself from capitalistic ideology, holding it responsible for grave social injustices." He warns about "the selfish demands inherent in current economic models" and "the resurgence of a certain capitalist neo-liberalism which subordinates the human person to blind market forces and conditions the development of peoples on those forces." As a result, the state "has the task of determining the juridical framework within which economic affairs are to be conducted, and thus of safeguarding the prerequisites of a free economy." The pope further cautions that "it is essential that political activity assure a balanced market in its classical form by applying the principles of subsidiarity and solidarity, according to the model of the social state. If the latter functions moderately it will also avoid a system of excessive assistance that creates more problems than it solves. On this condition, it continues to be an expression of authentic civilization, an indispensable tool for the defense of the most underprivileged social classes, often crushed by the exorbitant power of the 'global market.'"

The key to this relation between government and the market is John Paul II's notion of a juridical framework. With this notion he extends the work of Pius XI and Paul VI. By "juridical framework" the pope wishes to name the legal and institutional nexus within which eco-

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27 Ibid. no. 40.
29 Ibid. nos. 15, 19.
30 B. Andrew Lustig has argued that "the modern popes are univocal in their willingness to accord to the state a significant, if not central, role in guaranteeing the common good of all" ("Property and Justice in the Modern Encyclical Literature," Harvard Theological Review 83 [1990] 415–46, at 445).
31 Address at the University of Latvia, Riga, on September 9, 1993 (Origins 23 [September 23, 1993] 256–58, at 257).
34 Ibid. no. 15.
36 Paul VI, Populorum progressio: On the Development of Peoples no. 78, in Catholic
nomic life occurs. This framework of rules is largely, though not ex-clusively, the responsibility of the state whose duty it is to defend "those collective goods which, among others, constitute the essential framework for the legitimate pursuit of personal goals on the part of each individual." John Paul II includes within this notion of the juridical framework both the "indirect" contribution of government in accord with the principle of subsidiarity (e.g. "safeguarding the requisites of a free economy") as well as "direct" contributions in accord with the principle of solidarity (e.g. "overseeing and directing the exercise of human rights in the economic sector.") He insists that "the market be appropriately controlled by the forces of society and by the State, so as to guarantee that the basic needs of the whole of society are satisfied." The greatest challenge is still that of combining freedom and social justice, freedom and solidarity... Perhaps a visual image may clarify the necessary legal limits on markets.

Traditionally the market was a place where buyers and sellers met. In the modern world many market interactions occur electronically between persons who are not physically present to each other. Nonetheless, it is helpful to think of a market in spatial terms, as a place where individuals meet to further their economic interests. Certain restrictions are needed on the actions which individuals are allowed to take within markets. Even libertarians want to prevent the use of physical force and fraud in economic life. Most others, including John Paul II, have a longer list of actions that should be forbidden by law. It is helpful to think of these restrictions as "fences" demarcating markets, leaving some activities forbidden and excluded from the arena of the market by the fence forming its boundary.

Any economic system can be understood by means of this simple image of a fence. Even the centrally planned economy of the former Soviet Union had a market. The fences were set up much nearer the center, with the prohibition of private ownership of factories and many other activities. Still, there was a market. After economic planners made a centralized decision about products and prices, individual citizens were free to spend their rubles as they wished.

Why would even persons on the right want to exclude certain activities by law? The answer is that not even libertarians would trust the interplay of self-interest in the market to result in a just outcome if the rules of the market allowed beatings or fraud as a legal technique for

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39 Michael and Kenneth Himes have argued that "when the aim of social organization emphasizes the promotion of the common good as much as the regulation of self-interest, a more positive theory of the state is possible" ("The Myth of Self-Interest: Hobbes Had it Wrong," *Commonweal* 115 [September 23, 1988] 493–98, at 497).

40 *Centesimus annus* no. 40.

41 Ibid. no. 15.

42 Ibid. no. 48.

43 Ibid. no. 35.

44 Homily in Havana, no. 6.
economic competition. Although people may differ over where to construct the fences around markets—which activities to forbid and which to permit—all agree that there must be fences.

Arguments by those of the left and right are debates about where to construct fences around markets. This insight helps one to sort through many of today’s economic debates. Those on the left should not oppose markets since every economy includes them. But the term “free markets” is a misnomer since no one wants literally free markets; they would be unbearably unjust. Similarly, the expression “government intervention” in markets misconstrues the fundamental moral situation. Governments do not intervene in markets. They structure markets; they build fences to define markets. Persons on the political right may want to move a fence outward, making legal a currently illegal activity, e.g., changing environmental laws to allow property owners more freedom. Someone to the left may wish to erect a fence by making illegal a currently legal activity, e.g., changing labor laws to prohibit the hiring of permanent replacement workers during a strike.

There are two advantages to viewing markets in this fashion. The first is that it explicitly recognizes a realm of economic activity within which the human person could be morally justified in seeking self-interested goals. John Paul II apparently intends to allow individuals such a freedom when he affirms “a legitimate sphere of autonomy in economic life which the State should not enter.”46 This view of markets stresses the moral situation more explicitly because it indicates that once fences have been properly constructed (and the other three elements of a moral ecology of markets described below are in place) Christians could give a conditional moral endorsement to the outcome of self-interested interactions within the market.46

The second central advantage of this understanding of markets is that ideological posturing is eliminated and debate is focused on the real issues dividing persons. Those on the left will no longer be arguing “against markets” and those on the right will no longer be arguing in favor of “free” markets or against government “intervention” in the market. Both will have to focus on the positive and negative effects of erecting a fence here rather than there.

**Communal Provision of Goods and Services**

The second element in the moral ecology of markets is the communal provision of goods and services. Within the Catholic tradition the doc-

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45 *Centesimus annus* no. 15.
46 Marciano Vidal has argued that *Centesimus annus* “accepts, justifies, and proposes as ethically valid the fundamental economic structure of capitalism.” He goes on to limit capitalism in accord with the pope’s own restrictions to the extent that he himself doubts whether the eventual economic system ought to be called “capitalism” at all (“La sospechosa cristianización del capitalismo” 124, 131). Here I prefer to speak not of capitalism but of the inevitable use of markets in any economic order.
trine of property forms the intellectual foundation for nearly every issue concerning material goods in economic life. John Paul II describes this teaching as "the characteristic principle of Christian social doctrine: the goods of this world are originally meant for all. The right of private property is valid and necessary, but it does not nullify the value of this principle. Private property, in fact, is under a 'social mortgage,' which means that it has an intrinsically social function based upon and justified precisely by the principle of the universal destination of goods."  

This fundamental moral doctrine in John Paul II’s economic analysis is firmly rooted in the natural-law tradition. The pope implicitly employs the same argument about property ownership as did the Church Fathers, Thomas Aquinas, and others in the Christian tradition, namely that God created the world to meet the needs of humanity. Human beings have good reasons for instituting private property, but this social invention should never violate God's underlying intention that material goods meet human needs. Thus, when some have less than they need, those who have property in excess of their needs have an obligation to share this surplus. This is the theological foundation for John Paul II's commitment to "a preferential option for the poor."  

However, once again John Paul II interprets the classic doctrine of property through a personalist lens. He fully endorses Leo XIII’s approach to the doctrine of property from the point of view of the worker. In doing so he extends an analysis provided three centuries ago by John Locke. For John Paul II, the worker “makes part of the earth his own, precisely the part which he has acquired through work; this is the origin of individual property.” While the doctrine of creation places limits on the rights of property owners, “the right to private initiative and ownership” is founded on the individual's self-constituting, free, and intelligent use of “the things of this world as

47 Solicitudo rei socialis no 42
48 Although the doctrine of creation and its implications for property ownership are most central and most frequently employed by John Paul, he also appeals periodically to a christological source for this obligation of property owners (Centesimus annus no 30)
49 See, e.g., Clement of Alexandria, no 13, Gregory of Nazianzus, no 25, John Chrysostom, no 4, Ambrose of Milan, no 53, Augustine of Hippo, no 26, in Peter C Phan, Social Thought, Message of the Fathers of the Church 20 (Wilmington, Del Glazier, 1984) 73, 125, 158–59, 173–74, 208
50 Summa theologiae 2–2, q 66
52 Leo XIII, On the Condition of Workers Rerum Novarum no 15, in Contemporary Catholic Social Teaching (Washington USCC, 1991) 18
54 Centesimus annus no 31
objects and instruments." This view of ownership quite naturally underpins John Paul II’s notions of work and solidarity. The ordinary way for human beings to partake of the earth is to work with others in production so that, in the process, a portion of that world can meet their needs.

As the pope has phrased it, “[a]ll individuals and social groups have a right to live in conditions which enable them to provide for personal and family needs and to share in the life and progress of the local community.”

Owning a share of the goods of the earth is the ordinary means for meeting those needs. Yet the very construction of the institution of property ownership is based not on an a priori individualistic right to appropriate these things (as described, e.g., by Robert Nozick) but rather on the service that the institution of property ownership can provide in making effective the universal destination of goods intended by God in creation. “Those who own land and other types of riches must realize that on all private property there is ‘a social mortgage’ which obliges them to ensure that their property benefits the society as a whole.” As a result, the ownership of the means of production—tools, machines, factories—is itself simply a particular case of ownership in the broader sense and thus it too must serve this social function of goods. In the pope’s words, “Ownership of the means of production is legitimate if it serves useful work. It becomes illegitimate, however, when it is not utilized or when it serves to impede the work of others, in an effort to gain a profit which is not the result of the overall expansion of work and wealth of society, but rather is the result of curbing them or of illicit exploitation, speculation or the breaking of soli-

55 Ibid. no. 43.
56 Ibid.
59 Jean-Yves Calvez, S.J., has argued that an important shift has occurred in the last century that many commentators on the right have missed: the Church’s teaching has moved from emphasis on the right “of property” to an emphasis on the right of the person “to property.” That is, without denying the importance of property rights correctly defined, the emphasis is on the closer relation between the institution of property and the access to material goods which it must facilitate for all (Calvez, “La economía en la doctrina social de la iglesia,” Persona y Sociedad 7 [1993] 101–14, at 104).
61 A similar but more expansive argument for this internal relation between the warrant for private ownership of the means of production and the universal destination of goods rooted in the doctrine of creation has been provided by Franz Hinkelammert. Social institutions are created to mediate more basic values. Since work is the ordinary means by which the universal destination of goods is accomplished and since the availability of work in the modern world depends on decisions about the use of the means of production, ownership of the means of production must be organized so that meaningful and gainful employment is available to all. Hinkelammert, however, concludes that, as a result, capitalism must be rejected (The Ideological Weapons of Death: A Theological Critique of Capitalism [New York: Orbis, 1981] chap. 6).
darity among working people. Ownership of this kind has no justification, and represents an abuse in the sight of God and man.\textsuperscript{62}

At stake here in the obligation of providing essential goods and services is not only the doctrine of property but a view of freedom. John Paul II insists that “dire poverty causes slavery; it is itself a lack of freedom. Increasing impoverishment undermines human dignity and stability.”\textsuperscript{63} Just as the pope’s view of property differs from the view prevalent among the North American political right, so too does his concept of freedom. Robert Nozick, who avoids a treatment of “freedom,” speaks instead of whether an action is “voluntary.” He admits that other people’s actions may place limits on one’s available opportunities, but he argues that for one’s resulting actions to be nonvoluntary requires that others not have had the right to act as they did.\textsuperscript{64} This libertarian view of freedom treats both poverty and the earth’s gravity as simple facts of life, limitations that do not reduce human freedom. For Catholic social thought and for other communitarian notions of human life and freedom, this view is inadequate. Liberty is not simply the absence of unjust restraint nor even the absence of restraint; it is a kind of enablement, always communal in character, which a person enjoys.\textsuperscript{65}

The Judeo-Christian tradition asserts that the prosperous have an obligation to the needy.\textsuperscript{66} My claim here is even broader. In nearly every moral assessment of markets, from Marxists to libertarians, there is a conviction that the community should provide “essential” goods and services. As Michael Walzer has phrased it, “every state is a welfare state.”\textsuperscript{67} In order to understand this it is helpful to recognize that even libertarians want the community to provide certain “essential” elements in public life. Because the use of force and fraud would be forbidden in a libertarian society, such a society needs to provide protection against these evils. Typically this implies that police and law courts will be provided even to those citizens who can not other-

\textsuperscript{62} Contesimus annus no. 43. \textsuperscript{63} Address in Durango, Mexico, 20. \textsuperscript{64} Nozick, Anarchy, State, and Utopia 262. \textsuperscript{65} For another, secular view of this communitarian perspective on freedom, see James Boyd White, “Economics and Law: Two Cultures in Tension,” Tennessee Law Review 50 (1987) 161–202, at 179. \textsuperscript{66} Some in recent Catholic social ethics have argued in favor of including the degree of inequality as an essential element along with the meeting of needs. As Drew Christiansen has phrased it, “material goods themselves, however, are not the problem. The injustice lies in maldistribution” (“Ecology, Justice, and Development,” TS 51 [1990] 65–91, at 69). See also his “On Relative Equality: Catholic Egalitarianism after Vatican II,” TS 45 (1984) 651–75. While the meeting of needs is clearly more basic in the Christian tradition, such concern for the distribution of income is at times reflected in the concerns of John Paul II as well: “[I]t is therefore urgently necessary to introduce into the mechanisms of the economy the necessary correctives which will enable those mechanisms to ensure a more just and equitable distribution of goods” (1993 World Day of Peace message, 477). \textsuperscript{67} Michael Walzer, Spheres of Justice: A Defense of Pluralism and Equality (New York: Basic Books, 1983) 68.
wise afford them. Most people have a lengthier list of items that are "essential." In the political domain, as one moves from right to left, the list gets longer. John Paul II, like previous popes, has argued in favor of a number of economic rights, based fundamentally on the doctrine of creation and the universal destination of goods which flows from creation.

The provision of a particular good or service by the community may or may not entail provision by government. One of the issues central to welfare reform in the U.S. at the end of the 20th century has been the extent to which assistance to low-income people should be provided by government or by private charities. John Paul II himself has criticized the "social-assistance state" for its expense, its bureaucratic ways, and the loss of human energies that it encourages. This view reveals a growing awareness in modern Catholic social thought of the importance of incentives. It is a serious moral error to structure communal provision in a way that discourages the poor from moving toward self-sufficiency.

At the same time, John Paul II makes it clear that it is equally irresponsible to ignore human needs or to rely on an inadequate private system of assistance. The fundamental criterion is not the agency of provision but the fact that the goods of the earth have a universal destination and that the needs of those who cannot provide for themselves should not go unmet. "The health, nutrition and food subsidies granted to the most indigent person are indispensable. . . ."

Keeping in mind the fundamental question about the conditions under which a Catholic might give a conditional moral endorsement to markets, it is clear that communal provision is a necessary addition to the moral logic of self-interested action in the market. Even under ideal conditions where proper limits on markets prevent abuses, there will always be persons unable to provide for themselves through gainful employment. This may occur due to changing economic conditions or technological change affecting many people; it may also arise out of an individual's bad luck in the midst of an otherwise successful life. Whatever the cause of hardship, Christians cannot give moral approval to a market system if basic necessities are not provided to those

68 Nozick spends the first half of Anarchy, State and Utopia arguing against anarchism and in favor of a government with the police powers that would be provided to all.
69 Among the economic rights which John Paul addresses are the right to work (Laborem exercens no. 18), economic initiative (Solicitudei rei socialis no. 18), a just wage (Centesimus annus no. 8), free association, including labor unions (Laborem exercens no. 20 and Centesimus annus no. 7), a share in decisions concerning work (Laborem exercens no. 21), a safe environment (Address to the Pontifical Academy of Sciences, October 22, 1993 [Origins 23 (November 4, 1993) 383–84, at 394]), limited working hours (Centesimus annus no. 7), rest, especially on Sundays (Centesimus annus no. 7), and the right of children and women to be treated differently (Centesimus annus no. 7).
70 Centesimus annus no. 48.
who, through no fault of their own, are unable to provide these necessities for themselves.

The Morality of Individuals and Groups

The third element of the moral ecology of markets is the morality of individuals and groups. Here the full strength of John Paul II’s personalist ethic is evident. The laws that define markets are minimalist, in the sense that they forbid the worst abuses that unrestricted self-interest in the marketplace would otherwise effect. If, however, the law represented the full limit of human moral sensitivity, the world would be a vicious place.

Christian ethics has perennially recognized that human law cannot and ought not try to forbid all evil actions. As Thomas Aquinas noted, “while aiming at doing away with all evils, it would do away with many good things and would hinder the advance of the common good.”72 Thus we do not have laws against lying, except in extraordinary situations such as court testimony, contracts, and libel cases; we count on our friends and coworkers to speak the truth because most people share a moral conviction about the importance of telling the truth. The same holds true for a myriad of other moral values critical for human life. The morality of individuals and groups is the ethical core of non-governmental “forces of society” designed to help “control” the market.73 The perennial insistence on personal moral conduct within the Christian tradition is critical. John Paul II clearly understands personal morality as rooted in basic anthropological principles. Thus the sense of solidarity that he advocates is based on the fundamental interrelatedness of all human beings as children of God. Put in more secular terms, solidarity is the personalist result of social interdependence. The growing economic interdependence of workers, businesses, communities, and even nations has increased the importance of social concern. “When interdependence becomes recognized in this way, the correlative response as a moral and social attitude, as a ‘virtue,’ is solidarity.”74 This, he cautions, is not a vague feeling of compassion: “it is a firm and persevering determination to commit oneself to the common good; that is to say, to the good of all and of each individual because we are all really responsible for all.”75 Thus, even if the fences around markets were structured properly and even if essential goods and services were provided to those unable to provide them for themselves, the morality of markets would require in addition that each person exceed the minimum standards enforced by law. Honesty, reliability, kindness, and a host of other ordinary virtues are essential to everyday economic life.

It is also important to recognize, as does John Paul II, that both the economic development of the nation and the economic security of each

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72 Summa theologiae 1–2, q 90, a 4
73 Centesimus annus no 35
74 Solicitudo rei socialis no 38
75 Ibid
individual are dependent upon personal virtues. He has called these “the moral causes of prosperity.” “They reside in a constellation of virtues: industriousness, competence, order, honesty, initiative, frugality, spirit of service, keeping one’s word, daring—in short, love for work well done. No system or social structure can resolve outside of these virtues, as if by magic, the problem of poverty. In the long run, both the projects of institutions and their functioning reflect the habits of human beings—habits that are acquired during the education process and that form an authentic work ethic.”

In addition to personal morality, the pope clearly recognizes the importance of societal institutions and, in turn, the destructive impact of sinful social structures. His aim is “to destroy such structures and replace them with more authentic forms of living in community.” He calls for the “restructuring of the economy, so that human needs are put before mere financial gain.” His personalism identifies the roots of sinful structures in personal sin. They are always introduced and consolidated “by concrete acts of individuals.” “All situations of social injustice are first of all the result of the accumulation and concentration of many personal sins. It is a case of the very personal sins of those who cause or support evil or who exploit it; of those who are in a position to avoid, eliminate or at least limit certain social evils but who fail to do out of laziness, fear or the conspiracy of silence, through secret complicity or indifference.”

The modern world has learned much from sociology about the “social construction of reality” and the importance of a common morality in any group. Powerful expectations about behavior exist in every group. Christian faith calls for the conscious shaping of these expectations in order to further the common good. Thus each business firm has a responsibility to address the culture of ethical relationships among its employees as well as the morality of its own actions in the wider marketplace. This traditional concern of Christian ethics remains essential.

76 Address to the U.N. Economic Commission, Santiago, Chile, 775–76.
77 Centesimus annus no. 38.
79 Sollicitudo rei socialis no. 36.
82 Michael Novak has consistently emphasized the importance of personal morality within a market economy; see his The Spirit of Democratic Capitalism (New York: American Enterprise Institute, 1982) and his The Catholic Ethic and the Spirit of Capitalism (New York: Free Press, 1993).
83 David Hollenbach has argued that those who press for a reduction in restrictions on markets must also account more adequately for the negative impact that the logic of markets tends to have on the development of individual persons, making them “less virtuous” (“The Bishops and the U.S. Economy,” TS 46 [1985] 101–14, at 111).
The final element in the moral ecology of markets is the presence of voluntary, mediating institutions, larger than the family but smaller in scope that the national government. For John Paul II society is not simply the sum total of its individuals. Rather, society has a kind of "subjectivity" that occurs "through the creation of structures of participation and shared responsibility." The notion that society possesses "subjectivity" is a helpful outgrowth of the pope's personalist approach and a significant contribution to Catholic social thought.

Echoing support for what others have termed "civil society," John Paul II argues strenuously for the importance of mediating structures: "Apart from the family, other intermediate communities exercise primary functions and give life to specific networks of solidarity. These develop as real communities of persons and strengthen the social fabric, preventing society from becoming an anonymous and impersonal mass. . . ." His concern quite explicitly is that "[t]he individual today is often suffocated between two poles represented by the State and marketplace."

The effort to nurture "the true subjectivity of society" and to humanize economic life entails sustaining a wide range of intermediate bodies with economic, social, or cultural purposes. These would be "groups enjoying real autonomy with regard to the public powers, pursuing their specific aims in honest collaboration with each other and in subordination to the demands of the common good." Examples of such organizations include labor unions, environmental groups, chambers of commerce, neighborhood organizations, political parties, parent-teachers associations, professional associations, and a wide variety of other voluntary groups.

Those inclined toward an individualist interpretation of life erroneously view such voluntary associations as nothing more than the efforts of individuals to accomplish their pre-existing goals. Catholic social thought, however, relying on a more adequate empirical understanding of human experience, values both the capacity of individuals to accomplish their goals and the formative impact that public conversations within organizations have upon the goals and the self-understanding of each person.

This web of interrelated organizations within an effective democracy constitutes "civil society"; it entails a creative interplay of Christian

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84 Centesimus annus no. 46.
85 Ibid. no. 49.
86 Ibid.
87 Solicitude rei socialis no. 15.
88 Laborem exercens no. 14.
89 Michael J. Sandel has persuasively argued that the dominant "liberal" individualism fails to account for the existence of "encumbered selves" and is thus unable to grasp the importance of debate between competing views of the good within political discourse (Democracy's Discontent: America in Search of a Public Philosophy [Cambridge, Mass.: Harvard University, 1996] part 1).
commitment and citizenship.\textsuperscript{90} Some scholars have helpfully analyzed this interrelated system of voluntary organizations as a “network.”\textsuperscript{91} We should be clear about why such mediating institutions are an essential part of the moral ecology of markets. Many things critical to the common good need to be done by smaller, private groups and in the process large numbers of ordinary citizens develop the skills of democratic participation. But no one can have confidence that market outcomes will be just, unless citizens, through government, create the proper fences around the market. In the modern world, this must be a democratic process. There is little hope that this process will go well without a vibrant and well functioning “subjectivity” of society. Subsidiarity and solidarity will not be well embodied within governmental decisions unless they are first robustly active in civil society.\textsuperscript{92}

\textbf{CONCLUSION}

My goal has been to strengthen John Paul II’s analysis of economic life by proposing a broader framework for analysis. Beginning with the notion of the moral ecology of markets has the advantage of including the personalist insight that John Paul II brings to his ethical analysis of the economy but it adds an institutional framework. I raise the question: Under what conditions could a Christian give moral approval to a market system? I have pleaded for a contextual analysis and focus attention on the four critical elements that make up the moral context for market activity. My framework leaves many questions unresolved, such as which particular activities should be permitted or forbidden within the market, or what specific goods and services are “essential.” But it does remove from the debate a number of popular misconceptions, such as the endorsement of “free” markets and the rejection of “government intervention.” Such arguments may be politically effective but they are intellectually simplistic and irresponsible. By removing rhetorically appealing battle cries, my framework wishes to refocus attention on the real issues that divide, and it opens the way for a more robust contribution of Catholic social thought to the religious and secular debate.


\textsuperscript{92} Michael Sandel has argued that we would be left with a stark “procedural republic” instead of a vibrant democracy capable of making needed decisions (\textit{Democracy’s Discontent} 317–51).
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