The Economics behind the Social Thought of Pope Francis

Bruce Duncan*

Tracing the sources for the economic thinking embedded in the writings of Pope Francis is not straightforward, especially in his major documents, the apostolic exhortation Evangelii Gaudium (The Joy of the Gospel) of 2013 and the full encyclical Laudato Si’: On Care for Our Common Home of 24 May 2015. Many hands were involved in drafting Francis’s documents, and there were extensive consultations with experts in critical areas, going back decades. This article gives only passing reference to the critical matters of climate change and sustainability, and instead concentrates on the economic aspects in the writings of Pope Francis.

Despite criticism from some, Pope Francis’s social views are in deep continuity with Catholic social teaching right back to Pope Leo XIII’s Rerum Novarum of 1891 and Pius XI’s Quadragesimo Anno of 1931. Though Jorge Bergoglio was not present at the Second Vatican Council, his ideas reflect the initiatives of the social progressives at the council, as expressed in the famous Pact of the Catacombs for a poor servant church, a pledge taken by forty of the bishops under the leadership of Archbishop Helder Camara after the close of the council in 1965. Many bishops even today still sign on to this pledge, reflected in Francis’s call for a ‘poor Church for the poor’.1

Pope John Paul II prefigured key environmental themes of Laudato Si’ in his 1990 World Day of Peace Statement, The Ecological Crisis: A Common Responsibility, expressing alarm about the ‘dangerous … crisis’. In sentiments reiterated later by Pope Francis, John Paul called for an ‘ecological conversion’

* Dr Bruce Duncan, CSsR, lectures in history and social ethics at Yarra Theological Union, within the University of Divinity in Melbourne. He is director of the Yarra Institute for Religion and Social Policy, which helped foster the University of Divinity Centre for Research on Religion and Social Policy in 2016.

to avoid ‘catastrophe’: we ‘must stop at the edge of the abyss’. He pressed for a better distribution of wealth and for restraining consumerism.\(^2\)

John Paul II’s many statements on economic issues urging the reform of capitalism and criticism of global poverty and inequality have also had a great influence on Francis, particularly *Centesimus Annus* (1991), which insisted that the attack on ‘unbridled capitalism’ by Pope Leo XIII a century before was still very relevant, especially in developing countries. John Paul supported struggle against an economic system if it meant ‘a method of upholding the absolute predominance of capital’. Instead he advocated ‘a society of free work, of enterprise and of participation’ not directed against the market, but demanding that the market be controlled adequately by society and the state to ensure that the basic needs of everyone were met.\(^3\)

John Paul sharpened his critique of neoliberal forms of capitalism in later years. In Cuba in 1998 he attacked ‘a certain capitalist neoliberalism that subordinates the human person to blind market forces’, and in his 1999 letter, *Ecclesia in America*, he again attacked ‘neoliberalism’ for its overemphasis on profit and the free market while unjustly oppressing the poor.\(^4\) John Paul warned against ‘the idolatry of the market’ and the ‘civilisation of consumption’.\(^5\) The ideology of ‘neoliberalism’ was clearly in his sights.

In his exhortation, *Pastores Gregis*, in October 2003, John Paul urged bishops to be prophets of justice and defenders of human rights, and he highlighted inequality in exceptionally strong language as a ‘war of the powerful against the weak’:

How can we keep silent when confronted by the enduring drama of hunger and extreme poverty, in an age when 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.\(^6\)


Neoliberalism

Many writers have long been critical of assumptions in the main streams of neoclassical economics, which assumes that self-interested individuals would act rationally to maximise personal benefits in their economic decisions. Based on a utilitarian philosophy, various forms of neoclassical economics have assumed that economics is a value-free science. In an abstract model of the market, supply and demand would move towards equilibrium in a world of perfect competition and information.7

After World War II, Keynesian economics seemed to have solved many economic problems, ensuring stability, increasing prosperity and equity for many more of the population, and striking a balance between free markets and activist governments with strong welfare programs. In the early 1970s, however, stagflation (inflation with high unemployment) hit Western economies, undermining Keynesian policies.

Governments began considering more seriously ‘neoliberalism’ as an alternative economic philosophy. ‘Neoliberal’ was the name given to the ideas stemming from Friedrich Hayek and Milton Friedman, and was embodied in the policies of Margaret Thatcher in England and Ronald Reagan in the United States.8 They argued that markets work best when their freedom is maximised with minimal consideration of social and moral outcomes. Hence they emphasised:

- reducing the size of government,
- privatising government services and businesses as much as possible,
- privatising public assets and the commons,
- deregulating businesses, finance, capital movements and trade as much as possible,
- restricting unions and wage growth,
- reducing social security provisions,
- lowering taxes on upper income groups,
- maximising shareholder returns, with an emphasis on short-term profits, and
- encouraging the rapid expansion of the financial sector over the economy.

The results of these policies were seen in distorted patterns of globalisation, with moral decay evident in business and financial circles that gave rise to the Global Financial Crisis; highly volatile and speculative capital movements; the growth of extreme and unprecedented inequality between the rich and the poor; the environmental crisis; and the continuing impoverishment of billions of people.

---

Bergoglio’s Personal Views

From his early years Bergoglio was committed to solidarity with the poor in practical ways. Nevertheless, when he was a delegate at the Jesuit 32nd General Congregation in 1975, he was initially opposed to Decree Four, which emphasised the social justice dimension of the Jesuit mission, an emphasis strongly promoted by the Jesuit general, Fr Pedro Arrupe, but over time Bergoglio became more sympathetic to social activism, streams of liberation theology that avoided violence, and Marxist analysis, and, particularly in Argentina, forms of social activism that were at home with the traditional piety of ordinary people.

As an auxiliary bishop in Buenos Aires from 1992, Bergoglio assumed wider pastoral responsibilities and became more involved with the struggles of the church in Latin America for social justice and human rights. As a result of the financial crisis in Argentina in 2001, which resulted in the country defaulting in 2002 in its debt of $96 billion—at the time the largest sovereign debt default ever—Bergoglio became more alert to, and critical of, economic structures and ideology.

Bergoglio was made a cardinal in February 2001 and was soon faced with the astonishing collapse of the Argentine economy. Argentina was unable to meet its debt repayments, many banks closed, and millions of people lost their savings. Some 40,000 businesses folded, a quarter of the workforce lost their jobs, wages were cut and the poverty rate rose to over half the population, compared with four per cent in the 1970s. The International Monetary Fund prescribed the measures of the so-called ‘Washington Consensus’: privatisation of government-run businesses and services, deregulation of the economy and finance, and trade liberalisation.

Bergoglio became increasingly outspoken about ‘unjust economic structures’ that violated human rights. He regarded as ‘immoral, unjust and illegitimate’ the program of economic restructuring to pay the national debt. He especially attacked financial speculation as ‘unbridled capitalism’ that severely damaged the real economy. Bergoglio undoubtedly had a major role in writing the ‘Letter to the People of God’ by the Argentine bishops’ conference on 17 November 2001. It described the financial crisis as a moral one resulting from ‘generalized corruption’ in Argentina and elsewhere, including ‘the extreme liberalism wielded by a tyrannical market’.

12. Ibid., 133–4.
13. Tornielli and Galeazzi, This Economy Kills, 9.
In January 2002 Bergoglio quoted *Quadragesimo Anno*—that ‘the speculative economic model with the power to impoverish millions of families’ was the result of ‘the international imperialism of money’, as Pope Pius XI termed it in 1931. Francis called this imperialism a form of idolatry, but of gold.\(^{14}\) He said that the tradition of the church ‘describes the oppression of the poor and the act of defrauding workers of their wages as two sins that cry to God for vengeance’.\(^{15}\)

Bergoglio took increasing interest in economic matters and listened to what economists and other critics were saying, especially as the bishops of Latin America were preparing for their decennial meeting at the Redemptorist shrine to Our Lady at Aparecida in Brazil in 2007. Aparecida is the largest pilgrimage site in Latin America (it drew ten million pilgrims in 2012). Bergoglio’s ability and insight were widely recognised among the bishops, as was shown by his being runner-up to Cardinal Ratzinger in the papal election of 2005. Bergoglio was elected president of the bishops’ conference of Argentina in 2005, and later became president of the committee preparing for the Aparecida conference. He was closely involved in the consultations leading up to the conference, and was given charge of preparing the final report, titled *The Aparecida Document*. Also on the editing committee were Brazilian Cardinal Claudio Hummes and the Honduran Cardinal Rodriguez Maradiaga,\(^{16}\) later close associates of Pope Francis.

Bergoglio helped Pope Benedict prepare his opening address to the Aparecida conference and his other speeches as well. Benedict called for a renewed ethics to shape the processes of globalisation, and warned against ‘the risk of vast monopolies and of treating profit as the supreme value’. In view of the extensive poverty and spoliation of resources in their countries, Benedict called for the church to be ‘the advocate of justice and of the poor’.\(^{17}\)

Pope Francis has built on the thought of Pope Benedict, particularly on *Caritas in Veritate* (2009).\(^{18}\) But the major elements of Francis’s critique of patterns of globalisation are clearly evident in the Aparecida conclusions, even though the conference met before the Global Financial Crisis brought the world economy to the brink of collapse later, from 2007.

As I have summarised elsewhere,\(^{19}\) key themes in Aparecida were:

- reaffirming the option for the poor,

---

15. Ibid., 11.
• solidarity with the marginalised in very personal, practical ways,
• a strong critique of neoliberal patterns of globalisation,
• insistence on greater equity in the distribution of wealth and opportunity,
• encouraging a mature laity in their mission of social transformation,
• collaborating with all people of good will,
• protecting the environment and developing a sustainable future, and
• promoting the more active participation of women in church and society.\(^{20}\)

The bishops rejected the current model of globalisation: ‘Led by a tendency that prizes profit and stimulates competition, globalization entails a process of concentration of power and wealth in the hands of a few, not only of physical and monetary resources, but especially of information and human resources’.\(^{21}\)

Presciently the *Aparecida Document* was particularly critical of financial speculation in public bonds, currencies and derivatives, which resulted in no long-term productive investment\(^ {22}\) and harmed the environment.

Indicative of the importance of the *Aparecida Document*, Pope Francis has ‘presented a copy [of it] to every Latin American head of state he’s met since becoming pope’, according to John L. Allen, writing in August 2013.\(^ {23}\)

Undoubtedly the Latin American bishops and their advisers were relying on the debates about economic and social development in their own countries, as well as among international scholars, particularly in Europe and the United States. Among these many voices, two US economists stood out as critics of the neoliberal model of globalisation, Joseph E. Stiglitz and Jeffrey D. Sachs. They were to have a significant influence on the economics encapsulated in *Laudato Si’*. Stiglitz had been appointed to the Pontifical Academy of Social Sciences in 2003.

**Joseph E. Stiglitz**

Stiglitz is one of the leading economists today and has been a stringent critic of neoliberal economics, or ‘market fundamentalism’ as he has called it, which regards the market as the best allocator of resources and rewards for effort, and minimises consideration for social or wider moral concerns.

Stiglitz has had extensive practical insight into the workings of international finance and markets. From 1993 he was a member and later chair of the Council of Economic Advisers to President Bill Clinton, and from 1997 to 2000 senior vice-president and chief economist at the World Bank, during which time he tried to realign the bank with a sharper focus on lifting living conditions of the poor and defending human rights. In 2001 he was awarded the Noble Prize in

\(^{20}\) *The Aparecida Document*, no. 64, p. 38.
\(^{21}\) Ibid., no. 62, p. 37.
\(^{22}\) Ibid., no. 69, p. 39.
Economics for demonstrating how lack of perfect information undermines the theory of free market efficiency.\(^{24}\) While University Professor at Columbia University in New York, he was a lead author of the 1995 report of the Intergovernmental Panel on Climate Change, which shared the 2007 Nobel Peace Prize. In 2009 he was appointed by the president of the United Nations General Assembly as chair of the Commission of Experts on Reform of the International Financial and Monetary System, which released its report in September 2009. In 2011, *Time* magazine named Stiglitz one of the one hundred most influential people in the world.\(^{25}\)

Stiglitz is a prolific writer and public speaker, with many of his addresses captured on YouTube. His 2001 book *Globalization and Its Discontents* has been translated into thirty-five languages. Other books include *Fair Trade for All* (with Andrew Charlton); *Making Globalization Work: The Three Trillion Dollar War: The True Cost of the Iraq Conflict* (with Linda Bilmes); *Freefall: America, Free Markets, and the Sinking of the World Economy*; and *The Price of Inequality: How Today’s Divided Society Endangers Our Future*. These books have been very influential in Vatican circles, particularly on a close collaborator with Pope Francis, Archbishop Marcel Sánchez Sorondo. An article in *Forbes* magazine said that there was no doubt that Sorondo has been greatly influenced by Stiglitz. Sorondo had told the *Forbes* columnist, Alejandro Chafuen, ‘that Stiglitz was indeed his favourite economist’.\(^{26}\)

Stiglitz in 2002 vigorously attacked the neoliberal economics being promoted by various international agencies, particularly the International Monetary Fund, for policies ‘which seemed a curious blend of ideology and bad economics’, seemingly screening ‘thinly veiled special interests’.\(^{27}\) In *Making Globalization Work: The Next Step to Global Justice* (2006), Stiglitz reiterated his critique of ‘market fundamentalism’ and the dominance of corporate and financial interests at the expense of poorer countries.\(^{28}\) He blamed the power of special interests for ‘shaping the agenda to benefit themselves …’\(^{29}\) ‘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.’\(^{30}\)

Continuing his critique in 2010 in *Freefall: America, Free Markets, and the Sinking of the World Economy*, Stiglitz charged that the Great Recession had destroyed faith in the doctrines about the efficiency of free markets, and the


\(^{29}\) Ibid., 79.

\(^{30}\) Ibid., 292.
belief in small government and minimal regulation. He attacked neoliberal philosophy and the economics profession for supinely providing the rhetoric for special interest groups to exploit others. Stiglitz continued that the underlying ‘moral deficit’ has been ‘exposed [by the] unrelenting pursuit of profits and the elevation of the pursuit of self-interest …’

Other leading economists share many of Stiglitz’s views, and call especially for a renewed moral basis to guide economic policies; they include Amartya Sen, Nouriel Roubini, Stephen Roach, George Soros, Robert Shiller, Tomas Sedlacek, Robert Skidelsky, Kenneth Arrow, Adair Turner, Robert Wescott and Robert B. Reich, among many others.

Stiglitz developed his proposals for economic reconstruction 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 benefit 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.

He concluded: ‘While globalization may benefit society as a whole, it has left many behind—not a surprise given that, to a large extent, globalization has been managed by corporate and other special interests for their benefit’.

Stiglitz maintained his incisive attack on the banking and finance sectors, which were still colluding with ideological and special interest groups at the expense of most others. In *The Great Divide: Unequal Societies and What We Can Do about Them* (2015), he said increasing inequality was the result of political decisions, not of economics. He reported that ‘the top 1 percent of the world now owned nearly half the world’s wealth’. He said, ‘we didn’t know the full extent of the moral depravity of the banks, of their willingness to engage

---

32. Ibid., xvii.
33. Ibid., 278.
34. Ibid., 18. For a more detailed account of the critique of economics, see my ‘Globalisation and the Moral Crisis in Economics’, 64–80.
in exploitive practices, or their recklessness’. 38 Before the crisis, the financial sector grew in size to eight per cent of US GDP, and took ‘40 percent of all corporate profits—with little to show for it’. The finance sector was continuing in the same manner, since ‘in the first three years of the so-called recovery, some 95 percent of the increases in income went to the top 1 percent’. 39

Stiglitz wrote that the financial sector had ‘a long-established proclivity for exploitation … whether it’s in the form of market manipulation, insider trading, abusive credit card practices, monopolistic anticompetitive practices, discriminatory and predatory lending,… the list is endless’. 40

‘The upper 1 percent of Americans are now taking in nearly a quarter of the nation’s income every year. In terms of wealth rather than income, the top 1 percent control 40 percent … Twenty-five years ago, the corresponding figures were 12 percent and 33 percent.’ Meanwhile the incomes of men with only high school degrees had declined precipitously. ‘All the growth in recent decades—and more—has gone to those at the top.’ 41 Full-time male workers on median incomes earned less than in 1968. 42

He sheeted home the blame for this disastrous outcome for most Americans to ideology: ‘The truth is most of the individual mistakes boil down to just one: a belief that markets are self-adjusting and that the role of government should be minimal’. 43 He reiterated that ‘Trickle-down economics is a myth’. 44 He added that ‘market fundamentalist policies’, also known as ‘neoliberalism’, were ‘based on a naïve reading of economics, based on assumptions of perfect competition and perfect markets’. 45

He advocated better regulation to ensure a more just distribution of wealth: ‘Ensuring that those at the top pay their fair share of taxes—ending the special privileges of speculators, corporations, and the rich—is both pragmatic and fair. We are not embracing a politics of envy if we reverse a politics of greed’. 46 A comprehensive response ‘should include, at least, significant investments in education, a more progressive tax system, and a tax on financial speculation’. 47

**Jeffrey D. Sachs**

Jeffrey Sachs is widely considered one of the world’s leading experts on economic development, global macroeconomics, and the fight against poverty. Sachs’s economic analysis has shared much with that of Stiglitz. In *The Price of Civilization* Sachs lamented that ‘Globalization unleashed vast corporate power’
and undermined whole regions. He asked if such a form of capitalism could achieve prosperity, social justice and environmental sustainability for all regions.\(^{48}\)

The *Economist* magazine in 2011 included Sachs as among the world’s three most influential living economists of the past decade. His books include *The End of Poverty* (2005), *Common Wealth: Economics for a Crowded Planet* (2008), *The Price of Civilization* (2011) and *The Age of Sustainable Development* (2015). Director of the Earth Institute from 2002 to 2016, Sachs was appointed University Professor at Columbia University in 2016. He is director of the Center for Sustainable Development and of the UN Sustainable Development Solutions Network auspiced in 2012 by former UN Secretary-General Ban Ki-moon.

The previous UN Secretary-General Kofi Annan had asked Sachs in the late 1990s to coordinate a group of 150 economists and development experts to construct the UN Millennium Development Goals around eight key indicators, aiming to halve the extent of hunger and the worst poverty between 1990 and 2005. Sachs continued to be involved with the United Nations as special adviser to the later UN secretary-general, Ban Ki-moon, and to promote in 2015 the seventeen Sustainable Development Goals (SDGs), which were broadened to include developed countries, especially in relation to sustainability, reducing inequality and curtailing global warming.\(^{49}\)

Sachs was among the outside advisers to Pope John Paul II on the encyclical *Centesimus Annus* and in recent years he has worked closely with both the Pontifical Academy of Sciences and the Pontifical Academy of Social Sciences on the issues of sustainable development.\(^{50}\) Thus he has been involved with Vatican social agencies in linking *Laudato Si’* closely with the UN Sustainable Development Goals. It is no accident that when Pope Francis finished his address to the UN General Assembly on 25 September 2015, UN delegates almost immediately went to vote on adopting the SDGs. The encyclical was also timed to garner maximum moral support internationally for the forthcoming UN Climate Change Conference, COP 21, in Paris from 30 November to 12 December that year.\(^{51}\)

Stiglitz and Sachs have been two among wider groups of eminent thinkers articulating some of the key economic ideas informing and confirming the concerns of church leaders about how to speak insightfully about poverty, the environment and inequality, and how to outline a moral template to guide

---

decision-makers in their efforts to enhance human wellbeing for everyone on the planet. Pope Francis has not been slow to undertake this task.

‘The Joy of the Gospel’

Pope Francis produced his apostolic exhortation *The Joy of the Gospel* surprisingly quickly in late November 2013, reworking many of the Aparecida themes for a global audience, and drawing on the wider resources available to the Holy See, including the Pontifical Academy of Social Sciences with numbers of outstanding economists, the Pontifical Academy of Sciences, the Pontifical Council for Justice and Peace, and the diplomatic resources of the Secretariat of State. The exhortation developed many of the key themes from Benedict’s *Caritas in Veritate*, but more bluntly and cogently.\(^{52}\)

*The Joy of the Gospel* rejected ‘an economy of exclusion and inequality. Such an economy kills’. ‘Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape.’\(^{53}\)

Francis blamed fundamental tenets of the ‘trickle-down’ economic theories that ‘assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world’. He said this was not happening and it was a mistake to naively ‘trust in the goodness of those wielding power and in the sacralized workings of the prevailing economic system.’\(^{54}\)

‘We have created new idols. The worship of the ancient golden calf … has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose.’\(^{55}\)

While the earnings of a minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by those happy few. This imbalance is the result of ideologies which defend the absolute autonomy of the marketplace and financial speculation … A new tyranny is born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules. Debt and the accumulation of interest also make it difficult for countries to realize the potential of their own economies … The thirst for power and possessions knows no limits. In this system, which tends to devour everything which stands in the way of increased profits, whatever is fragile, like the environment,
is defenceless before the interests of a deified market, which become the only rule.\textsuperscript{56}

‘We can no longer trust in the unseen forces and the invisible hand of the market. Growth in justice requires more than economic growth’. It requires ‘a better distribution of income’ and creating jobs, not ‘attempting to increase profits by reducing the work force and thereby adding to the ranks of the excluded’.\textsuperscript{57}

*The Joy of the Gospel* was thus a powerful moral indictment of the effects of neoliberal economic policies and the power of special interests, reflecting not just conditions in the developing world or church statements on these issues, for it was fortified by the specialist expertise of many prominent advisers. However, Pope Francis was not satisfied that he had addressed the current global issues thoroughly enough in *The Joy of the Gospel*, and asked Cardinal Peter Turkson, president of the Pontifical Council for Justice and Peace, to prepare a full encyclical on these global issues.

‘*Laudato Si’* and the Pontifical Council for Justice and Peace

Following a request from the Second Vatican Council, Pope Paul VI in 1967 established the Pontifical Commission for Justice and Peace to promote and apply the social teaching of Vatican II. In 1988, Pope John Paul II changed its name from *Commission* to Pontifical *Council* for Justice and Peace.

The council in 2016 had twenty-three cardinals and archbishops as members, including Cardinals Oscar Rodriguez Maradiaga (Honduras), George Pell (Australia) and Reinhard Marx (Germany). The Pope appoints about forty members and consultors for a term of five years. Dr Michel Camdessus, who was governor of the Bank of France and from 1987 to 2000 managing director of the International Monetary Fund, is among eleven members who are lay people or members of religious orders.

The council’s mandate is to promote understanding of and work for justice, the development of peoples and protection of human rights, and to respond to issues of war and peace, including disarmament and terrorism, while all the time working closely with the Vatican’s Secretariat of State. The council also concentrates on ethical aspects of economics, trade and finance, environmental issues and climate change. It maintains contacts with episcopal conferences and a broad range of church bodies, including national commissions of justice and peace, to promote social awareness and action.\textsuperscript{58}

Cardinal Turkson works with an under-secretary, the highest ranking lay woman working in the Vatican curia, Dr Flaminia Giovanelli. She has worked in

\begin{itemize}
\item \textsuperscript{56} Ibid., 56.
\item \textsuperscript{57} Ibid., 204.
\end{itemize}
Justice and Peace since 1974, and specialises in the areas of development, poverty and church social teaching. About half the staff working in the Pontifical Council are women.59

Cardinal Turkson has studied in Ghana, New York, and at the Pontifical Biblical Institute in Rome, where he took his licentiate. A gifted polyglot speaking six languages, Turkson was appointed a bishop in 1992, and in 2009 was made president of the Pontifical Council for Justice and Peace, where he promoted Pope Benedict’s social teaching in Caritas in Veritate especially.60 In October 2011, the Pontifical Council for Justice and Peace published a major statement calling for new international governance over financial markets, Towards Reforming the International Financial and Monetary Systems in the Context of a Global Public Authority. This work prefigured much of the content that appeared in Laudato Si’ and Evangelii Gaudium, including its condemnation of ‘the idolatry of the market’ and neoliberal economics, which were exacerbating poverty and growing inequality.61 These themes were also very prominent in Pope Benedict’s encyclical, Caritas in Veritate.

The Pontifical Council for Justice and Peace has close links with the Pontifical Academy of Social Sciences as well as the Pontifical Academy of Sciences, and draws heavily from their expertise. It also networks extensively with organisations from other Christian and faith traditions.

**The Pontifical Academies of Sciences and of Social Sciences**

Much of the groundwork for the statements by Pope Francis in Laudato Si’ was prepared by the research and deliberations of the Pontifical Academy of Social Sciences and the Pontifical Academy of Sciences. Coming from various faith and philosophical traditions, these international scholars tackled major social and scientific issues and offered pools of advice for church leaders.

The chancellor of both the Pontifical Academy of Sciences and the Pontifical Academy of Social Sciences since 1998 has been (Bishop from 2001) Marcelo Sánchez Sorondo. A distinguished academic in the history of philosophy, he has published extensively throughout his career.62 He is currently


62. Born in Argentina in 1942, Sorondo was ordained a priest in 1968 and undertook postgraduate studies in philosophy in Italy. From 1976 to 1998 he lectured in the history of philosophy at the Pontifical Lateran University in Rome; in 1982 he became a full professor; and from 1987 to 1996 he was dean of the Faculty of Philosophy. From 1998 to 2013 he was professor of the history of philosophy at LUMSA University in Rome. See the Vatican website for the Pontifical Academy of Social Sciences, http://www.casinapioiv.va/content/accademia/en/academicians/perdurante/sanchez.html.
a close associate of Pope Francis in dealing with social issues and coordinating consultations with experts and advisers, especially through the two Pontifical Academies.

The Pontifical Academy of Social Sciences was established by Pope John Paul II in 1994 to develop the church’s social teaching in a wide range of relevant topics. Consisting of no more than forty distinguished academics, it holds conferences and workshops on selected themes, and promotes research by its own members and other scholars. It publishes books or online, most recently for the current article’s purposes (jointly with the Pontifical Academy of Sciences), *Sustainable Humanity, Sustainable Nature: Our Responsibility; Proceedings of the Joint Workshop 2–6 May 2014*. It includes chapters by Jeffrey Sachs, Hans Joachim Schellnhuber and Maria Martin, Partha Dasgupta, Joseph Stiglitz, Margaret Archer and Stefano Zamagni.63

The Pontifical Academy of Sciences was re-established by Pope Pius XI in 1936 and has up to eighty members who are significant scientists across many fields. Since 1960, some forty members have been awarded the Nobel Prize. The academy is an independent entity within the Holy See, and promotes research, conducts conferences and releases publications on scientific topics, including more recently on the environment and sustainability.64

As well as Stiglitz and Sachs, other prominent economists were involved in consultations preparing for *Laudato Si’*, including Stefano Zamagni, a prominent Italian economist and academic and a long-serving member of the Pontifical Academy of Social Sciences. With Luigino Bruni, Zamagni has developed the Italian and European traditions of economics as an academic discipline, looking to a more communitarian tradition in Naples than the utilitarian and positivist economics that followed the British thinking. Antonio Genovesi held the first ever chair of economics at the University of Naples in 1754, developing his views in the framework of civic humanism. The early Italian economists gave more weight to social relations and community considerations in economic decision-making.65

Like Stiglitz, Zamagni has been alarmed about the current concentration of economic power, and sees it as a threat to democracy: ‘a market which deflects democracy from its horizons in order to make room just for efficiency … pushes


64. See the Vatican website for the Pontifical Academy of Sciences, http://www.pas.va/content/accademia/en/about.html.

the economy along a path of oligarchic development’, forgetting ‘that
democracy and freedom are values superior to it’. 66

Bruni and Zamagni have also explored alternative ways of designing
business models in a capitalist economy, endorsing worker participation and co-
ownership schemes as well as cooperatives, which are very large in many
countries, comprising in all 800 million members. 67 Bruni and Zamagni were
particularly promoting a for-profit business model but a model that, instead of
distributing profits to shareholders, puts excess profits above normal business
costs into community projects and enterprises. 68 Zamagni argues for a renewal
of the moral dimensions in economics to make the processes of globalisation
more just and equitable for all people. 69

Pope Benedict’s Caritas in Veritate had endorsed proposals for the
‘Economy of Communion’. This idea sprang from Chiara Lubich, founder of the
Focolare Movement, after a visit to impoverished communities in Brazil in
1991. 70 The movement that grew into Economy of Communion has expanded to
include over 800 firms around the world, including the United States. 71 Zamagni
helped draft Benedict’s Caritas in Veritate, which explicitly endorsed the
Economy of Communion as an alternative model of businesses in a capitalist
economy. 72 Time will tell how successful this model can be as an alternative to
standard business models, and how vulnerable Economy of Communion
businesses are to the problems of agency and motivation that cooperatives face.
Nevertheless highly motivated groups in various parts of the world have
established apparently successful examples of such enterprises.

Secretariat of State of the Holy See

In collaboration with the Secretariat of State, the Pontifical Council for
Justice and Peace has frequent contact with the United Nations and its agencies,
and takes part in international conferences dealing with issues of development,
the environment or human rights.

Catholic Social Thought’, in Pontifical Academy of Social Sciences, Crisis in a Global
Economy, 316.

67. See Dermot McKenna, ‘Co-operatives and the Economic and Environmental Crisis’, Working
Notes (March 2010), http://www.workingnotes.ie/index.php/item/co-operatives-and-the-

68. See Luigino Bruni and Stefano Zamagni, Handbook on the Economics of Reciprocity and
Social Enterprise (Cheltenham, UK: Edward Elgar, 2013).

69. Stefano Zamagni, ‘Financial Integrity and Inclusive Capitalism: Civilizing Globalization’,

70. Luigino Bruni, ed., The Economy of Communion: Towards a Multi-Dimensional Economic
Culture (New York: New City, 1999).

71. See John Gallagher and Jeanne Buckeye, Structures of Grace: The Business Practices of the

Archbishop Pietro Parolin was appointed Secretary of State at the age of fifty-eight on 15 October 2013 and was made a cardinal in early 2014, succeeding Cardinal Tarcisio Bertone, who had been Secretary of State since September 2006. In the diplomatic corps for twenty years, Parolin has served in Nigeria and Mexico, and in 2009 as nuncio to Venezuela. While under-secretary in the Secretariat of State, he played prominent roles in discussions about nuclear non-proliferation through the United Nations, and in debates over climate change. He has also been a key figure in negotiations with the governments of Vietnam and China. Later as Secretary of State, he has continued to play a central role in coordinating Vatican diplomacy.73

The Drafting of ‘Laudato Si’

Cardinal Turkson’s people took the major role in drafting the new encyclical in 2014. Drawing from their networks and scholarship available to them, they made the first draft. Turkson asked an Irish Columban priest, Sean McDonagh, to contribute, and he wrote a 30,000-word document that was used in some early sections of the encyclical.74 Professor John Schellnhuber, the founding director of the Potsdam Institute for Climate Impact Research, was also involved, along with a number of others. Schellnhuber is one of the most eminent international scholars in this field, and had a major input into the encyclical. He is a member of the Intergovernmental Panel on Climate Change, which was awarded the Nobel Peace Prize in 2007, and has been a principal adviser to the European Commission.75

Pope Francis himself worked on this first draft, and, with help from some theologians, made a third draft. The Greek Orthodox Metropolitan John of Pergamon (John Zizioulas) was among them, and Pope Francis drew prominently from the writings of the Ecumenical Patriarch, Bartholomew I, who has been speaking on environmental issues from the 1980s.76 Francis sent the

75. Professor Schellnhuber holds a chair in theoretical physics at Potsdam University and is an external professor at the Santa Fe Institute (USA). He has served as research director of the Tyndall Centre in the United Kingdom (2001–05) and became a visiting professor at Oxford University thereafter. He is currently co-chair of the German Advisory Council on Global Change (WBGU), Governing Board chair of the Climate-KIC of the European Institute of Innovation and Technology (EIT) and chair of the Standing Committee on Climate, Energy and Environment of the German National Academy of Sciences (Leopoldina). He is an elected member of the Academia Europaea, the US National Academy of Sciences (NAS) and the Max Planck Society. See Potsdam Institute for Climate Impact Research, ‘Hans Joachim Schellnhuber’, https://www.pik-potsdam.de/members/john/cv.
third draft to the Congregation for the Doctrine of the Faith and to the Secretariat of State for checking, as well as to his personal theologian. He received their replies and revised the final text at the end of March.\footnote{77} It was dated 24 March 2015 and sent for translations to be made.

At the launch of \textit{Laudato Si’: On Care for Our Common Home} in Rome on 18 June 2015, Cardinal Turkson was the only Vatican representative on the launch panel. In a significant ecumenical gesture, Metropolitan Zizioulas and Professor Hans Joachim Schellnhuber were also on the panel.\footnote{78}

\textbf{‘Laudato Si’: On Care for our Common Home’\footnote{79}}

In \textit{Laudato Si’} Pope Francis has pulled together major themes from the information channelled to the Vatican before and after the Global Financial Crisis, particularly from the advice of leading experts and economists. The Bishop of Rome aimed to help mobilise world opinion behind efforts to tackle global warming and preserve the environment; to focus concern on global poverty and hunger—particularly in support of the UN Sustainable Development Goals; and to critique very strongly the unjust results of globalisation, with extreme inequalities and the amoral assumptions in certain forms of economics. He applauded environmental education that included a ‘critique of the “myths” of modernity grounded in a utilitarian mindset (individualism, unlimited progress, competition, consumerism, the unregulated market)’ (210).

At the heart of his critique is his rejection of ‘the ideology of the market’, which assumes that the market would ensure the best outcomes without considering issues of social and distributive justice. Francis does not use the term ‘neoliberalism’, but that clearly is included in what he has in mind.

According to \textit{Laudato Si’}, the financial crisis exposed the corruption and venality at the very core of the financial system, which had been corroded by an amoral and ‘deified market’ ideology (56). Francis judged that ‘we should be particularly indignant at the enormous inequalities in our midst, whereby we continue to tolerate some considering themselves more worthy than others’ (90). He rejected ‘a magical conception of the market, which would suggest that problems can be solved simply by an increase in the profits of companies or individuals’ (190).

\footnote{77} Ger<ed O’Connell, ‘High Level Launch for Pope’s Encyclical, in the Vatican, on June 18’, \textit{America}, 10 June 2015.


\footnote{79} Numbers in parentheses in this section refer to paragraph numbers in \textit{Laudato Si’}. Recent commentaries on the encyclical include Anthony J. Kelly, \textit{‘Laudato Si’’: An Integral Ecology and the Catholic Vision} (Adelaide: ATF Theology, 2016) and John Capper, ed., \textit{Economic and Ecotheological Responses to ‘Laudato Si’} (Adelaide: ATF Theology, dated 2015 but released 2017).
The Pope pointed to powerful sectional interests that worked to maximise profits in the short term with little concern for negative effects on the wider economy or even in the long term on their own firms. ‘Their behaviour shows that for them maximizing profits is enough. Yet by itself the market cannot guarantee integral human development and social inclusion’ (109).

Like Stiglitz and others, Francis recognised that powerful special interests had excessively influenced financial policy and were making the rules to suit themselves, including in trade and investment. He denounced the mindset that allowed ‘the invisible forces of the market to regulate the economy, and consider their impact on society and nature as collateral damage’ (123).

With reference to US taxpayers bailing out the banks and financial firms while millions of people lost their homes, Francis was afraid that the lessons had not been learned and the needed reforms not made: ‘Saving banks at any cost, making the public pay the price, foregoing a firm commitment to reviewing and reforming the entire system only reaffirms the absolute power of a financial system’; this will give rise to new crises (189).

Francis wrote that a type of development overly driven by technology could not solve the problems facing the planet without ‘a development in human responsibility, values and conscience’ (105). ‘Put simply, it is a matter of redefining our notion of progress. A technological and economic development which does not leave in its wake a better world and an integrally higher quality of life cannot be considered progress. Frequently, in fact, people’s quality of life actually diminishes’ (194).

Pope Francis is not opposed to the free market in principle, and acknowledges the huge advances made with the benefit of market mechanisms, lifting living standards for billions of people. ‘How can we not feel gratitude and appreciation for this progress, especially in the fields of medicine, engineering and communications?’ (102). He supports business and financial activity that genuinely benefit the whole economy. ‘Business is a noble vocation, directed to producing wealth and improving our world’ (129). But Francis hammers home the view that global markets have been distorted to skew the increase in wealth to the very few in wealthy countries, even at the expense of most of their fellow citizens, and they have done too little to promote development in the poorest countries.

**Conclusion**

Pope Francis has long paid close attention to the effects of economic policies in Argentina and Latin America especially, and has gradually focused his critique more sharply on the special interests shaping the processes of globalisation, which result in extreme inequalities in wealth and opportunities, unconscionable conduct and moral corrosion deriving from extreme free-market ideology, and despoliation of the environment, driving ‘catastrophic’ global warming.
As Pope, he has relied not just on his immediate team of collaborators and writers in Vatican and church circles, but has drawn extensively on the collaboration of teams of scientists and social scientists, including leading economists and climate scientists, and has worked conjointly with international organisations, like the United Nations, to highlight the urgency of the current situation and encourage the necessary remedial action.

Francis does not pretend to give technical answers, but highlights the moral quandary the world is in. He calls for a renewed international dialogue about how to plot a fairer path for the future. *Laudato Si’* mentions dialogue twenty-five times as the Pope appeals to all people, in collaboration with other religious and civil leaders, for a new global ethic with a focus on those in most need.

He links all this closely with faith in God and the religious and even non-religious sensibility of people everywhere about the gift of creation and our responsibility to care for it—so that we may hand it on to future generations in a sustainable manner.