Tackling capitalism: 
what Vatican II achieved and what still needs to be done

Bruce Duncan CSsR

This article was published in Pacifica in June 2013 Vol. 26/2, pp.199-214.

The Second Vatican Council could scarcely have anticipated the Global Financial Crisis from 2007 with its ramifications throughout much of the world. Indeed it was only after much debate and effort that the Council Fathers managed to shake off the shackles confining the Church’s attention to internal matters of doctrine and good order, and to stress the need for the Church to engage much more purposefully with contemporary culture and movements in the international arena. The questions arise: has the Church adequately critiqued capitalism, and what needs to be done now?

Despite the efforts of groups like ‘The Church of the Poor Group’, involving Dom Helder Camara and several hundred Council Fathers, the Council said surprisingly little about forms of capitalism, and specifically aspects of neoclassical economics that burgeoned later into full-blown neoliberalism. In part this was because the disillusionment about the Alliance for Progress in Latin America had not fully set in, and Keynesian economics appeared to be leading the world into a period of sustained prosperity, with new hopes for improving living conditions in the developing world especially. Only from the 1970s did the issues of stagflation, involving both inflation and recession together, turn economics from Keynesianism to monetarism and neoliberal economics.

The Council said little on economics also because the Church lacked the structures to nurture a vibrant conversation about economic issues and to channel the voices coming from poorer parts of the world. Especially in the later stages of the Council, many of the bishops made significant efforts to tap into the socio-economic expertise of lay specialists. But fresh Catholic thinking on socio-economic issues was only beginning to develop in the footsteps of the New Theology, with its insights into how the Church needed to engage with the modern world. The Council opened up a new trajectory for the Church to pursue in coming decades. It did not claim to be the last word, but the beginning of a new conversation about the implications of faith for life in this world.

This paper considers key features in Vatican II bearing on Catholic critiques of forms of capitalism, on how they have been contested by neoconservative writers, and finally how Church moral perspectives could help promote more sustainable and equitable socio-economic policies.

Questions from the Global Financial Crisis

Perhaps not unexpectedly in view of the economic crisis, leading economists and commentators are calling for the renewal of economic morality, not just in the personal conduct of players in the financial markets, the ratings agencies, or the banking and shadow-banking systems, but in governance, media and regulation as well. They bemoan the collapse in ethical perspectives in much of the economics profession and even in the discipline of economics itself, especially in its neoliberal forms.

In a series of books, Joseph Stiglitz, a Nobel Prize laureate in 2001 and former head of the World Bank (1997-2001), has attacked what he terms free-market fundamentalism, or neoliberalism, with its belief that free markets would of themselves resolve moral issues and produce the fairest outcomes. He

* Dr Bruce Duncan is a Redemptorist priest and co-ordinates the program of social justice studies at Yarra Theological Union in Melbourne. He is also the Director of the Yarra Institute for Religion and Social Policy within the MCD University of Divinity.
criticised the International Monetary Fund especially for its blend of ideology, bad economics and the influence of special interests.\(^1\) ‘You won’t find hard evidence of a terrible conspiracy by Wall Street and the IMF to take over the world. I don’t believe such a conspiracy exists. The truth is subtler.’\(^2\) He said major corporations had been shaping the processes of globalisation in their own interests, and named Microsoft, ExxonMobil, along with agricultural and pharmaceutical interests for corrupting the political process through their donations to both major US political parties.\(^3\)

For much of the world, globalization as it has been managed seems like a pact with the devil… closer integration into the global economy has brought greater volatility and insecurity, and more inequality. It has even threatened fundamental values.\(^4\)

Stiglitz is well known for his essay in *Vanity Fair* detailing the redistribution of wealth in the United States away from the great majority of the people to the top 1 percent of income earners. His writings helped stimulate the mass protests in the Occupy Wall Street movements.\(^5\) He developed his call for a renewal of morality in economics in 2012 in *The Price of Inequality: how today’s divided Society endangers our Future*. He wrote that markets must be tamed so that they benefited most citizens.

Something has happened to our sense of values, when the end of making more money justifies the means… Much of what has gone on can only be described by the words ‘moral deprivation’. Something wrong happened to the moral compass of so many of the people working in the financial sector and elsewhere.\(^6\)

The earlier coordinator of the UN Millennium Development Goals, Jeffrey Sachs from the Earth Institute at Columbia University, in *The Price of Civilization: Economics and Ethics after the Fall*, likewise deplored policies that led to deregulated markets, tax cuts for the rich and reduced social spending resulting in widening inequality. ‘Globalization unleashed vast corporate power and undermined whole regions’.\(^7\) He continued: ‘The key question today is global and urgent: how can capitalism in the twenty-first century deliver the three overarching goals sought by societies around the world: economic prosperity, social justice, and environmental sustainability?’\(^8\) He warned against the new ‘corporatocracy’ shaping the world in the interests of major transnational companies.\(^9\)

Other leading economists had also warned of approaching disaster: Nouriel Roubini and Stephen Mihm,\(^10\) Robert J Shiller, and the financier, George Soros\(^11\) among others. Amartya Sen has long pointed to the need for a renewed moral framework within economics, and deplored the gap between economics as a discipline and moral philosophy.\(^12\)

---


\(^4\) Ibid., 292.

\(^5\) Joseph E. Stiglitz, ‘Of the 1%, by the 1%, for the 1%’, *Vanity Fair* (May 2011), www.vanityfair.com/society/features/2011/05/top-one-percent


\(^8\) Ibid., xv.

\(^9\) Ibid., 109.


These writings on the current crisis suggest that this is an important moment for the churches to engage in focused but public conversation, first, about the values needed to redevelop a sustainable economics, with fairer outcomes especially for the poorer sections of humanity; and secondly to promote efforts to translate such values into policy directions and outcomes. It is not the role of the Church to take on the professional work of people in the social sciences and policy areas. But the Church has a duty to encourage people to run a moral template over policies and actions to ensure outcomes are fair and equitable, especially for more vulnerable sections of the population.

Though church-based social service organisations often make their voices heard in their areas of specialisation, the current economic crisis prompts the questions why Catholic social thinking seems to have had so little influence on much recent economic thinking, and if this an opportunity for the churches to engage more closely with economics as a discipline.

The changed context
We are today only too aware of the fragile state of the world economy, but we may have forgotten how fragile was the global context for Vatican II. Just days after the Council opened in October 1962, the Cuban missile crisis brought the world to the brink of nuclear war, and such a cataclysm remained a terrifying prospect, particularly in Europe. Europe had only recently emerged from the horror of World War II, with its immense destruction and prolonged suffering, before the Marshall Plan helped propel the rebuilding of Western Europe. The defeat of the Axis powers also discredited the right-wing Catholic parties and networks that had supported the authoritarian regimes, including Action Française. The Christian Democrats in various European countries played a major role in rebuilding their economies and democratic polities.

The Cold War ‘Iron Curtain’ had cut Europe in two, with the terror of the communist regimes and the savage persecution of Christians only slowly moderating after the death of Stalin in 1953. The Hungarian repression in 1956 was followed by another bid for freedom in the brief Prague Spring of 1968. An ideological war was being fought between the communist ideologies and their democratic opponents, with their several types of capitalism. Catholic social thinking had a major influence on the new democracies in Europe, particularly Germany and Italy,13 but the Social Democratic parties were also opposed to communism. Catholic social thought shared much with socialist currents of thought arguing for a fairer distribution of wealth, including ownership through co-operative and co-determination schemes in industry.14

Particularly in the United States, however, the alliance between Catholic and capitalist networks against communism obscured for many the Church’s long critique of forms of capitalism. Moreover, in contrast to Europe and the United Kingdom (along with Canada, Australia and New Zealand), the culture in the United States was much more individualist and less hospitable to communitarian philosophies with their emphasis on social equity and distributive justice. US political rhetoric still often dismisses talk of social justice as socialist in a communist sense.

Papal views on capitalism
The papacy under Pope Leo XIII was emerging from a reactionary phase and began a fresh encounter with social and economic thought, particularly on industrial issues, with the 1891 encyclical, *Rerum Novarum*. Leo rejected laissez-faire theories of economic liberalism, and laid the central planks of

---

modern Catholic social teaching, based on the rights to a just wage and to form unions, the call for a more equitable distribution of wealth and the duty of the state to ensure social justice in the economy. Yet Catholic social movements suffered immense damage under his successor, the reactionary Pope Pius X, who all but ended for a time innovative Catholic social thinking and the promising dialogue and collaboration with emerging socialist movements.

Pius XI resumed the social critique during the Great Depression with Quadragesimo Anno, which has an uncanny resonance for our current economic circumstances. ‘Free competition, kept within just and definite limits, and still more, economic power, must be brought under the effective control of the public authority’ to conform to social justice (#54, 133-34). Yet all these early initiatives were firmly in the context of European issues and ideas.

Not until Pope John XXIII did the papacy begin a thorough reworking of social teaching, first with Mater et Magistra in 1961, somewhat neglected today but of enduring importance for its foundational work in setting new directions, particularly regarding developing countries; and then Pacem in Terris in 1963, written after the shock of the missile crisis, appeared as if it were John’s last will and testament. It helped move the Council into closer attention to social and political issues.

The lead author of Pacem in Terris was none other than Mgr Pietro Pavan, head of the Permanent Committee for International Congresses of Catholic Action, where the Australian Rosemary Goldie worked, and from 1959 as executive secretary. Like some of the key Council Fathers, especially Bishop Émile De Smedt of Bruges, they were imbued with the thinking of Canon Joseph Cardijn, who was only made a bishop in 1964, and a cardinal the following year. Cardijn himself only gave three short addresses to the Council, but his thinking, embedded in the Young Christian Workers’ movements, had a major influence on bishops like Helder Camara and what soon became the liberation theology movements in Latin America and elsewhere.

The conflicts in the Council have been well chronicled elsewhere, but it was most important that the older traditionalist views of the Vatican curia, as Congar and Rahner among others described them, were challenged and defeated. The curialists wanted an unchanging fortress Church defying the currents of modernity and political liberalism. The initial documents the Curia prepared for the Council had little place for the developments that later appeared in the Church in the Modern World, the Decree on the Apostolate of the Laity or the Declaration on Religious Freedom. Because of the traditionalists’ exalted view of the papacy, they considered that social questions were adequately handled in papal encyclicals, without wider involvement or consultation.

However both Popes John XXIII and Paul VI at strategic moments nudged the Council to tackle the major social questions more cogently. Especially important was Pope Paul’s first encyclical in 1964, On Dialogue (Ecclesiam Suam), which was not just a message to the Church (and the Council itself) about the courtesies and procedures of productive dialogue, but it called for a more open style of public discourse in international relations, including even with people of opposing viewpoints and ideologies. As Norman Tanner wrote in his commentary, Ecclesiam Suam ‘implied a substantial change in the idea that the fathers had of the Council’; it ‘changed the model of the Council’ from

---

15 See Bruce Duncan, The Church’s Social Teaching: From Rerum Novarum to 1931 (Melbourne: CollinsDove, 1991), 48 ff.
17 Francis McDonagh, Dom Helder Camara: Essential Writings (New York: Orbis, 2009).
being focused on internal Church reform to addressing issues of contemporary society. Paul VI certainly regarded Gaudium et Spes as a continuation of the direction he had set in Ecclesiam Suam.

**Church in the Modern World**

Gradually the demand built among the Council Fathers for closer attention to social and political affairs, and bringing the Church into closer engagement with the great social issues of the time. Schema XVII became Schema XIII, and finally emerged after numerous drafts, much floor debate, four major rewritings, and thousands of amendments as the Pastoral Constitution on the Church in the Modern World at the climax of the Council. Even so, it was adopted on 4 December 1965 by only 1710 of the 2200 bishops present, indicating that there were unresolved issues among the Council Fathers.

This Pastoral Constitution dealt somewhat briefly with a range of pressing social and cultural issues, including economic matters, hunger and poverty, justice and social equity. The eminent British economist, Barbara Ward, had played a key role in drafting several documents which influenced the Council Fathers. Nevertheless, as a woman she was not allowed to address the Council. Instead one of the few lay auditors, James Norris, who had been executive director of the US Catholic Relief Services, and was currently president of the International Catholic Migration Commission, on 5 November 1964 addressed the Council on ‘World Poverty and the Christian Conscience’, drawing heavily from Ward’s earlier memo to Cardinal Suenens. Norris had only been given one day’s notice that he was to speak, and worked speedily overnight, drafting his speech in competent Latin. Norris was only the second lay person to address the council; the Englishman Patrick Keegan had spoken on the lay apostolate on 13 October.

Norris argued that for the first time ever, the wealthier nations had the means gradually to eliminate poverty throughout the world. He urged the Council to call Catholics and others to action, and to engage all Catholics in this struggle against hunger and poverty.

Ward and Norris had also advocated that the Church promote its teaching on social justice and poverty through a permanent Vatican ‘poverty secretariat’. This proposal was adopted by the Council in Gaudium et Spes #90. Pope Paul VI established it in 1967 as the Pontifical Commission for Justice and Peace. Ward was one of its foundation members along with Norris, the only lay people among the initial 24 members.

What was new and struck such a chord with widespread public opinion was the document’s sense of solidarity with all people, especially the distressed, and its recognition of its social task ‘so that the world might be fashioned anew according to God’s design and reach its fulfilment.’ (Gaudium et Spes, #2). It expressed its esteem and love for the entire human family by ‘engaging with it in conversation about these problems’ (3). However, the Council did not have a lot to say explicitly about economics. It was critical that some people in developed economies ‘seemed to be hypnotised, as it were, by economics, so that almost their entire personal and social life is permeated with a certain economic outlook.’ It criticised the great inequality among peoples that left many almost destitute, while others

22 Jean Gartlan, Barbara Ward: her Life and Letters (London: Continuum, 2010), 133 ff. See also Tanner, op. cit., 318.
23 Tanner, op. cit., 319.
lived with abundance. It called for ‘numerous reforms... at the socio-economic level, along with universal changes in ideas and attitudes.’ (#63).

In wording that could apply to both communist and capitalist countries, *Gaudium et Spes* continued that economic development ‘must not be left to the sole judgment of a few men or groups possessing excessive economic power... or of especially powerful nations’. It argued that ‘at every level the largest possible number of people have an active share in directing that development.’ Moreover, ‘theories which obstruct the necessary reforms in the name of a false liberty must be branded as erroneous.’ This clearly applied only to capitalist countries. But it even-handedly added that the same was true of ‘theories which subordinate the basic rights of individual persons and groups to the collective organisation of production’ (#65), a reference to communist countries.

*Gaudium et Spes* extolled the right of initiative and so to increase productivity to meet human needs more adequately, ‘but within the limits of morality’, and not to increase wealth for its own sake (#64). Reiterating its support for the co-determination schemes in industry and the very significant cooperative movements in Europe, it also called for ‘the active participation of everyone in the running of an enterprise’. Moreover, workers ‘should have a share also in controlling those institutions’ which make decisions about their future at a higher level above the enterprises (#68). It repeated standard Catholic teaching on just wages and the right to form unions, with the need for all to work and contribute to the common good. But it highlighted the need to overcome great inequalities: ‘If the demands of justice and equity are to be satisfied, vigorous efforts must be made... to remove as quickly as possible the immense economic inequalities that now exist’ (#66).

The Council refrained from a thorough critique of capitalism and avoided a declamatory attack on communism. But it provided the new theological grounding for the Church’s more active involvement in pursuit of social justice as a key part of the Church’s mission. It insisted on

- the human dignity of all people, inherent in the nature of the human person;
- the Gospel imperative to care for others not just out of charity but out of social justice and the modern requirement to provide institutional supports; and
- an Incarnational perspective that overcame theological dualism, recognising a legitimate secularity of the world in an eschatology that included God’s promise of a new heavens and a new earth.

These and other theological developments set new parameters for the reorientation of Catholic social thought and movements.

**The new trajectory**

The impetus from the Council prompted Pope Paul to issue his celebrated 1967 social encyclical, *Development of Peoples*, drafted by the Dominican priest, Père Louis Lebret. It greatly expanded the themes of social justice and development, issuing its classic rejection of ‘unchecked liberalism... a system which... considers profit as the key motive for economic progress, competition as the supreme law of economics, and private ownership of the means of production as an absolute right that has no limits and carries no corresponding social obligation’ (#26). The encyclical continued: ‘Without abolishing the competitive market, it should be kept within the limits which make it just and moral’, restoring ‘to the participants a certain equality of opportunity’ (#61). This remains the most concise rejection of neoliberal economics in Catholic social teaching.

In a very significant endorsement of Paul’s document, Pope Benedict XVI in his 2005 encyclical, *Caritas in Veritate* (#8), urged Catholics to view *Development of Peoples* as their new social manifesto, as once was *Rerum Novarum*. 


This is not the place to summarise the further developments in formal Catholic social teaching, which John Paul II vigorously promoted, most successfully in the contest with the communist regimes, but also with forms of capitalism, and with great concern for development among poorer nations. It is puzzling, though, that Catholic critiques of various forms of capitalism are not more generally known, despite numerous pleas and directives to spread the Church’s social teaching.

Part of the reason for this stems from conservative business interests, especially in the United States, which began to contest the social justice direction following Vatican II. Under the leadership of some very able bishops, the US Catholic Church became notably more articulate about social justice issues during the Reagan Administration, particularly on social policy, its policies in Latin America and on defence and nuclear issues. In response, business interests close to the Republican Party developed an extensive network of think tanks and media outlets which included in their sights Catholic statements on social justice issues.

The Catholic neoconservatives
Most prominent among US Catholic writers contesting Catholic critiques of neoliberalism are Michael Novak of the American Enterprise Institute and his conservative allies, notably Richard John Neuhaus and George Weigel. Generously funded by neoconservative think tanks and private business and financial interests, they offered an interpretation of Catholic social thinking more to the liking of their conservative supporters. Such a concerted effort by Catholic writers to contest Church teaching on social and distributive justice is a new phenomenon in the English-speaking world. They have undoubtedly blunted the Church’s formal statements on social justice issues, allowing political opponents of such views to dismiss Church views as arbitrary, and confused many in the broader public about the Church’s moral critique of neoliberal capitalism. As Thomas Rourke wrote: ‘The primary focus of Novak’s, Neuhaus’s, and Weigel’s writings has been to win the Catholic tradition over to a relatively laissez-faire version of democratic capitalism’, minimising the role of government and extolling the personal virtues of individual enterprise, while neglecting issues of social justice and equity.

If the views of the 2012 Republican vice-presidential candidate, Paul Ryan, are any indication, the neoconservative undermining of formal Church positions has been somewhat successful. Ryan presents as a strong Catholic yet has been an enthusiast for the libertarian economics of Ayn Rand. In a 2009 video, he said: ‘Ayn Rand, more than anyone else, did a fantastic job of explaining the morality of capitalism, the morality of individualism, and to me, this is what matters most.’

Pope Benedict’s strenuous endorsement of Development of Peoples has left the neoconservatives somewhat exposed. Novak in 1984 was highly critical of Paul VI, a ‘thin, wiry, anxious and melancholy’ man who wavered between pessimism and utopian hope. Novak wrote that Development of Peoples introduced a note of ‘doom, even of accusatory bitterness, and of defensiveness about the achievements of the Christian West’; ‘a sense of guilt intrudes’.

---

First comes the shocking sentiment: ‘The world is sick’ (para. 66). Second comes the suggestion that the poor nations of the world will rise up in rage against the developed nations. To be sure, Paul VI quickly counsels against revolution and even utopian hopes; but he seems to imagine an almost causal relation between the development of some and the underdevelopment of others. 29

Novak considered Pope Paul’s rejection of ‘unchecked liberalism’ as misapplied to liberal societies. 30 He questioned the accuracy of many of the Pope’s views: ‘On such matters, papal teaching draws less upon its own theological authority than upon the opinions of secular [sic] experts’. 31 In Novak’s view, Pope Paul’s 1971 letter, Octagesima Adveniens, made too many concessions to Marxism. ‘What sort of guidance to the developing world does Paul VI offer, however, when he dares not criticize the “attenuated” Marxism and vague socialism which are the lingua franca of intellectual elites? Does he fear to challenge them?’ He wrote that Paul VI’s ‘attacks on liberal ideology are a red herring’. 32

Novak also considered the Justice and Peace commissions set up by Paul VI as endeavouring to prove they were not ‘out of touch’ and to ‘settle old scores’. 33 Novak continued that Fr Joseph Gremillion, secretary of the Pontifical Commission, had indicted the existing unjust power structures, with a small national power elite allied with international actors to form ‘a transnational system of injustice’. 34 The Latin American bishops at their 1968 Medellin conference followed a similar line as did the 1971 Synod of Bishops in Rome. ‘How easily, one wants to say, Catholic clergymen have passed from right to left, without ever pausing to cherish liberal institutions’, Novak commented. 35 ‘Paul VI’s flirtation with Marxist analysis and his disdain for the ideology of liberalism have unleashed a mischievous dualism in the Catholic world’. 36 Novak recommended that the Church pay much closer attention to developing a theology of commerce and industry, acknowledging the benefits of western liberalism and the productivity of democratic capitalism. 37

When John Paul issued On Social Concerns in 1987, Novak, Weigel, Neuhaus and Peter Berger organised a deputation to Rome to protest at what they regarded as a failure to acknowledge properly the virtues of capitalism, and at what they considered the ‘moral equivalence’ of depicting capitalism as much in need of reform as liberal capitalism. 38 They were not able to see the Pope, but talked with officials, including at the Pontifical Commission for Justice and Peace.

The neoconservatives took a different tack when Centesimus Annus appeared, arguing that the Pope had come around to their way of seeing things, recognising the important values in capitalism. Instead of confronting Church teaching directly, they positioned themselves as key interpreters of Catholic thinking. They were aware that the interpretation of such documents can become more significant than what the documents actually said.

30 Ibid., 135.
31 Ibid., 139.
32 Ibid., 143.
33 Ibid., 144.
34 Ibid., 145.
35 Ibid., 146.
36 Ibid., 147.
38 In Origins (Vol. 18, 5), 16 June 1988, 70.
George Weigel edited a volume on Centesimus Annus with responses of Catholic and allied right-wing writers. Peter Berger regarded the encyclical as a ‘breakthrough’ in Catholic social teaching, though he, quizzically, thought there was little new in it. Yet ‘for the first time in the modern history of Catholic social doctrine, there is here an emphatic and elaborated approval of the market economy as the optimal economic arrangement in today’s world’. He could not decide if the events of 1989 or ‘Michael Novak and his little band of pro-capitalist Catholic intellectuals have finally managed to get through the ideological nonsense promulgated by outfits like Iustitia et Pax, but this encyclical constitutes a very big rebuff to the Catholic left.’

He thought it would boost sane Catholics in the USA ‘when they have to deal with the gauchisme that is still entrenched both in Catholic academia and in the Catholic bureaucracy in this country’. An editorial in the New York National Review wrote in April 1994: “Those close to Pope John Paul II leave no doubt that his encyclical (Centesimus Annus) on the free society and the free economy was significantly influenced by the work of Michael Novak.” Indeed, Novak travelled extensively through Latin America and Eastern Europe promoting his neoconservative interpretation of Catholic social thought and teaching.

Richard John Neuhaus in his 1992 book, Doing well and doing good, claimed that Novak’s writings were avidly read in Poland, and that ‘it seems likely that Novak’s work was an influence in shaping the argument of this Polish pope.’ He argued that with few exceptions, ‘Christian leadership denied the moral legitimacy of democratic capitalism’, and so last century Marxism came to respectable as the leading critic. He contended that Centesimus Annus apparently surprised everyone except the Pope and his colleagues. He argued that there is nothing rescuable from the socialist idea or ideal after this latest encyclical. Neuhaus simply identified the concept of the welfare state with the Pope’s ‘Social Assistance State’, without recognising that welfare states cover a wide spectrum of policies, and that the Pope was referring to extremes in that typology.

In contrast to the encomiums of these neoconservative writers, Centesimus Annus restated strongly the Church’s critique of capitalism when it excluded most people from any genuine ownership (#6). John Paul II wanted to rebuild democratic societies ‘inspired by social justice’, with ‘market mechanisms’ subject to public control for the common good of all (#19). For people looking for ‘a new and authentic theory and praxis of liberation,’ the Church offered its social teaching and concrete commitment against marginalisation and suffering (#26).

John Paul wrote that Leo XIII’s attack on ‘unbridled capitalism’ was still relevant, especially in the Third World. ‘The human inadequacies of capitalism and the resulting domination of things over people are far from disappearing’, especially in poorer countries (#33). Hence ‘it is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the absolute predominance of capital’. John Paul II favoured a ‘society of free work, of enterprise and of participation. Such a society is not directed against the market, but demands 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’ (#35). He presciently warned that after the collapse of

40 ibid., 64.
41 Gerson, op. cit., 340.
43 ibid., 50.
44 ibid., 79.
45 ibid., 149.
46 ibid., 258.
communism, ‘a radical capitalist ideology could spread’, blindly entrusting problems to the free
development of market forces (#34). He recognised the benefits of the market mechanism, but also that
it could not meet all human needs, and he warned against an ‘idolatry of the market’ (#40).

John Paul consistently reiterated his critique of capitalism. In Mexico in 1990 he said:

The events of recent history... have been interpreted, sometimes superficially, as the triumph
of the liberal capitalist system. Particular interests would like to carry the analysis to the
extreme of presenting the system they regard as the winner as the only path for our world on
the basis of the experience of the setbacks suffered by contemporary socialism, and
shunning the critical judgment required toward the effects liberal capitalism has produced in
the countries of the so-called Third World...47

Presumably in response to neoliberal claims, in Latvia in 1993 John Paul bluntly declared that Catholic
social doctrine is not ‘a surrogate for capitalism’, and that the Church had ‘always distanced itself from
capitalist ideology, holding it responsible for grave social injustices... I myself, after the historical
failure of communism, did not hesitate to raise serious doubts on the validity of capitalism.'48

In Cuba in January 1998 John Paul again attacked ‘a certain capitalist neoliberalism that subordinates
the human person to blind market forces… From its centers of power, such neoliberalism often places
unbearable burdens on less favored countries… In the international community, we thus see a small
number of countries growing exceedingly rich at the cost of the increasing impoverishment of a great
number of other countries.’49 He continued to critique ‘neoliberal’ capitalism on various occasions.50
In 2003 he lamented that the ‘ideology of the market’ resulting ‘from a civilization of consumption’
tended to reduce people to consumers, making ‘solidarity difficult at best’, especially for the poor and
marginalised.51

Even before becoming pope, Cardinal Ratzinger had also criticised globalisation that benefited only
certain countries or interests, and relied only on market mechanisms that ignored responsibilities
arising from moral and religious considerations.52 As far back as 1985, Ratzinger had warned that
because of the plight of developing countries ‘we can no longer regard so naively the liberal-
capitalistic system (even with all the corrections it has since received) as the salvation of the world.’
He warned that without the support of a strong ethical system, the ‘laws of the market’ would lead to
economic ‘collapse’.53

Pope Benedict in September 2007 contrasted ‘the logic of profit and that of the equal distribution of
goods’, and maintained the priority of equity in distribution. He added that while capitalism had
positive aspects, it was not ‘the only model of economic organization’, since ‘the logic of profit, if it

49 John Paul II in a homily of 25 January 1998, quoted in Sniegocki, Catholic Social Teaching and Economic
Globalization, 148.
50 John Paul II, Ecclesia in America (22 January 1999), 56.
52 Cardinal Joseph Ratzinger, ‘Eucharist, Communion and Solidarity’, speaking to the Bishops’ Conference of
Campania, Italy, 2 June 2002.
http://www.vatican.va/roman_curia/congregations/cfaith/documents/rc_con_cfaith_doc_20020602_ratzinger- 
eucharistic-congress_en.html
53 Cardinal Joseph Ratzinger, ‘Market Economy and Ethics’, at the Symposium, ‘Church and Economy in Dialogue’,
prevails, increases the disproportion between rich and poor and leads to a ruinous exploitation of the planet’. He argued for a ‘logic of sharing and solidarity’ to reorient development in a sustainable and equitable way.\textsuperscript{54}

Thus far from accepting a neoliberal interpretation of papal teaching, both John Paul II and Benedict XVI have continued the critique of neoliberalism and economics, and this has since been tragically confirmed by the current dramatic turmoil in world markets.

**What is to be done?**

Despite many Catholic documents deploring the values and practice of neoliberal economics, regrettably they do not seem to have had major impacts on public opinion, even among Catholics. Why is this? I would suggest that despite the profusion of Catholic documents, there have been major failures in communicating with many Catholics on these issues.

Pope John Paul in 2003 urged bishops to be prophets of justice and defenders of human rights. ‘How can we keep silent when confronted by the enduring drama of hunger and extreme poverty, in an age where humanity, more than ever, has the capacity for a just sharing of resources?’ ‘The war of the powerful against the weak has, today, more than ever before, created profound divisions between rich and poor.’\textsuperscript{55}

Yet most Church leaders lack the expertise to deal with economic issues, and we have few bishops with the standing of people like the late US Cardinal Joseph Bernardin or Brazil’s Archbishop Helder Camara. Moreover, despite the many documents urging theological colleges and seminaries to devote serious attention to current social issues, most do very little. This astonishing neglect has the result that many clergy and Church personnel have very little training in these areas.

Even more inexplicably, in some areas of the Church little attention is given to encouraging deeper involvement in social justice issues, as if they were an optional extra and not at the very heart of the Gospel. Often one hears the complaint from Catholics in some parishes that they seldom or never hear preaching about social justice, even though the bishops in Australia, for instance, produce an annual statement in September on a major social justice issue. In many parishes, it seems, the statements are simply not available or circulated.

Secondly we need to develop suitable structures to engage the extensive lay expertise in the Christian and wider communities about key socio-economic issues. The Church has been a major influence in the development of industrial and labour movements, but until a generation or two ago few Catholics were working in areas of banking, finance or economics. That is no longer the case, yet we have been slow to develop new networks of collaboration with such people, and draw on their expertise to develop social policies. We need to become better informed about the debates among economists and social scientists, recognising that there are various schools of thought and forms of capitalist economies, which need to be evaluated in terms of human and social outcomes.

\textsuperscript{54} Pope Benedict XVI, Angelus Address, 23 September 2007, 


Church documents encourage lay Christians to blaze a trail for social uplift, exercising full responsibility in their civil vocations. Pope Benedict in August 2012 urged lay men and women to develop new and more active forms of engagement with current social issues:

At this stage in history, work in the light of the Church’s social teaching to become a laboratory of ‘globalization of solidarity and charity’, in order to grow with the entire Church in the co-responsibility of offering a future of hope to humanity, by having the courage to make even demanding proposals.56

But where are the structures and networks promoting such vibrant co-responsibility for lay people on these issues?

Thirdly, we need to devote more resources to being part of the new conversation with theologians, philosophers and economists about the moral foundations of economics. The Church’s efforts to support even its own social justice networks is parsimonious, to say the least. It is said that you can judge an organisation’s real priorities by where the money goes. On this basis, one would have to conclude that despite our rhetoric, Church leaders attribute little importance to developing such social engagement.

Especially critical is the need to adjust our entire lifestyles and economies on to a sustainable basis, in the light of the encroaching threats from climate change, the growing global population and resource depletion. Never before has the world faced a crisis of such magnitude. Solutions will demand rapid and insightful responses.

Certainly, churches and societies need to nurture more carefully the moral values essential for a healthy economy: fair dealings, honesty and integrity in one’s work, but always with one eye on the global picture. As never before, we need to recognise that we are all in this together, and the common wellbeing will require great restraint in the use of resources and more equitable sharing. Faith communities can bring to the fore a deeper sense of meaning and motivation to embrace the changes that will be needed, challenging the seductions of an unsustainable consumerist culture.