Declaring the Lordship of Jesus Christ in Our Economic Life:

Catholic Social Teaching in Regard to Capitalism

By Rev. Robert Barron

John Paul II commented that the proclamation of the social teaching of the church is essential to the new evangelization. This connection is a reasonable one, given that the nature of evangelization is the declaration of the Lordship of Jesus Christ over all dimensions of life. One cannot consistently say that Jesus is Lord while keeping one’s economic, social, and political life sequestered in some purportedly “secular” realm, independent of his influence. So taking this papal prompt, I would like to explore, in connection with my evangelical work, some basic principles of the church’s social-economic doctrine, especially as it bears on our own market economy.

In his remarkable encyclical Centesimus Annus, published, as the title suggests, on the hundreth anniversary of Rerum Novarum, the letter that inaugurated the modern social teaching tradition, John Paul II presents a nuanced and carefully balanced assessment of the capitalist economy. I will follow him, pointing out both positive and negative dimensions of the market system. John Paul first re-affirms something that has been central to the social tradition from the beginning, viz. the legitimacy of private property, the backbone of a capitalist economy. Over and against all socialist and communist attempts to undermine private property, John Paul repeats Leo XIII’s argument that private property is a necessary economic concomitant to the personal liberty that flows from our dignity as children of God. Endowed with intellect and will, the human person has the prerogative to dispose of himself, choosing his own path politically, socially, and economically. To deny private property is tantamount, therefore, to reducing the person to an element in the state or the economic order. This denial of human sovereignty is, of course, precisely what obtained in the oppressive communist economies of the twentieth-century.

A related advantage of private property, John Paul contends, is that it allows for a far wider distribution of power within a society. When property is concentrated in the hands of a few individuals or families, various forms of oligarchy and tyranny rather naturally emerge. Thus the institution of private property is, for both these reasons, deeply congruent with a democratic political order.

A second essential feature of the capitalist economy that the church views favorably is entrepreneurship. John Paul II’s articulation of this value is due, I think, both to the stress he places in his philosophy on the primacy of the person and to his vividly direct experience of a Communist system which quashed creativity, ingenuity, and personal initiative in the economic realm. Through their intelligence and imagination, human agents are able to develop natural resources imaginatively and in a manner responsive to the ever-evolving needs of their brothers and sisters. This makes for a social order marked by both variety and efficiency. More to it, the enterpeneurial spirit calls forth a wide variety of virtues, including “diligence, industriousness, prudence in undertaking risks, reliability and fidelity in interpersonal relationships, as well as courage.” Consider for a moment the moral discipline involved in negotiating, signing, and fulfilling a contract—practices essential to participants in a market economy. As the
American philosopher Michael Novak has argued for years, a morally bad person would, in the long run, make a very ineffective capitalist, for his selfishness would eventually undermine him.

A third positive dimension of the market economy is the garnering of profits. In light of the Bible’s rather steady polemic against greed, this might strike us as surprising, but the church’s social teaching invites us to look more objectively at the economic function of profits. John Paul II argues that profits are a concrete indication that a business is functioning well, that productive factors have been properly employed and that some human need is being successfully met. Concomitantly, without a system of profit, there is no finally reliable way to determine the success of an enterprise. Even excess profits have a positive dimension inasmuch as they signal to other entrepreneurs that they can and should enter into a particular market, thereby creating jobs and driving down prices. Within a properly functioning market economy, John Paul concludes, profits provide the best and fairest way to regulate the play of supply and demand.

In light of this rather full-throated endorsement, do we conclude that the church advocates a completely free and self-regulating market, independent of all legal and moral constraint? By no means. From its inception, the modern social teaching of the church has included a number of cautions, restrictions, and warnings in regard to capitalism. Following Thomas Aquinas, the modern popes have been eager to distinguish between the ownership of private property and the use thereof. For the reasons already explored above, people have the right to own property, but in regard to the use of what they own, they are morally constrained by the demand of the common good. This “use” is grounded in the doctrines of creation and redemption. Since we are all here and now being created by God, we are, willy-nilly, connected to one another by the deepest metaphysical bonds; and since we are all destined in principle for salvation in Christ, we are siblings with one another in the supernatural life. Therefore, it is morally repugnant—and ultimately self-destructive—to live our lives as though our brothers and sisters were not intimately tied to us. Thomas Aquinas commented in regard to this issue: “if the question be asked how must one’s possessions be used, the church replies without hesitation that man should not consider his material possessions as his own but as common to all.” And in *Rerum Novarum*, Leo XIII, in the spirit of Aquinas, said, “When necessity and seemliness have been satisfied, there is the duty to use what is over to relieve the poor.” Even more radically, St. Ambrose of Milan, echoing St. John Chrysostom, maintained, “if you have two shirts in your closet, one belongs to you and the other to the man with no shirt.” What all of these spiritual teachers are emphasizing is the presence of a larger context for all economic activity and attainment. Our lives, finally, are not about us, but rather about God and his purposes. And therefore the proper questions to ask in regard to one’s material resources are “why has God allowed me to have such wealth, and what does he want me to do with it?”

From this acknowledgement of the common destination of material things flows a second caution. Without gainsaying for a moment the endorsement of the market economy and entrepreneurial freedom, the church speaks clearly of the legitimacy of the state’s intervention in the market in order to assure greater economic justice. Though he is skeptical of what he calls the “social-assistance state,” John Paul is even more skeptical of a purely self-regulating, self-policing capitalism. He argues that the state can and should intervene precisely to allow a fuller and fairer participation in the advantages of
the market. For example, it should act when citizens are crippled economically by monopolies, lack of education, crushing debt, insufficient wages, lack of elementary services and protections such as unemployment insurance—and most especially when the citizens’ basic security or their fundamental human rights are threatened. The state’s role vis-à-vis the economy can be compared to a referee’s role vis-à-vis a game of basketball: in both cases, the purpose of the monitor is not to undermine the lively play, but precisely to enhance it by checking its excesses.

In the midst of *Centesimus Annus*, John Paul responds to the question whether, after the collapse of communism, capitalism should be embraced as the optimal economic system. His answer will serve as a useful conclusion to my own reflections. The Pope says, “if by ‘capitalism’ is meant an economic system which recognizes the fundamental and positive role of the business, the market, private property…as well as free human creativity in the economic sector, then the answer is certainly in the affirmative…But if by capitalism is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality…the core of which is ethical and religious, then the reply is certainly negative.”

In this subtle and nuanced answer, John Paul gives voice to the major principles of Catholic social teaching on the economy and endeavors to show the way in which Jesus Christ can exercise his Lordship in this arena of life.