5-8-2012

Between Capitalism and Socialism: Religion and Distributive Justice

Nicole Guarnieri '12
College of the Holy Cross, neguar12@g.holycross.edu

Follow this and additional works at: https://crossworks.holycross.edu/honors

Part of the Ethics in Religion Commons

Recommended Citation
Guarnieri, Nicole '12, "Between Capitalism and Socialism: Religion and Distributive Justice" (2012). Honors Theses. 2.
https://crossworks.holycross.edu/honors/2

This Thesis is brought to you for free and open access by the Honors Projects at CrossWorks. It has been accepted for inclusion in Honors Theses by an authorized administrator of CrossWorks.
Between Capitalism and Socialism:
Religion and Distributive Justice

By Nicole Guarnieri

May 8, 2012
Thesis Abstract

I came to this thesis topic by way of my philosophic and religious journey here at Holy Cross. Since I myself grew up in a Catholic community, I wanted to specifically take up the issue of “devout Catholics” who seem to have forgotten the significance of traditional Catholic ethics, or our obligations to society as a whole. It will become clear in this thesis that capitalism is the most appropriate economic system. However, my goal in writing this thesis is to re-address ethics and morality in relation to our current situation, because capitalism today is lacking something that the capitalism of Adam Smith was not. Unfortunately the problem here is a large one and I certainly do not have all of the answers to the questions being addressed. However, I have a strong proposal; a proposal based on many recommendations varying from Karl Marx to Pope Benedict XVI.

In confronting this issue, I first look at the philosophies of Tony Judt, Karl Marx, Ayn Rand, Adam Smith, and Immanuel Kant. From there, I move in the direction of the Papal Encyclicals, where I highlight Pope Leo XIII, Pope John Paul II, and Pope Benedict XVI, followed by a few succinct thoughts on liberation theology.
This thesis is dedicated to my friends and family,
	hank you for all of the love and support.
Table of Contents:

Part I- Marx, Rand, & Smith: On history, morality, & religion 5

Part II- What can religion now give us? 37

Part III- Additional Thoughts 80

Part IV- Conclusion 83
Tony Judt was a well-known, secular, left wing political scientist and historian. Oddly enough, at a talk at the end of his life he made brief, but important, references to religion while delivering a plea for social democracy. In his October 2009 “What is living and what is dead in Social Democracy?” speech at New York University, Judt starts off with the following: “The University wanted me to talk about my illness, but I have something more interesting to share with you.” What he regarded as “more interesting” than the fact that he himself was clearly dying, was the possibility of reviving social democracy as a political option. Rather than making a defense of Karl Marx, as might have been expected, Tony Judt makes the point that Adam Smith was not nearly as callous as modern day capitalists. If Tony Judt is correct in his argument, the reason for our societal failure today is that we have failed to heed Smith’s warning that we not forget about morality. Political and economic theorists on the left and right share some of the blame for this situation. We need morality, and one of the most important sources of morality in the history of the West is religion. As a result, he hints that capitalism would be a positive force of success today only if the church were to provide a strong sense of Christian Morality. In Ill Fares the Land (his book length version of his NYU lecture), Tony Judt suggests that one who has a moral sensitivity has a duty to talk about politics. But how often do we find ourselves handling societal issues with a Bible in one hand and
a newspaper in the other?\footnote{Karl Barth, Time Magazine, 31 May 1963.} And how often do we choose to ask the question, “What is the just decision?” rather than “How much does it cost?” How often do we bracket moral questions in our pursuit of profit and wealth accumulation? How often do we merely look at profit maximization and fail to attend to the human and environmental costs of capitalism?\footnote{In March 2012 Greg Smith, recent employee of Goldman Sachs, pointed out in the New York Times opinion section, “I attend derivatives sales meetings where not one single minute is spent asking questions about how we can help clients. It’s purely about how we can make the most possible money off of them.” A red flag should be raised when employees start asking the question “How much money did we make off that client?” It is quite possible that the Goldman Sachs lost $2.15 billion of its market value the same day this article was posted because Americans are beginning to see the moral vision of Adam Smith, Pope Leo XIII, and Pope John Paul II. Perhaps shareholders recognize a problem with a lack of morality ad trust, and would instead prefer profit infused with morality and ethics.} As Tony Judt states, “Our problem is not what to do; it is how to talk about it.”\footnote{Tony Judt, Ill Fares the Land (London: The Penguin Press, 2010), 6.} Our problem is a discursive problem.

It will become clear in this thesis that capitalism is the most appropriate economic system. At the same time, I must also highlight the fact that, to the degree that the sole goal of capitalism is the pursuit of profit, capitalism must be moderated on the basis of a clear moral conception. What this means in practice is that religious and educational institutions need to understand that their role is not only to embrace capitalism, but also to heavily insist on the necessity of understanding that while the pursuit of profit may be the goal of capitalism, it cannot be the goal of life. In other words, we have to work to keep alive a dedicated sense of the public good. To do this is to re-inject ethics and morality back into our world. Since I myself grew up in a Catholic community, I want to specifically take up the issue of “devout Catholics” who seem to have forgotten the significance of traditional Catholic ethics, or our obligation to society as a whole. My goal in writing this thesis was to re-address ethics and morality in relation to our current
situation, because capitalism today is lack something that capitalism of Adam Smith was not.

**Tony Judt’s secular appeal to religion and morality**

-----------------------------------------------------------------------------------------------------------------------------------

It is not by chance that both Tony Judt and his fellow historians speak of my generation as the “lost generation.” Without ideals, values, nor ideas, the children of the 80s and 90s have very little grounding their lives in a commitment to justice and the common good. It is very easy to settle with a vision of reality in which self-interest becomes the end toward which all of our activities are directed. But is this not a violation of a basic morality, specifically a morality grounded in the Judeo-Christian religions? While our parents and their parents before them asked the questions “what is good?” and “what is fair?” our generation does not know how to properly approach the questions, “But what can we believe in? What should we do?” Our society urgently needs to return to an “ethically informed public conversation.” Our difficulty is discursive, and we very simply do not speak of values anymore. In particular, we have been trained by a capitalist and consumerist culture to see profit, self-interest, and enjoyment as unimpeachable values. From a very early age in American culture, certain habits are instilled in us. More specifically, we are inundated with 40-50 hours a week of consumerist advertisement from the time we are five-years old and only receive an hour or so of moral or religious instruction. As a result, we have adopted “moralties” that are narcissistic and profit-driven rather than focused on the well being of others and the

---

common good. For way too long, we have limited our political concerns to economic issues: restricting ourselves to problems of profit and loss. What we need is to recover our conscience, or deeper concerns, and society as a whole needs to reform the morally bankrupt individuals. We need to re-awaken our moral sensitivity that is asking us instead to discuss policies, proposals, and initiatives while guided by a stronger awareness of right and wrong. Our issue is thus not what to do, but rather how we talk about it (philosophy matters!). The biggest challenge today is getting through to a generation that is obsessed with the pursuit of material wealth. Judt makes the claim that very few students today will choose an interesting career with a mediocre wage over an uninteresting job that would pay really well. I do not believe this needs to be the case, and I do believe that a transformation of my generation’s sensibilities is indeed possible. The tendency to think exclusively in economic terms is not the only approach to reality. In different times and different cultures other values were prioritized. Why were our grandparents so likely to hand over private wealth in pursuit of collective goals? (i.e. the interstate highway systems and the Hoover Dam).

While discussing the realities of our economy, Judt mentions the wealth of the Wal-Mart founders’ family which “was estimated at about the same $90 billion as that of the bottom 40 percent of the US population: 120 million people.”⁶ Now, how do we respond to this? Do we discuss it in economic terms, focusing in on profit and loss; or rather do we ask ourselves the simple question “Is this just?” In discussing the consequences of this economic statement, we should follow up with the facts that Tony Judt mentions. He says, for instance, that the poor stay poor because “Economic disadvantage for the overwhelming majority translates into ill health, missed educational

⁶ Judt, Ill Fares the Land, 14.
opportunity and increasingly the familiar symptoms of depression: alcoholism, obesity, gambling and minor criminality.”\(^7\) We must analyze the perpetual unjust cycle that follows this economic reality, questioning what should be done to make things fair and to avoid future potential inequitable realities. For many, discussing these unjust realities in religious or moral terms in our society is a challenge.

One of the most important issues at hand today is trust, or commitment to the common good. As Adam Smith once said, “To feel much for others and little for ourselves; to restrain out selfishness and exercise our benevolent affections, constitute the perfection of human nature.”\(^8\) Human beings, both young and old, cannot live among one another in harmony unless trust and confidence exist. Tony Judt gives the example of taxes. When we as citizens of the United States pay our taxes, we do so under the assumption that our fellow citizens are paying their dues as well. If this is not the case, then we are “unfairly burdened” and would in that case most likely withhold our own payments. We trust our families, our friends, our co-workers, the tax collectors, and those that we place in authority to run our nation peacefully and successfully. We are part of a civic community. However, within this civic “community” are groups of people that share more specific commonalties, like culture, color, moral outlook, religion, etc. Thus, trust and a “community” environment come from one thing: equality, or more realistically, a sense of fairness in which not only the wealthy and privileged are given the opportunity to succeed. “The more equal a society, the greater the trust.”\(^9\) There is little doubt that a more equitable distribution of resources contributes to trust which thus contributes to both cooperation and a successful state.

\(^7\) Judt, *Ill Fares the Land*, 14.
\(^8\) Smith, *The Theory of Moral Sentiments* (Digireads, 2010), 63.
Unfortunately, our nation in a modern context couldn’t be more heterogeneous. Very little solidarity exists with one’s fellow citizens and with the state itself, unless a devastating event occurs (such as September 11th) making the community stronger because it causes differences to be set aside. Today, our society has seen a shift from the old left (collectivists) to the new left (consisting of individualists). The new left has rejected the collective goals of the old left. Now, “leftists” fight for autonomous desires for individualism, or “the assertion of every person’s claims to maximize private freedom and the unrestrained liberty to express autonomous desires.”

The goals of today’s left are not bad goals, but they are private goals, not for the benefit of the general public or community. Instead, they have become obsessed with fighting for individual “rights” in relation to specific causes that effect their own selves, for example sex, race, and gender. Isn’t this inherently selfish? While there is undoubtedly an enormous gulf that separates the new left from Ayn Rand, it would appear that their respective positions stand in dangerously close proximity to one another. That we should be selfish because we only know ourselves to be real and no one else? How do we find a shift back to collectivism? How do we re-establish that communal trust? The answer seems simple: we need distributive justice. We need to make sure that all wealth and assets are not disproportionately allocated to a small group. With equality comes trust, and with trust comes community.

The problem is a large one and I certainly do not have the answers to all of the questions posed here, especially since I have found it necessary to speak broadly, basing my recommendations on thinkers as varied as Karl Marx and Pope Benedict XVI. In

---

11 Exemplified through how the old hippies of the 60s have participated in the rising of the Tea Party subsequent to Tony Judt’s death.
confronting this issue, which has been consuming me since the beginning of my academic journey here at Holy Cross, I first look at the philosophies of Karl Marx, Ayn Rand, and Adam Smith. From there, I move in the direction of the Papal Encyclicals, where I highlight Pope Leo XIII, Pope John Paul II, and Pope Benedict XVI.

**Between Marx and Rand**

---

One of history’s greatest advocates of equality is without a doubt Karl Marx. A great opponent of Marx is Ayn Rand. In this chapter, I will begin by describing the difference between these two figures, who shared little in common beyond their atheism, by giving a preliminary analysis of the difference between socialism and capitalism. However, I will conclude by showing how neither of the figures coheres with what Tony Judt is mindful of at the end of his life: the moral dilemma. Both Marxists and Randists fail to recognize the significance of morality in economic matters. As mentioned in the introduction, with equality comes trust and with trust comes community. Unfortunately, neither Karl Marx nor Ayn Rand places their trust in the actual individuals who come together to form a community. On one side, Marx trusts the blind and impersonal force of history to restore everything, and on the opposing side, Rand trusts the equally impersonal force of the market. The bigger problem here, as will be clarified, is that neither of these two powerful figures sees the human problem in moral terms. Both are atheists and neither of them places their trust in actual human beings.

Let us begin by introducing Karl Marx and his thoughts on socialism. Karl Marx (1818-1883) was a German philosopher, economic historian, journalist, and revolutionary socialist who developed the socio-political theory of Marxism. In this critical theory of
society, Marx held that all societies must be based on the forms of thought most essential to the given society, which is a reflection of the social relations of that society. According to him, the central thought of capitalist society was value, which could be objectified as human labor measured by time. He argued that value came to dominate society under capitalism based on the condition of post-industrial revolution humanity in which the typical human being had to become an urban slave to labor in order to survive. Ownership of capital translates to the power of purchasing or a certain command over all labor and all produce of labor. He showed how the working class had fallen into beggary or starvation, and that within the capitalist system the human person has been reduced to “a mere machine.”

The worker is dependent on the capitalist. Thus when capitalism works and people prosper, it is often times only the wealthy that benefit and the poor or the worker continues to live in intolerable economic conditions. In his *Economic and Political Manuscripts* Marx states, “In political economy, labor occurs only in the form of wage-earning activity… which knows the worker as a working-animal- as a beast reduced to the strictest bodily needs.” In a capitalistic society, the sole defense against capitalists is competition. In an economic decline, the first to suffer will always be the small capitalists, i.e. the “mom and pop shops.” As made evident by the recent economic recession, the first to go are the small capitalists because in an attempt to compete they sell commodities cheaper, and pay increased wages, both of which cause him to ruin himself. Marx points out, “Poverty is not so much caused by men as by the power of things.”

---

13 Marx, *Economic and Philosophic Manuscripts of 1844 and the Communist Manifesto*, 27.
14 Marx, *Economic and Philosophic Manuscripts of 1844 and the Communist Manifesto*, 49.
As a result of this thought process and his experiences, Marx concludes that the whole of society must fall into two classes: the property-owners and the property-less workers. Interestingly, “The workers become all the poorer the more wealth he produces”\(^\text{15}\) because the product of his labor becomes an alien object as it is immediately handed over to the owners. “Estranged labor tears from him his species life, his real species objectivity, and transforms his advantage over animals…”\(^\text{16}\) In response to this inequality, Marx asserted that men would be forced to fight for “the free development of each,” which will eventually become “the condition for the free development of all.” He supported the idea that this potential could be recognized by means of the political struggle of the working class for socialism; he understood all political movement as a response to economic necessities. With this, proletarian labor would become fully abolished. Humanity would be able to freely direct its own history, instead of being dominated by an exclusive focus on capital that distorts the social life of humans.

In his *Communist Manifesto*, Karl Marx joins Friedrich Engels in a criticism of the current socio-economic form of society, capitalism. Marx makes the rightful claim that, unfortunately, money has always called the shots. He critiques dialectical, or historical, materialism, saying that it is these worldly desires that have played themselves out in the social body and have been caused by our capitalist society. People desire what they are *told* they desire by society, something that has very evidently not changed still to this day. We have been trained to desire certain goods and certain ways of life that are often in direct contrast to a Christian vision of what a human ought to desire. He claims that human beings find reality in materialistic things, and goes on to analyze the effects of

\(^{15}\) Marx, *Economic and Philosophic Manuscripts of 1844 and the Communist Manifesto*, 71.
\(^{16}\) Marx, *Economic and Philosophic Manuscripts of 1844 and the Communist Manifesto*, 77.
the industrial revolution. We live in a highly competitive world, where everyone wants to be evolving and outdoing the most popular new invention of the times. In explaining how the bourgeoisie operates he states, “On the one hand by enforced destruction of a mass of productive forces, on the other by the conquest of new markets, and by the more thorough exploitation of the old ones.”  

As mentioned in the previous paragraph, Marx has a desire to rid this world of this capitalist mentality. He calls for a life of simplicity where men and women would go “fishing in the morning, hunting in the afternoon, and read philosophy during the evening.” He is filled with nostalgia for the middle ages and absolutely despises the age of money. He writes, “It (the bourgeoisie) has pitilessly torn asunder the motley feudal ties that bound man to his ‘natural superiors’, and has left remaining no other nexus between man and man than naked self-interest, than callous ‘cash payment’…” Karl Marx calls for a revolution of this world that has sadly found itself crucified by a principle of constant change, where everything revolves around capital and being the best you can be. He hoped for a future socialist program that would inevitably lead to a classless and pure communist society. Karl Marx called for the implementation of this system, encouraging impoverished individuals to carry out organized revolutionary actions that would topple capitalism and bring about socio-economic change. Ironically enough, though Marx was identified as an atheist, we can see here that he has certain affinities to the gospel in the way that he was very much rooted in solidarity with the poor and oppressed (the proletariat of his time).

Before concluding on Marx, we must do justice to his critique on capitalism, specifically the chapter entitled “Wage Labour and Capital.” In this particular section,

18 Karl Marx, *Economic and Philosophic Manuscripts of 1844 and the Communist Manifesto*, 5.
Marx analyzes capitalism, giving us a break down of wage, labour, and capital, which open our eyes to the often-dirty realities of the capitalist system. He refers to this capital-labour relationship as “dialectically self-destructive,” adding that it constitutes the material foundation of the current national and class struggles (current as in the late nineteenth century—yes still very appropriate today in the early twenty-first century). He gives us a breakdown of the economic relations on which the bourgeoisie and its class rule, along with the slavery of the workers beneath it, are founded. To begin, he defines wage as “the sum of money paid by the capitalist for a particular labour time or for a particular output of labor.” He goes on to add that labour, which is a commodity (“neither more nor less than sugar”) is a “life-activity” completed by the worker in order to survive. “He is a commodity which can pass from the hand of one owner to that of another. He is himself a commodity, but the labour power is not his commodity.” The laborer belongs to the capitalist class, and it is his role to find a purchaser within this class who will allow him to exchange his labor for a wage in order to live. Marx also addresses the depreciation of the worker, which “is taken into account in the same way as the depreciation of the machine.”

Continuing, Marx defines capital as “accumulated labor which serves as a means of new production.” Capital is not merely the product or service produced by the laborer, but rather capital includes the capital that has been accumulated by years and years of slave labor. This money did not get cleansed along the way, but rather the capitalist possesses it, building its capital higher and higher. Capital is not merely a sum

---

of material products (instruments of labour and raw materials, means of substances), but rather it is a sum of *commodities*, of exchange values. He summarizes, “The worker receives means of subsistence in exchange for his labour power, but the capitalist receives in exchange for his means of subsistence labour, the productive activity of the worker, the creative power whereby the worker not only replaces what he consumes but *gives to the accumulated labour a greater value than it previously possessed.*”\(^\text{23}\) For example, if a tenant farmer gives his day laborer five dollars a day, for these five dollars the laborer works all day on the farmer’s field and produces a return of ten dollars worth of product. The greatest issue of all is that “The worker perishes if capital does not employ him. Capital perishes if it does not exploit labor power, and in order to exploit it, it must buy it.”\(^\text{24}\) The capitalist and the laborer need one another under the capitalist system. However, the one (the capitalist) conditions the other (the laborer). Marx makes an extremely important point though when he adds that the growth of productive capital does *not* mean a rise of wages for the worker. He attacks the capitalist class, stating “The bourgeoisie is too enlightened, as it calculates too well, to share the prejudices of the feudal lord who makes a display by the brilliance of his retinue. The conditions of existence of the bourgeoisie compel it to calculate.”\(^\text{25}\)

Not only is there great competition among capitalists, but also there is greater competition among workers, and the greatest competition within the worker himself. If the capitalist can produce “a whole yard of linen in the same labor time in which his competitors weave half a yard, how will the capitalist operate?”\(^\text{26}\) Well, the greater

---

amount of product that the capitalist now possesses allows him to sell his commodities more cheaply. This is like the Wal-Mart who sells his half-yard of linen more cheaply than its smaller competitors. This big capitalist becomes a monopoly and drives the smaller capitalist from his field, putting them out of business. This cycle continues, and production becomes cheapened as more can be produced with the same amount of labor. From here, a greater division of labor allows one worker to do the work of five, ten, or twenty workers (by utilizing new machinery). Because of this, workers must compete by selling their labor cheaper than another because “his labor becomes a labor that anyone can perform.”

This leads to stress and anxiety, causing the laborer to compete with himself, with himself as a member of the working class. From here we cannot ignore the brutal reality that “in place of the man who has been discharged owing to the machine, the factory employs maybe three children and one woman.” Now, four times as many workers’ lives are used and abused to gain a livelihood for one worker’s family. Marx concludes by stating, “The more productive capital grows, the more the division of labor and the application of machinery expands. The more the division of labor and the application of machinery expands, the more competition among the workers expands and the more their wages contract.”

This, Marx argues, is a perpetual problem with the capitalist economy, which can only be made better by a complete re-structuring of the economic system, brought about by his socialist alternative.

In summary, because our world has been historically and perpetually divided into the oppressor and the oppressed (i.e. aristocrats and serfs), Marx believed something was missing. When he entered the philosophical scene, Karl Marx introduced a critique of

---

this traditional structure of society. He was extremely critical of the current socio-economic form of society, capitalism, which he claimed to be the “dictatorship” of the bourgeoisie modernity that he despised. Instead, Marx saw the importance of community: “Proletarians of all countries unite!” Karl Marx explicitly urged his contemporaries to combat the evil social system of oppressor and oppressed. “All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind.”

Marx wants to eliminate the dissidence that has thrived between capitalists and workers, bourgeoisie and proletariat, and most generally, the rich and the poor. One would think that all of the above are motivated by some sort of moral sentiment however Marx was a strict atheist who did not trust in anything human.

This is also the case for Marx’s fellow atheist Ayn Rand. Ayn Rand, who was as strongly committed to capitalism as Marx was to socialism, was a Russian-American novelist, philosopher, and screenwriter in the mid to late twentieth century. At age thirteen, she decided she was an atheist and concluded that she wanted her life to be happy, exciting, and lived in accordance with her own judgments, not those of a god. She believed that no one had the right to tell her (or anyone for that matter) how to live or that they had a duty to live for others, going entirely against the religious mentality. Later, in her famous Atlas Shrugged she declares, “… that the alleged shortcut to knowledge, which is faith, is only a short-circuit destroying the mind- that the acceptance of a mystical invention is a wish for the annihilation of existence and, properly, annihilates one’s consciousness.”

For this reason, she felt that communism, which was taking over

30 Marx, Economic and Philosophic Manuscripts of 1844 and the Communist Manifesto, 6.
Russia while she was living there, was evil. Communism encouraged people to live for the state, advocating for the sacrifice of individuals for the sake of the community. For this reason, at a young age, she quickly grew to dislike Plato, religion, Hegel, and Marx. At the same time, she grew to greatly respect the philosophies of both Nietzsche (with the exception of his emphasis of feeling over reason) and Aristotle (with the exception of his ethics). Of her many accomplishments, she can be best appreciated for her development of a philosophical system known as objectivism. Rand’s general response to Immanuel Kant’s question “what can I know?” is that one can know the objective, physical world outside one’s self. In other words, one can know things, but not people. For this reason, she would suggest that we should live in a way in which we do not concern ourselves with others’ problems. We should live selfishly and have little compassion and pity for anyone other than ourselves because, as far as we are concerned, the only thing we know to be really real is our self. Thus, in response to Kant’s question “what should I do?” Rand replies that we should live a life of total self-interest without concern for others. This is the view that suffering and tragedy are the accidental, “to be fought and thrown aside, not to be accepted as part of one’s soul and as a permanent scar across one’s view of existence.”32 She advocated for reason and rational egoism, while simultaneously rejecting all forms of faith, religion, morality, and ethics. She also opposed any form of socialism and collectivism and supported laissez-faire capitalism because she saw the importance of protecting individual rights, including property rights, in which all property is privately owned. Moreover, her political ideas have been influential among

modern day conservatives among who is the infamous Alan Greenspan, Chairman of the United States Federal Reserve from 1987 to 2006.

The basic facts and concepts at the root of all knowledge, according to Ayn Rand, are her three axioms: existence, consciousness, and identity. For there to be knowledge, she says, there must be something to know (existence), someone to know it (consciousness), and something to know about it (identity). According to Rand, both the concept of a “God” and the arguments traditionally offered for the existence of God involve key violations of her three axioms. For example, Allan Gotthelf explains, “The ‘first cause’ argument maintains that God is needed as the creator or sustainer of the material universe. But that is to say that existence needs consciousness to create or sustain it. It makes a consciousness – God’s consciousness – metaphysically prior to existence. But existence “exists.” It can have no beginning, no end, and no cause. It just is. And consciousness is a faculty of awareness, not of creation. The first cause argument violates both the axiom of existence and the axiom of consciousness.”

Going on from this, Rand would say that God is not needed for morality, but rather the basic facts about man’s nature as a rational being are enough to generate an objective code of moral values. She believes that things are what they are and wanting the good to succeed is not an argument for the existence of a God. Everything about God violates the entire basis of Rand’s philosophy. She says there is no good argument for the existence of God. In fact, a God who is “omnipotent” “omniscient” and “infinite” violates her axiom of identity. Above all else, however, she concludes that to say there is a God the creator of the universe is to say that there is a consciousness that could have existed without there existing anything to be conscious of: violating both existence and consciousness. She

explains, “A consciousness with nothing to be conscious of is a contradiction in terms. A consciousness conscious of nothing but itself is a contradiction in terms: before it could identify itself as consciousness, it had to be conscious of something.” Existence must come prior to consciousness. Existence has no beginning, no end, and no cause; it just is; going entirely against the basis of God.

In her discussion on how man should react in regards to other men, Rand begins by defining value. She makes the argument that values exist because living beings need to act to obtain specific objects in order to survive. As a result, value rests on life and survival is the ultimate goal for all actions completed by mankind. Man must act in order to remain alive. An organism’s life is its standard of value; what threatens a man’s life is evil and what furthers its life is good. Man is not born knowing how to survive, however he is born with reason and must utilize his reason in order to survive. He must elect to think and thus to place value in certain things in his life. For this reason, each man has his own set of values. What may be “valuable” to one man could be “invaluable” to another; it all depends on how he chooses to live his life in order to best survive. “The standard of value of the Objectivist ethics… is man’s life, or: that which is required for man’s survival qua man. Since reason is man’s basic means of survival, that which is proper to the life of a rational being is the good that which negates, opposes, or destroys it is evil.” Rand would conclude that to live a life guided by reason, in which rational purposes are pursued and achieved, and in which one greatly values one’s mind and person, is to achieve one’s life. Once one achieves their values they then experience “happiness.” Moreover, in advocating that one’s own life is one’s ultimate value and that

one’s own happiness is one’s highest moral purpose, Rand is supporting an ethics of selfinterest. In her essay, “The objectivist Ethics,” Rand presents the following as her seven virtues: rationality, productiveness, pride, independence, integrity, honesty, and justice. Each of these virtues holds a sense of self-interest. For example, she defines pride as “the recognition of the fact that you are your own highest value and, like all of man’s values, it has to be earned… that as man must produce the physical values he needs to sustain his life.”

In addition to this, independence is a commitment to think for oneself: independence of thought and independence of action. The remainder of these virtues are all profoundly selfish as well. It is in man’s greatest interest to live, and in living it is in his interest to be rational, productive, self-valuing, independent, to have integrity, to be honest, and to be just.

Considered the “magnum opus” in the realm of Rand’s fiction writing, Atlas Shrugged was first published in 1957 in the United States. It was Rand’s fourth and last novel, also her longest, and it contains her most detailed explanation of Objectivism. The novel depicts a “dystopian” United States in which a few members of society refuse to be exploited by increasing taxation and government regulations, while everyone else is just waiting for a handout. John Galt is the leader of the few rich people who move into a remote mountain valley in Colorado and watch as the rest of the world destroys itself. The most prevalent belief is that civilization cannot exist where every person is a slave to society and the government. Profit motive is important, less government intervention is crucial, and reason and invention conquer all. Rand explains through the voice of John Galt, “Man’s mind is his basic tool of survival. Life is given to him, survival is not. His body is given to him, its sustenance is not… To remain alive, he must act… reason is

---

your means of survival.”37 The theme of the novel is often described as “the role of man’s mind in existence,” and Rand’s advocacy of reason, individualism, and capitalism is very clear. Rand goes on, “Man has been called a rational being, but rationality is a matter of choice- and the alternative his nature offers him is: rational being or suicidal animal.”38 Invention is extremely vital, and modernization is highly significant. Man cannot remain stuck in the “barbarian eras when a miserable form of human sustenance was produced by the muscular labor of slaves,” but rather he must share his knowledge and invention through the industrial age. One of the most renowned chapters of the book, and easily the climax, is the one titled “This is John Galt Speaking.” In this chapter, we are introduced to the superior character of John Galt, who addresses the nation, explaining his (Rand’s) philosophy of objectivism. Rand states, “Did you want to know who is John Galt? I am the first man of ability who refused to regard it as guilt… I am the first man who would not suffer martyrdom at the hands of those who wished me to perish for the privilege of keeping them alive. I am the first man who told them that I did not need them…”39 He makes his point on atheism, on wealth, and on the importance of living selfishly. Galt states mid speech, “Do you ask what moral obligation I owe to my fellow men? None,” and concludes by declaring, “I swear- by my life and my love of it- that I will never live for the sake of another man, nor ask another man to live for mine.”40 Rand, through the words of John Galt, asserts the importance of living in order to gain self-satisfaction, and self-satisfaction should be obtained through forgetting the other and

37 Rand, Atlas Shrugged, 1012.
38 Rand, Atlas Shrugged, 1013.
40 Rand, Atlas Shrugged, 1069.
continuously placing oneself as the most important person in your life. She (Galt) announces that, “The word that has destroyed you is sacrifice.”

According to Rand, objectivism can be best described as “the concept of man as a heroic being, with his own happiness as the moral purpose of his life, with productive achievement as his noblest activity, and reason as his only absolute.” In addition to this, Rand rejected all claims of non-perceptual or a priori knowledge, claiming that you cannot know anything prior to experiencing it. Like Marx, morality had no role in Rand’s lifestyle, but rather “rational egoism” or rational self-interest was her guiding “moral” principle. In summary, no other passage grounds Ayn Rand’s argument more than the following: “the individual should exist for his own sake, neither sacrificing himself to others nor sacrificing others to himself.” She emphasizes individual rights, and parallels a modern day republican when she says she prefers that rights be enforced by a constitutionally limited government. In one respect, however, Rand differs drastically from a modern day republican. Republicans support unrestrained capitalism (like Rand), which is systematically atheistic, however they attempt to compensate for this lack of morality through a cultural conservatism; calling for religion in both public and private life (something that Rand rejects).

Despite the clear dissidence between the philosophies of Karl Marx and Ayn Rand, they have something significant in common: both thinkers contend that morality should be bracketed in political and economic matters and that religion plays a singularly problematic role in the lives of individuals, preventing both individual and collective fulfillment. Rand, like Marx, is an atheist; however the two understood economic forces

---

in opposing directions. Additionally, both theories act as a variation of Immanuel Kant’s theory of history. This is the case even though both thinkers argue on the basis of interest instead of morality. For Marx, morality can be sacrificed for the sake of the collectivity. For Rand, it can be sacrificed for the sake of the individual. Rand proclaims, “Sweep aside those parasites of subsidized classrooms, who live on the profits of the mind of others and proclaim that man needs no morality, no values, no code of behavior…a rational process is a moral process. Thinking is man’s only basic virtue…”\(^{43}\) Strangely enough, both thinkers can be linked to Kant’s Theory of History, even though both rejected Kant’s Theory of Morality.

**Adam Smith**

-----------------------

In the fourth thesis of his *Idea for a Universal History from a Cosmopolitan Point of View*, Immanuel Kant shares his theory of unsocial sociability. In this short yet powerful text, Kant touches on the play of freedom of the human being and how man can discover a natural purpose throughout history. In particular, in the fourth thesis of the text, he shares his philosophy of unsocial sociability of men, or “their prosperity to enter into society, bound together with a mutual opposition which constantly threatens to break up the society.”\(^{44}\) Man has a natural instinct to both socialize himself with others (become part of a social community) and to simultaneously isolate himself because he finds an intrinsic selfish desire to prosper. This opposition awakens all powers in man, bringing him to “conquer his inclination to laziness, and lust for power to achieve a rank

---


among his fellows whom he cannot tolerate but from whom he cannot withdraw.” As a result of this, man experiences a huge leap from barbarism to culture, developing all talents. Without it, man would remain comparable to a beastly animal and they would not fill the empty place in creation by achieving their goal of rational nature. He states, “…Without them, all the natural capacities of humanity would forever sleep, undeveloped… He wishes to live comfortably and pleasantly; Nature wills that he should be plunged from sloth and passive contentment into labor and trouble, in order that he may find means of extricating himself from them.” In other words, Kant’s theory of unsocial sociability of man concludes that man is inherently driven to create, to excel, to compete, etc, driving them to “new exertions of their forces and thus to the manifold development of their capacities.”

Returning to Ayn Rand, she would say that the only proper political system is one that creates the conditions of freedom necessary for man to pursue his life and happiness. Rand says that man must fight for success, supporting a theory of rational self-interest, in which you must crush anything that gets in your way of achievement. As a result, Rand would agree with Kant’s “Theory of history,” suggesting that man is inclined to desire success and that man is inherently driven to prosper. Adding to this is the perspective of Karl Marx, who would similarly state that men should fight for “the free development of each” which will eventually become “the condition for the free development of all.” In other words, Marx believed that through eliminating capitalism, the proletariat class would be able to succeed in a way equal to that of the bourgeoisie, moving history along. In conclusion, though they come from opposing ends of the political spectrum, both Ayn Rand and Karl Marx are similarly seduced by Kant’s

---

45 Wood, *Basic Writings of Kant*, 121.
46 Wood, *Basic Writings of Kant*, 122.
47 Wood, *Basic Writings of Kant*, 123.
Theory of history or concept of unsocial sociability; agreeing with this mechanism for moving history along. They agree that in order to get to the end goal, you must be willing to destroy whatever gets in your way; competition contributes to progress. Interestingly, this theory of unsocial sociability is one that compares well with Adam Smith’s “invisible hand.”

At the same time, Adam Smith constitutes a possible answer as to why Ayn Rand and Karl Marx are missing the morality part to Immanuel Kant’s philosophy. Kant’s thoughts on morality are that while a religious man is motivated by heaven, a moral person is rightfully not motivated by a reward. Kant argues that God being in the picture motivates man to do good for the wrong reason. The key to real religion is a religion of morality where man is motivated by doing good and not finding a place in heaven. While his theory of history is similar to that of Kant, Rand, and Marx, Adam Smith possesses a different conception of morality. According to Smith, morality is based on compassion and sentiment, and morality and religion should be seen together. We are to live for and among others, something that Rand completely dismisses in her lack of emphasis on compassion. According to Rand, rich gated communities exist and are good so that the wealthy do not have to face the faces of the oppressed. As we will see Smith address, if one is surrounded by sadness, they will feel their pain, something that Rand and her followers don’t want to experience. Smith highlights the importance of compassion as being a really good thing because it is literally that which will reign in capitalism; compassion forces one to feel for the poor, facing reality.

In his book An Inquiry into the Nature and Causes of the Wealth of the Nations, first published in 1776, Adam Smith, a well-known Scottish economist and moral philosopher, shares his reflection on economics at the beginning of the Industrial
Revolution. Smith argues that free market economies are more productive and beneficial to societies than are its opponents, ultimately suggesting that a capitalist society is a fruitful society.\textsuperscript{48} Smith says first that the Division of labor has contributed to a greater increase in production than any other factor and has become responsible for any bit of universal opulence in the countries that utilize the system (in terms of industry). At the same time, the division of labor is limited by few opportunities for exchange (in the late eighteenth century) due to lack of access to waterways or alternative transportation systems. In his \textit{Wealth of the Nations}, Smith addresses the value of commodities by stating, “The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it.”\textsuperscript{49} In summary, Adam Smith argues that when demand exceeds supply, the market price goes up, but when the supply exceeds the demand, the market price will go down. The entire book is driven by the idea of profit. Smith shares his suggestions for the various ways in which people can generate a larger profit than normal. For example, you could find a commodity that few others have that allows for a higher profit, or you can find a way to produce a unique commodity. He also touches on the profitability of a monopoly due to its ability to keep the supply below the demand. Something important to recognize is how Smith addresses the rent of the land. Today many landowners rent out their property with the mindset of making a surplus of profit. In his \textit{Wealth of the Nations}, Smith points out that rent, which is considered to be the price paid for by the use of land, is naturally the highest the tenant can afford in the circumstances of the land. The landlord must leave the tenant no greater

\textsuperscript{48} Note: the book was written in English of the late 18th century, so the terms economics and capitalism were not used. Instead, Smith discusses a “system of perfect liberty,” while the term “corporation” referred to a body that regulated and (according to Smith) limited participation in a skilled trade.

\textsuperscript{49} Adam Smith, \textit{An Inquiry into the Nature and Causes of the Wealth of the Nations, Volume I} (London: Elibron Classics, 2006), Book V, Chapter I.
share of the produce than what is sufficient to keep up the stock from which he furnishes the seed, pays his labor, and purchases and maintains other stock. Smith is discussing these terms in a time period when the relationship between landlord and tenant was a trusting one. When landlords weren’t taking advantage of their tenants, but instead were charging just enough to cover their own costs. Smith is here discussing the success of capitalism in a time when people went to church at least every Sunday.

In regards to labor for wages, Smith points out that the amount of revenue must increase in order for the amount of labor for wages to remain high. He emphasizes labor as being the real exchange for commodities. Interestingly enough, the man who started capitalism was still very much concerned with the problem of poverty. Smith points out, “poverty, though it does not prevent the generation, is extremely unfavorable to the rearing of children… it is not uncommon in the Highlands of Scotland for a mother who was born twenty children not to have two alive… In some places one half the children born die before they are four years of age; in many places before they are seven; and in almost all places before they are nine or ten.”

Adding to this concern for the oppressed, it is necessary that we touch on Smith’s discussion of the Public Revenue of the Society. In Book Five, in his discussion on taxes, Smith writes, “The necessaries of life occasion the great expense of the poor. They find it difficult to get food, and the greater part of their little revenue is spent in getting it. The luxuries and vanities of life occasion the principal expense of the rich, and a magnificent house embellishes and sets off to the best advantage all the other luxuries and vanities which they possess. A tax upon house-rents, therefore, would in general fall heaviest upon the rich; and in this sort of inequality there would not, perhaps, be anything very unreasonable. It is not very unreasonable that the

---

rich should contribute to the public expense, not only in proportion to their revenue, but something more than in that proportion.” Adam Smith, the creator of capitalism himself, clearly states that the rich need to contribute to the public expense, and not only in proportion to their revenue, but *something more than in that proportion*. How is it that Adam Smith, in the midst of publicizing his capitalist vision, simultaneously concerns himself for the poor? What has happened to society today, a little over two hundred years later, to cause many to completely lose touch with this necessary concern for the oppressed? In his *Theory of Moral Sentiments*, which will be addressed in the subsequent paragraphs, Adam Smith demonstrates that capitalism can work in conjunction with religion and morality. If this was the case over two hundred years ago, it can work again today. Capitalism of the twenty-first century is missing something important: it is missing morality.

It is often said that Adam Smith’s *Wealth of the Nations*, with the exception of any touch of morality, can be easily compared to Ayn Rand’s *Atlas Shrugged*. But this is not the case with his *Theory of Moral Sentiments*. In this work he emphasizes the need for compassion, pity and sympathy, all of which Ayn Rand explicitly rejects. The problem today is that few people have compassion for their neighbors for the simple reason that they stand in no strong relationship to them. Too many people walk down the street turning a blind eye to the poverty around them because there exists little compassion due to lack of morality and religion in today’s society. Smith explains, “we, though naturally sympathetic, feel so little for another, with whom they have no particular connection, in comparison of what they feel for themselves; the misery of one, who is merely their fellow-creature, is of so little importance to them in comparison even

---

of a small convenience of their own; they have it so much in their power to hurt him, and may have so many temptations to do so.” Without compassion and pity, man is ready to become this wild beast that has little respect for the equally human beings around him. Smith helps us to understand how Rand becomes so uncompassionate. He shows us that we (as a society) have the possibility of compassion, which is good, but are clearly not living it out. He provides us in this text with an explanation of why. He explains to us why we would rather surround ourselves with happy, lively and outgoing people, rather than tortured and depressed ones. Smith states, “If the very appearances of grief and joy inspire us with some degree of the like emotions, it is because they suggest to us the general idea of some good or bad fortune that has befallen the person in whom we observe them: and in these passions this is sufficient to have some little influence upon us.” He points out that we will forever be shaped by the sentiments of the people that surround us.

In summary, in his Theory of Moral Sentiments, Adam Smith allows us to understand how the reason people are compassionate is because compassion is inherent in all human beings; thus we inevitably feel the pain and sorrows of others surrounding us that are suffering. We, as compassionate individuals, are going to feel obliged to do something about the pain of the other. We are intrinsically sympathetic because we are constantly attempting to place ourselves in the emotional shoes of the other. Smith explains, “The anguish which humanity feels, therefore, at the sight of such an object,

---

54 This explains Ayn Rand’s support of rich gated communities in Atlas Shrugged. These communities exist so that rich people do not have to face the realities of the oppressed that surround them; they can escape these tortured sentiments and be eternally surrounded by only happy ones so they do not have to do anything to fix the problem.
cannot be the reflection of any sentiment of the sufferer. The compassion of the spectator must arise altogether from the consideration of what he himself would feel if he was reduced to the same unhappy situation, and, what perhaps is impossible, was at the same time able to regard it with his present reason and judgment.”

The spectator fully enters into the sentiments of the person principally concerned, expressing compassion and pity. Smith’s first goal is to present this psychology; preaching to the affluent that they should not seclude themselves. Smith points out, “Man, it has been said, has a natural love for society, and desires that the union of mankind should be preserved for its own sake, and though he himself was to derive no benefit from it. The orderly and flourishing state of society is agreeable to him, and he takes delight in contemplating it.”

Compassion, he would argue, is both a very powerful and good thing; it is literally that which will reign in capitalism because it forces people to see reality and thus feel for the poor.

Adam Smith continues to believe throughout this work that capitalism is necessary because compassion demands it. Compassion for the poor motivates one to create wealth— for the sake of society as a whole. While Ayn Rand makes the argument that capitalism should be bold and let go of the hand of compassion, Adam Smith makes the claim that capitalism and compassion need to coexist. He argues that it is a very good thing that the capitalist is motivated by the pursuit of profit; the world needs more wealth (not less) and capitalism knows how to create it. At the same time, this mentality will only work if society is prepared to step in and properly allocate this wealth. Smith points that society can and will only survive with compassion, “Society, however, cannot subsist among those who are at all times ready to hurt and injure one another. The moment that

injury beings, the moment that mutual resentment and animosity take place, all the bands of it are broke asunder, and the different members of which it consisted are, as it were, dissipated and scattered abroad by the violence and opposition of their discordant affections." Smith is proposing this to a Christian society, stating that wealth and profit are good things, but only if one is willing to share them; however you cannot share wealth without first creating it. Smith argues that man has no reason to do evil to another man without proper motive. "There can be no proper motive for hurting our neighbor, there can be no incitement to do evil to another, which mankind will go along with, except just indignation for evil which that other has done to us." In other words, man has no right to do evil to another unless that man has first done evil to him; so self-defense is an appropriate motive. On the other hand, he continues, "To disturb his happiness merely because it stands in the way of our own, to take from him what is of real use to him merely because it may be of equal or of more use to us, or to indulge, in this manner, at the expense of other people, the natural preference which every man has for his own happiness above that of other people, is what no impartial spectator can go along with." This can be exemplified by literal robbery, theft, or breach of property. However, it can also be concluded that when the rich man ignores the needs of the poor man, he is also robbing him; robbing him of his rights as a human being. The rich man is “disturbing” the happiness of the poor man because it is not at the rich mans greatest convenience to give away what he has. Man must fight this natural preference that he has

58 Smith would say that the recent bank bailout would have been a good thing within the framework of a social contract. The original plan should have been followed: we give you capital under the agreement that you re-distribute money (in the form of loans); what microfinance institutions are attempting to do today.
60 Smith, *The Theory of Moral Sentiments*, 100.
for himself over the other. Man is naturally interested in that which immediately concerns himself, but this needs to be changed.

Before concluding, we must briefly (yet notably) discuss Adam Smith’s “Invisible hand.” This term, which was only mentioned three times in Smith’s writings, has become a popular one in modern day economics. This term has been today used to describe the self-regulating nature of the marketplace, and has come to capture Smith’s important claim that individual ambition benefits society when individuals try to maximize their own gain in a free market. In his *Wealth of the Nations*, Smith states, “…every individual necessarily labors to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only is own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention…By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.”61 In other words, the individual may have a selfish motive but the use of domestic industry enriches and promotes the interests of the society as a whole. In his discussion of the Invisible hand (in the *Theory of Moral Sentiments* as well), Smith describes how men desire to be respected by the members of the community in which they live. They desire to be honorable beings: reflecting the definition of Kant’s unsocial sociability, and relating to both Rand and Marx’s thoughts on man and the progression of history discussed earlier. Above all else, however, though Rand, Marx, Kant, and Smith share similar thoughts on

---

this philosophy of history, Kant places emphasis on morality, and Smith (most importantly!) places emphasis on morality and religion, something that both Marx and Rand do not do.

In conclusion, some may say the creator of capitalism released a monster into the World and was far too idealistic in his assessment of it. In reality, however, capitalism largely worked for Smith and the people of the eighteenth century because they were living in a Christian society, where people could recognize the need for sharing their wealth and concern for one another. Smith lived during a period when every man and woman went to church every single Sunday; a world rightfully inundated by morality and religion. His was a world where societal issues were discussed in combination with the Church, asking the questions “What is good?” and “What is just?” as Tony Judt recommended we do. Religion can give us what we need. It constitutes a critical source of morality in the contemporary World and should be retrieved as such. In The Theory of Moral Sentiments, Smith points out that nature teaches us to hope, and religion authorizes us to expect that a lack of aid for the oppressed will be punished in a life to come. He states, “In every religion, and in every superstition that the world has ever beheld, accordingly, there has been a Tartarus as well as an Elysium; a place provided for the punishment of the wicked, as well as one for the regard of the just.”62 It is the duty of humanity to put an end to injustices, not to generate them. Injustice tends to destroy. As a result, every appearance of injustice should alarm man and he should work to stop the progress of it. Man has a duty to put an end to everything that is unjust. As a result Adam Smith’s main point, disproving Rand, is that yes capitalism is a good thing, but only

among a Christian society; something that will be further highlighted in the upcoming chapters on the social encyclicals.
PART II

What can religion now give us?

Let us now make a return to Tony Judt. As mentioned earlier, rather than making a defense of Karl Marx, Tony Judt makes the point that Adam Smith was not nearly as callous as modern day capitalists. If Tony Judt is correct in his argument, the reason for our societal failure today is because we have failed to heed Smith’s warning that we not forget about morality. We have failed to heed what Rand and Marx leave out, but Kant highlights: morality is necessary. More specifically, Smith makes the argument that religion can give us what we need. Political and economic theorists on the left and right share some of the blame for this situation. We need morality, and one of the most important sources of morality in the history of the West is religion.\textsuperscript{63} He suggests that Capitalism would be a positive force of success today only if the church were to provide a strong sense of Christian Morality. As a result, the most appropriate place to take our discussion at this point is to the papal encyclicals, which is exactly what Judt does.\textsuperscript{64} From this point forward, I will make an extensive analysis of Catholic social teaching in the papal encyclicals of Leo XIII, John Paul II, and Benedict XVI, as well as some liberation theologians. We will come to find that all of these religious leaders give their explicit thoughts on the philosophies of Marx, Rand, Kant, and Smith, or at the very least

\textsuperscript{63} As the pastoral letter promulgated by the United States Conference of Catholic Bishops states, “No one may claim the name Christian and be comfortable in the face of the hunger, homelessness, insecurity, and injustice found in this country and the world.”

\textsuperscript{64} While Smith is a Protestant, from the late 19th century to the 21st Century, Catholic social teaching has been one of the most important traditions which has insisted upon the need to bring morality into the realm of the market.
the various philosophies that they stand for. Overall, these encyclicals systematically attempt to discover the middle ground between socialism and capitalism, responding to Tony Judt’s concern prior to his death. Ultimately, we will then conclude with an idea of what society (in terms of both politics and economics) needs in order to progress in a better direction: a recovery of a form of religion that has the capacity to provide a moral basis to capitalism that is largely absent in the present.  

**Pope Leo XIII**

For the modern Catholic Church, Papal encyclicals are letters addressed by the Pope to the Catholic bishops of a specific location, or to the bishops of the world. Most often the audience is a wide one, and today with the archives of the Vatican website it is essentially universal. More specifically, the encyclicals are typically used to address provocative issues within the Catholic Church, and significant issues that may be affecting Catholics around the world. Encyclicals have addressed issues ranging from the use of birth control and contraception, to matters of war and peace.

In this section we begin with an analysis of Pope Leo XIII’s *Rerum Novarum*. Responding unambiguously to some of the philosophies discussed in the previous chapter, this Papal encyclical was issued on May 15, 1891 addressing capital and labor and the condition of the working class. Its content can be easily traced back to the writings of Catholic thinkers such as St. Thomas Aquinas and St. Augustine of Hippo,

---

65 Keep in mind we must detach religion from religion as understood by the religious right because we are talking particularly about social justice. The religious right has excluded social justice issues, something that Jesus calls to mind in the New Testament: His main concern not being abortion, but rather how we react to the impoverished. Overall, the religious right has historically been more concerned with abortion, while any focus on economic or environmental issues has been lacking.

66 The only document taking superiority to it would be an Apostolic Constitution, and they have been known to indicate high Papal priority in regards to an issue at any given time.
while also being derived from concepts taken directly from the Bible. This was the most crucial of all the encyclicals at this point in history, and it broke down the divide that separated the church from the typical worker. Today Catholic social teaching finds its foundations in *Rerum Novarum*, as it was not until this encyclical that the church spoke on economics matters in such a direct and sustained manner. Ultimately we will find that this encyclical addresses the predicament of the industrial worker at the start of the Industrial Revolution by calling for the protection of the poor via justice by charity and by advocating for equal economic distribution. Importantly, it excludes the approach of socialist political movements and the class struggle as legitimate methods of change, defying what Karl Marx’s communist revolution fought for in the same exact time period.

In contrast to violent revolution (Marxism) and moral apathy (contemporary capitalism), the Church attempts to offer a moral vision of capitalism that purges profits and the common good simultaneously.

Pope Leo XIII begins *Rerum Novarum* obvious facts about the working class, doing so without hesitation. He comes right out and makes a statement similar to that of Karl Marx, “In any case we clearly see, and on this there is general agreement that some opportune remedy must be found quickly for the misery and wretchedness pressing so unjustly on the majority of the working class.”

There is definite polarity in the conditions of the rich and the poor, and there needs to be an establishment of an organization or policy similar to that of the “workingmen’s guild” which protected the conditions of the lower class. The working class is in a helpless state, and though it is no easy matter to address their current circumstances, it must be highlighted publicly, and a

---

“remedy” should follow. The greater question here is not *what* the problem is, but rather how Pope Leo XIII, the highest authority in the Catholic Church at the time, suggests we go about fixing the dilemma.  

At this point in time, during the late 19th century, the most dominant “remedy” being discussed was that of Karl Marx; one that was frowned upon and even shunned by many. Rather than calling for socialism and a proletariat revolution, however, Pope Leo XIII takes a more religious approach. Soon after stating the same obvious problem that Karl Marx addressed, he immediately criticizes the socialists. He describes the goals of the socialists; they strive to do away with private property, suggesting that individual possessions should be “re-administered by the State,” so that property is transferred from private individuals to the community. He offers his response immediately following this, “But their contentions are so clearly powerless to end the controversy that were they carried into effect the working man himself would be among the first to suffer.”

According to Pope Leo XIII, the removal of private property would only further harm the working class, while simultaneously wronging the man that worked hard to earn his land (the “lawful professor”), distorting the role of the State (who should not have a say in this matter), and “creating utter confusion in the community.”

Pope Leo XIII makes a very crucial claim when he adds, “It is surely undeniable that, when a man engages in remunerative labor, the impelling reason and motive of his work is to obtain property…” In working, man is exchanging his skills with the purpose of receiving in return some form of wages. In the case of land, land is simply wages in a different form. Thus, as one’s wages are entirely disposable to he who earned them (in

---

68 Note: On this Leo XIII and Marx roughly agree. The workers are exploited by businesses for profit maximizing without concern for their working conditions or livelihood.


exchange for his labor), land should be as well. Perhaps the most obvious explanation for
the distinct approaches of Pope Leo XIII and Marx are their differing views on religion.
In regard to religion, Karl Marx states, “This state and this society produce religion,
which is an inverted consciousness of the world, because they are an inverted world…
Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul
of soulless conditions. It is the opium of the people. The abolition of religion as the
illusory happiness of the people is the demand for their real happiness.” 71 Marx regards
religion, specifically Christianity, as fundamentally illusory. There are forms of
Christianity during his time, and in the present, that deserve to be criticized from the
perspective of a commitment to economic justice. Religion can be, has been, and is an
opiate for the people. Religion can also be a source of morality that motivates the
prophetic cry for justice. He completely dismisses the possibility that Christianity could
be a source for positive social change, contributing to his atheistic and purely structural
approach to the problem at hand; instead he focuses all of his energy towards promoting
human progress.

As a result, by suggesting that private property should be transferred to the state
and community, socialists are suggesting that man’s hard earned wages be stripped from
him. Is not the goal of the socialist, and the goal of the community at large here, to
equally distribute resources? To give the hard working laborer what he deserves, not strip
him of his hard-earned reward? “To transfer the possessions of individuals to the
community at large, strike(s) at the interests of every wage-earner, since they would
deprive him of the liberty of disposing of his wages, and thereby of all hope and

possibility of increasing his resources and of bettering his condition of life.”72 In summary, in order to provide for himself and his family, man works hard to exchange his skills for hard earned reward (wages) and these wages are easily interchangeable for property (which is essentially wages under another form). In fact, by exchanging wages for land, man is investing his work in actual soil, allowing him to forever replenish supplies he needs for basic survival. Property is a source that is stable and remains forever with the owner, but most importantly is a constant from which he may look to draw continual necessary supplies. Is this not the reason why God gave us the earth, for the use and enjoyment of the whole human race? As a result, though apportioned among private owners, land never ceases to minister the needs of humankind. How else is the human person supposed to complete the duties of father providing to his family? Pope Leo XIII is striking the socialist here, suggesting that they are addressing an agreeable concern, but doing so in a hypocritical and non-productive way. To strip man of his reward for hard work is to take away exactly what the socialist wants to see in the man’s hands after his hard work. Pope Leo XIII is here calling for a re-distribution of wealth via just charity.73 Ironically, the remedy that socialists are proposing is “manifestly against justice” because every man has by nature the right to possess property he has earned on his own. Is it “just” that the fruit of a man’s labor be possessed and enjoyed by others? No, it is only fair and “just” that land be enjoyed by he who has bestowed the labor. For is this not what distinguishes man from animal? Man is endowed with reason. And it is man’s right, as an intelligible and hard-working creation, to possess things not

72 Leo XIII, Rerum Novarum, sec. 5.
73 We will later notice that Benedict XVI will call for both individual charity and distributive justice in which the state redistributes wealth. This differs from Marxism insofar as it calls for both charity and redistribution, and also because Benedict XVI, with Leo XIII, affirms private property.
for temporary use, but rather to have and possess them in stable and permanent possession. “Private ownership is in accordance with the laws of nature.” Free market capitalism is in favor of keeping profits and private property for the individual at all costs. Communism is about the common good at the expense of the individual. The Catholic Church however, attempts to affirm the rights of the individual, while also affirming the importance of a commitment to the common good—which is the good for all persons.

Socialists, in setting up State supervision, are committing acts of injustice and destroying the structure of the home. There is one thing that Pope Leo XIII makes clear at the start, finish, and middle of his essay: “We affirm without hesitation that all the striving of men will be vain if they leave out the Church. It is the Church that insists, on the authority of the Gospel, upon those teachings whereby the conflict can be brought to an end, or rendered, at least, far less bitter; the Church uses her efforts not only to enlighten the mind, but to direct by her precepts the life and conduct of each and all…”

Touching on his explanation for the unequal condition of workers, Pope Leo XIII adds that there naturally does and will forever exist among human beings manifold differences among capacity, skill, health, and strength. This is the way that God has created humanity, and inevitably everyone will have varying strengths and weaknesses. It is the role of each human being to discover their vocation, to find what it is that God has blessed you with, and take those skills and flourish them in a productive direction. In regard to class structures, Pope Leo XIII responds directly to Karl Marx by saying that

---

74 We must briefly refer back to Ayn Rand, who here would state that government intervention is never appropriate, even during times and locations of dire need. Instead, according to Rand, it is man’s job to figure it out on his own.

“capital cannot do without labor, nor labor without capital,” suggesting the necessity for a capitalistic framework. This tension of opposites is what leads to mutual agreement, contributing, if done properly, to “the beauty of good order.” On the contrary, perpetual conflict leads to confusion and barbarity. Here, Pope Leo XIII explicitly responds to the moral dilemma brought up by Tony Judt. If Judt is correct in his argument then we must follow the foundation of Adam Smith’s argument: capitalism is a positive force of success, but only if guided by a strong sense of morality and a commitment to justice for all of God’s creation. Pope Leo XIII points out, “There is no intermediary more powerful than religion in drawing the rich and the working class together, by reminding each of its duties to the other, and especially of the obligations of justice.”76 These religious duties bind the two sides to perform the work, which they have agreed upon, and never to injure the property nor outrage another man.77 The most significant of these duties is that of respect: particularly between the wealthy owner and employee. The employer is never to look upon his worker as his bondsmen, but rather to respect his dignity as a person with Christian character, as a father providing for his family, as a credible, not shameful man working in order to provide for his livelihood. The Church works to bind class-to-class, man-to-man, employee-to-employer, in amicable good feeling. “He has given us this world as a place of exile and not as our abiding place.”78 As a result, in regard to riches and other material things which man desires, it does not matter whether we have them in small quantity nor in abundance because it makes no difference to our eternal happiness in heaven. “If we suffer with Him, we shall also reign with Him,” suggesting that those

---

77 Pope Leo XIII is clearly insisting on the necessity of the Church, while simultaneously leaving a lot of room for refinements that come one hundred years later with Pope John Paul II, who speaks directly to the state saying we need government help, not only charity and the government themselves have to listen directly to the wisdom of the Church.
whom fortune favors need be warned that riches do not lead to eternal satisfaction. Life on earth is not, and never will be, the final purpose for which man is created.

So what then should be done? Though he has at this point denied that the socialist solution is reasonable and worthwhile, Pope Leo XIII has yet to explain how exactly he believes the problem would be best remedied. He undoubtedly agrees that the government has no right to intrude on family (private) matters, unless it is necessary that public aid come into play. In other words, if man needs help then help him, otherwise do not intervene. “Private ownership, as we have seen, is the natural right of man, and to exercise that right, especially as members of society, is not only lawful, but absolutely necessary. ‘It is lawful,’ says St. Thomas Aquinas, ‘for man to hold private property; and it is also necessary for the carrying on of human existence.’” As a result, little doubt exists about what should be done with private property. Pope Leo XIII has officially rejected the main argument of socialism here. However, and very importantly, he goes on to address how one’s possessions must be used once earned. The Church replies without hesitation saying, “Man should not consider his material possessions as his own, but as common to all so as to share them without hesitation when others are in need. Whence the Apostle with ‘Command the rich of this world… to offer with no stint, to apportion largely.’” Essentially, he is suggesting that though no man should ever surrender what he has earned and needs, when what necessity demands has been supplied, surplus must be re-distributed. How do we best accomplish this? Well, according to Leo XIII, through Catholic charity.

---

79 Leo XIII, Rerum Novarum, sec. 22.
80 Leo XIII, Rerum Novarum, sec. 22.
As a result, just as the Gospel informs us to do, whoever has received from God a large sum of blessings, whether it is material or gifts of the mind, has a duty to use them for both the perfecting of his own nature and also for the benefit of others. If one does not do exactly this, they are going against Jesus’ word. “As long as you did it to one of My least breathen you did it to Me.” By shutting out those less fortunate than you, you are also shutting out Jesus. You are going against God’s word and desire and committing an evil act that will come back to you after life on earth. Of course there comes the question of what constitutes as fair-enough redistribution of wealth: is charity adequate or should one completely re-evaluate ones’ career path and goals? This is a question that many Jesuits and Liberation Theologians have raised with fierce urgency, and something we will address at the end of this thesis. For the time being, we must follow the word of the Gospel, which is enforced by what we see in Christ Himself, who, “whereas He was rich, for our sakes became poor.” For is it not the poor who Jesus Christ calls “blessed”? By following these acts of Catholic charity, we are entering into the brotherly love that the Bible calls us to. By doing this, all men become children of the same common father whom all alike have the same end. In addition to this, it is important that the employer and the worker make free arrangements, agreeing freely and equally on wages and work conditions.

It is impossible to avoid the similarities between Pope Leo XIII, Adam Smith, and Tony Judt; all of which, to a certain degree, support capitalism but only when joined with morality. We have more specifically pointed to the potential for Christian morality to support a just form of capitalism. A point that Pope Leo XIII makes at the conclusion of his argument is one that could be very useful in today’s international time of disarray. He

points out that when a society is perishing, when a society is in dire need of economic, social, and political reformation, the most productive place to turn for restoration is the principles from which it sprang; the Church. “…For the purpose and perfection of an association is to aim at and to attain that for which it is formed, and its efforts should be put in motion and inspired by the end and object which originally gave it being. Hence, to fall away from its primal constitution implies disease; to go back to it, recovery.”82 In other words, what man needs in order to progress in the right direction is religion. Through Christian morality, man does learn the necessity of equitable economic redistribution. We simply have to supply to those in need. Man (and now woman) learns to be content with “frugal living,” so that the work of bringing persons out of poverty becomes a fundamental responsibility for humanity. At the same time, the state must be playing a simultaneous role in bettering the lives of this unfortunate majority. At the end of the day the members of the working class are citizens, just like the rich, and both rich and poor are living the same life, making up the same one body of God in the commonwealth. The public administration cannot do away with public aid, as this would be irrational to neglect a portion of the population that is sadly quite large and needs assistance. As St. Thomas Aquinas taught us, “As the part and the whole are in a certain sense identical, so that which belongs to the whole in a sense belongs to the part.”83 God calls us to justice, more specifically distributive justice, in which all men and women are respected as equal brothers and sisters of God, thus deserving fair access to means of survival. At the same time, an important point must be re-stated and consistently remembered, “No matter what changes may occur in forms of government, there will

82 Leo XIII, *Rerum Novarum*, sec. 27.
ever be differences and inequalities of condition in the State. Society cannot exist or be conceived of without them.”

We are, and will inevitably always be, surrounded by the tension of opposites. In addition to this, though the law must sometimes interfere, Leo XIII preaches that the law has no place interfering more than is required for the remedy of evil.

One of the most unquestionable problems today is the very one that Tony Judt shares at the start of this thesis: economic, social, nor political issues today are approached with a moral sensitivity. Pope Leo XIII informs us that society needs to be carried out in accordance with God’s word and what He asks of us. He states, “… that the discipline of family should be observed and that religion should be obeyed; that a high standard of morality should prevail, both in public and private life; that justice should be held sacred and that no one should injure another with impunity.”

This is (unfortunately) not at all the case today. But rather, we are part of a generation that is finding itself farther and farther away from Christian morality. And though many, specifically the socialists and liberals of our time, support redistribution of wealth and a complete change in class structure, fewer and fewer are doing so with religion in mind. As a result, the morality may be there, but the foundation of Christian morality is still missing.

In conclusion, no better passage grounds Pope Leo XIII’s argument than “After all these things do the heathen seek… Seek ye first the Kingdom of God and His justice:

---

84 Leo XIII, Rerum Novarum, sec. 34.
85 This is something that 20th century conservative Ayn Rand would undoubtedly call unnecessary.
86 Leo XIII, Rerum Novarum, sec. 36.
87 What is unfortunate about this neglect is that it effectively defines religion over to the religious right, who has a very narrow understanding of social justice.
and all these things shall be added unto you.”

It is essential that each workingman pay particular attention to the duties of religion and morality. For the goal of social betterment is a goal that God asks us quite explicitly to fight for. By ignoring the needs of the less fortunate, one is ignoring the spiritual food that is chiefly significant in order to live a full life. So what, in summary, is Pope Leo XIII asking of us? What is his solution to the public disarray that surrounds us? A re-establishment of Christian morals, “apart from which all the plans and devices of the wisest will prove of little avail.”

The happy results we are all striving for can only be discovered through display of charity, more specifically Christian charity. He concludes, “Charity is patient, is kind… seeketh not her own… suffereth all things… endureth all things.”

Pope John Paul II

Written in 1991 at the end of the Cold War, Centesimus Annus (which literally means hundredth year) was written on the hundredth anniversary of Pope Leo XIII’s Rerum Novarum. Immediately in his introduction, Pope John Paul II calls attention to the importance of Rerum Novarum in the history of Catholicism, even going on to offer a hand of gratitude to Pope Leo XIII from the entire Catholic Church. He refers to his own encyclical as a sort of “celebration,” thanking God for having used the document written exactly a century ago to accomplish so much good, adding that he would like to

---

88 Leo XIII, Rerum Novarum, sec. 63.
89 Leo XIII, Rerum Novarum, sec. 63.
90 Leo XIII, Rerum Novarum, sec. 63.
91 We must be reminded that though this encyclical was written 100 years after the publication of Rerum Novarum, various Popes in between, i.e. Pope Pius XII, Pope John XXIII, and Pope Paul VI wrote very significant responses to Pope Leo XIII as well. It must be highlighted that the social teaching had a continuous history—there was no gap of one hundred years.
acknowledge all of his predecessors who helped make Pope Leo’s Encyclical such an unending success. Addressing contemporary political and economic issues, Pope John Paul II chooses to partially focus his encyclical on the refutation of Marxism/communist ideology. Additionally, he makes his thoughts on current economic and social justice clear, while simultaneously underscoring the importance of protecting private property rights and the right to private associations (i.e. labor unions). Later in his encyclical, he goes on to point out, “the necessity and therefore the legitimacy of private ownership, as well as the limits which are imposed on it…. In making use of the exterior things we lawfully possess, we ought to regard them not just as our own but also as common, in the sense that they can profit not only the owners but others too.”\textsuperscript{92} Besides personal and family use, private property also has a social function based on the exchange of goods and labor between owner and worker. Similar to \textit{Rerum Novarum}, Pope John Paul II’s encyclical articulates foundational beliefs in Catholic social teaching. The Pope calls on the state to protect the human rights of its citizens, specifically acting as a justice agent to the poor. He calls attention to both the past and the future: proposing a “re-reading” of Pope Leo’s Encyclical and offering an “invitation” to look towards the future with hope rather than uncertainty. Similar to Pope Leo and the Popes before and after him, John Paul II takes his inspiration from “the Gospel image of ‘the scribe who has been trained for the kingdom of heaven’, whom the Lord compares to ‘a householder who brings out of his treasure what is new and what is old.’”\textsuperscript{93} The treasure is the Church’s incredible tradition, while the new things are what we are encountering today.


\textsuperscript{93} John Paul II, \textit{Centesimus annus}, sec. 3.
Pope John Paul II begins his encyclical by highlighting the most important factors of the sphere of economics, which came into existence at the end of the last century (circa *Rerum Novarum*) and continues to dominate today. Most basically, our society has been divided into two classes separated by a deep chasm or deep divide that is only continuing to persist. Karl Marx called it the Bourgeoisie and the Proletariat, and today we more simply title them owners and workers. Unfortunately, as proven by an immense amount of statistics, the rich today are only growing richer and the poor even poorer (a dissidence that has been highlighted by the current Occupy movement). At the end of the nineteenth century, a new form of property was formed (capital), along with a new form of labor (labor for wages). As a result, and similar the situation today, labor became a commodity to be freely bought and sold on the market, its price determined by the laws of supply and demand, without considering what was needed for the sustenance of the individual and his family. We should take note of the fact that the language that John Paul II chooses to use to describe the economic situation of 1891 to the present is one that directly correlates to the word choices of the socialist movement. Karl Marx in particular criticized this exact economic system, calling for a socialist revolution in which no man nor woman has to sell his or her labor for a wage to the capitalist. The socialist system is one that supports our basic needs, so that people never become commodities, serving the greater interest of humanity by developing human potential instead of being devoted to profit. In critical social thinking, both Democrats and Republicans accept capitalism as an appropriate system, while the radical left insists on the advancement of socialism.

---

94 Note: the Bourgeoisie is more specifically the “business” class, not necessarily much wealthier than the working class, or the class in which people have sold their labor for wages. Today the Bourgeoisie ranges from the shopkeeper (more the upper middle class) to the large affluent corporations.

95 Keep in mind today this problem has only grown worse, as basic natural resources and rights are all becoming commodities through the buying and selling of bottled water and oils, the participation in dating websites, etc.
According to the socialist, our true happiness exists in our rich relationships with others, not in our material possessions, and in how much potential we achieve. Radicals (socialists) argue that this class system of rich and poor is a huge problem, concluding that labor should never be sold for a wage. The socialist argues that we are not living in a nation of the people, for the people and by the people, but rather a nation of the rich, for the rich and by the rich; a theory initiated and preached by Karl Marx. Pope John Paul II makes clear all of the elements that have led to the conflict currently taking place: “Progress in industry, the development of new trades, the changing relationship between employers and workers, the enormous wealth of a few as opposed to the poverty of the many, the increasing self-reliance of the workers and their closer association with each other, as well as a notable decline in morality.”

Essentially, it was the conflict between capital and labor about which Pope Leo XIII chose to speak, and it is this same topic about which Pope John Paul II chose to re-address in this Encyclical.

Pope Leo XIII sought to give the Church “citizenship status” among states, advertising the Christian message in a society losing touch of Religion. This is something that Pope John Paul II sought to accomplish once again in his Encyclical. John Paul II declares, “Today, at a distance of a hundred years, the validity of this approach affords me the opportunity to contribute to the development of Christian social doctrine. The ‘new evangelization,’ which the modern world urgently needs and which I have emphasized many times, must include among its essential elements a proclamation of the Church’s social doctrine.”

Essentially John Paul II, finding himself part of a society that is facing the same challenges dealt with one hundred years prior, is seeking to

---

96 John Paul II, *Centesimus annus*, sec. 5.
97 John Paul II, *Centesimus annus*, sec. 5.
readdress the right way to remedy these problems. He points out, “Now, as then, we need to repeat that there can be no genuine solution of the ‘social question’ apart from the Gospel, and that the ‘new things’ can find in the Gospel the context for their correct understanding and the proper moral perspective for judgment on them.”

Similar to his Catholic predecessors, John Paul II seeks to remind us of what society (both politics and economics) needs in order to progress in the right direction: religion.

Starting off, John Paul II readdresses the issues that Leo XIII stated as being recognizable and significant. First, and foremost, is the conflict that had arisen between capital and labor. Pope Leo XIII and John Paul II alike affirmed the fundamental rights of workers. Work belongs to the vocation of every person; in fact man fulfils himself by working. However, the worker has a right to a just wage which cannot be left to the “free consent of the parties, so that the employer, having paid what was agreed upon, has done his part and seemingly is not called upon to do anything beyond.”

Every individual has a right to procure what is required to live. As a result, a workman’s wage should be sufficient to enable him to support himself, his wife and his children. In the case where the workman accepts harder conditions because an employer will afford no better, the worker becomes victim of force and injustice. He restates, “It is neither just nor human so to grind men down with excessive labor as to stupefy their minds and wear out their bodies.”

Both “human” working hours, and adequate “free time” need to be promised to the laborer as well, who has all the right to express his or her own personality and to participate in trade unions. All of this will guarantee that the worker is not made a commodity, but instead receives guaranteed dignity. In addition to the right of the

---

98 John Paul II, *Centesimus annus*, sec. 5.
100 John Paul II, *Centesimus annus*, sec. 7.
worker, both Pope Leo XIII and John Paul II address the importance of the right to private property. Continuing with this, they both devote time to the natural human right to form private associations, also known as labor unions. Very importantly, however, John Paul II points out how *Rerum Novarum* criticizes two social and economic systems: socialism and liberalism. First, the statement of the right to private property is one that directly attacks socialism. Liberalism is not explicitly critiqued however, in the treatment of the duties of the State. Pope Leo XIII makes clear, “The State cannot limit itself to ‘favoring one portion of the citizens’, namely the rich and prosperous, nor can it ‘neglect the other,’ which clearly represents the majority of society.”\(^{101}\) Most importantly, is the emphasis given to solidarity, friendship, or “social charity.” This is the idea that despite political and economic preferences, all should appreciate “the Church’s constant concern for and dedication to categories of people who are especially beloved to the Lord Jesus.”\(^{102}\) In other words, Pope John Paul II is calling for a “preferential love for the poor.”

Pope John Paul II explicitly critiques socialism, stating that Leo XIII’s words deserve to be re-read attentively: “To remedy these wrongs (the unjust distribution of wealth and the poverty of the workers), the socialists encourage the poor man’s envy of the rich and strive to do away with private property, contending that individual possessions should become the common property of all… but their contentions are so clearly powerless to end the controversy that, were they carried into effect, the working man himself would be among the first to suffer. They are moreover emphatically unjust, for they would rob the lawful possessor, distort the functions of the State, and create utter

---

\(^{101}\) John Paul II, *Centesimus annus*, sec. 10.

\(^{102}\) John Paul II, *Centesimus annus*, sec. 11.
confusion in the community.”

John Paul II’s most explicit critique of socialism is that the good of the individual is entirely subordinated to the functioning of the socio-economic mechanism: leaving no room for morality. Man is reduced to a series of social relationships and the idea of moral decisions, distinguishing good from evil, completely disappears. Not to mention, the opposition to private property goes against the exercising of freedom because it deprives the individual of something he can call “his own” and the possibility of making a living from his or her own hard work. As a result, John Paul II’s main argument becomes explicit when he states, “If we then inquire as to the source of this mistaken concept of the nature of the person and the ‘subjectivity’ of society, we must reply that its first cause is atheism.”

He goes on to add, “The denial of God deprives the person of his foundation, and consequently leads to a reorganization of the social order without reference to the person’s dignity and responsibility.”

John Paul II even goes on to compare socialism to war, stating that both class struggle in the Marxist sense and militarism have the same root: atheism and contempt for the human person.

John Paul II gives a relatively generic analysis of capitalism and socialism. He states that the goal of the socialist is to first and foremost protect the laborer, delivering work from the mere condition of a “commodity,” and instead guaranteeing dignity.

Opposing this is a system that seeks to protect National Security, defeating Marxism by

---

104 Later in this thesis we will address Benedict’s essay on this exact argument. He supports the idea that morality needs to be at the root of any economic system, and both communism and capitalism lack this feature.
105 The typical radical today would argue that the problem with capitalism is that, within it, the affluent have a total income consisting not only of wages, but also (and mostly) assets—something that is not a result of hard work, sweat, and labor. The capitalist response to this would be that assets (stocks, bonds, and even real estate) could be a result of intellectual property. These assets were created by intelligently re-investing their hard work and labor to ensure consistent future cash flows.
showing that a free-market society can achieve the greatest satisfaction. He also explicitly states that Marxism will not rid the world of the situations of injustice and oppression of which it exploited itself. But rather, “To those who are searching today for a new and authentic theory and praxis of liberation, the Church offers not only her social doctrine and, in general, her teaching about the human person redeemed in Christ, but also her concrete commitment and material assistance in the struggle against marginalization and suffering.”

John Paul II feels passionately that it is the role of the Church and its social doctrine to solve this crisis. What is lacking is a class of professional political individuals that are running the State in an honest, just, or more specifically religious way. While many would respond by calling attention to Marxism, saying it can offer the best way to build up the nation and the State, John Paul II says it is impossible to find a compromise between Marxism and Christianity, as they are polar opposites in the most crucial of ways.

At this point in his Encyclical, Pope John Paul II has essentially reiterated everything Pope Leo XIII told us one hundred years prior. Additionally, he moves past these instructions for the individual, and towards his advice for the state. The vast majority of individuals in our world believe that they deserve respect and dignity, an affirmation that bears the image of God and implicitly highlights a need for the church. At the same time, it is fair to say that at the heart of every culture lays the attitude that man takes to the world’s greatest mystery: that of God. Almost everyone, at some point in his or her life, faces the question of the meaning of existence. John Paul II declares that when this question is eliminated, “the culture and moral life of nations are

---

Because of this statement, he also feels that the struggle to address work has a positive correlation to the struggle for culture. However, above all else, he declares “But the true cause of the new developments was the spiritual void brought about by atheism.”

Atheism is a dominant factor in Marxism, and deprives humanity of a sense of direction. He adds, “It is by uniting his own sufferings for the sake of truth and freedom to the sufferings of Christ on the Cross that man is able to accomplish the miracle of peace and is in a position to discern the often narrow path between the cowardice which gives in to evil and violence… which only makes it worse.”

Man, who is born into freedom, immediately bears the wound of original sin, something that is consistently drawing him closer to evil and destruction; the same evil and destruction that is deteriorating our world today. Pope John Paul II is making a call for religion; stating that man, and more generally the nations, cannot survive without it. Humanity tends towards good but due to the power of opposites is highly capable of being drawn towards evil. In total, John Paul II is stating that society as a whole would be much more stable if this were taken into consideration. We need a society in which the opposition between personal interest and societal interest is not continuously in play. But rather, we must seek harmony. We must pay attention to the call of the Church, of God, of morality, of religion. At this point in the twenty-first century we are undoubtedly in great need of political and economic reform. However, with the help of the Church, society will find itself in fruitful harmony with the individual. What is needed are concrete steps to create an international structure capable of intervening appropriately during conflicts which arise between nations, among nations, and among individuals: religion needs to

---

111 John Paul II, *Centesimus annus*, sec. 25.
underscore international law. Pope John Paul II states, “What is called for is a special effort to mobilize resources, which are not lacking in the world… for the purpose of economic growth and common development, redefining the priorities and hierarchies of values on the basis of which economic and political choices are made.” It is not only a question of reforming political and economic structure (though this is necessary at first), but rather we must build a more decent life based on what the law of God has taught us. He concludes, “No authentic progress is possible without respect for that natural and fundamental right to know the truth and live according to that truth. The exercise and development of this right includes the right to discover and freely to accept Jesus Christ, who is man’s true good.” In summary, there is an explicit call to the State to recognize the importance of universal human rights. States should not be selfish.

Returning to the main problem at hand, Pope John Paul II agrees with a lot of what we have found in the philosophies of Tony Judt, Adam Smith, and Pope Leo XIII. Can society find the proper middle between capitalism and socialism? Well, according to John Paul II, “It would appear that, on the level of individual nations and of international relations, the free market is the most efficient instrument of utilizing resources and effectively responding to needs.” In other words, capitalism is the way to go; a society of liberties, of free work, of enterprise and of participation. At the same time it is most important, as recent scholars point out that attention be paid to the necessity to help those in need of acquiring expertise. We must enter the circle of exchange to help others to develop their skills in order to make the best use of their capacities and resources. Most

112 Note: a danger of nationalism is a lack of unity with other nations. Americans should be saying “God bless American and all other peoples,” not just “God bless America.”
113 John Paul II, Centesimus annus, sec. 28.
114 John Paul II, Centesimus annus, sec. 29.
115 John Paul II, Centesimus annus, sec. 34.
importantly, “Even prior to the logic of a fair exchange of goods and the forms of justice appropriate to it, there exists something which is due to man because he is man, by reason of his lofty dignity.”\textsuperscript{116} As a result, while a powerful market is a production of a free market, a successful market has to be moderated by a willingness to assist others along the path of development. This is the idea of “helping others to help themselves.” As the Jesuits say, we must work with others and for others. A person who produces something does so for his own use in order that others may use it after they have paid a just price—emphasizing the importance of mutual agreement. Pope John Paul II declares, “many goods cannot be adequately produced through the work of an isolated individual; they require the cooperation of many people in working towards a common goal… the role of disciplined and creative human work and, as an essential part of that work, initiative and entrepreneurial ability, becomes increasingly evident and decisive.”\textsuperscript{117} An important thing to note is that in recent years socialists have believed that the poorest countries would be better off if limited to their own resources alone. At the same time recent experience has shown that countries that did exactly this suffered even more stagnation and recession, while the countries experiencing development were those that succeeded. As a result, capitalism is undoubtedly an important component of the ideal economic system. But the biggest issue of all seems to be fair access to this international market. At this point in history it is crucial that all societies keep up with the times. The affluent capitalists however must never forget the need to help those in need of guidance and support; help them help themselves.\textsuperscript{118} This is the moral agent that is missing in a lot of

\begin{footnotes}
\footnote{116}{John Paul II, \textit{Centesimus annus}, sec. 34.}
\footnote{117}{John Paul II, \textit{Centesimus annus}, sec. 32.}
\footnote{118}{Note: this is the main objective of what today is called “social enterprise” or “microfinance,” a system that if done correctly and among the most perfect social conditions, could really turn society around.}
\end{footnotes}
society today. Humanity has become too selfish, and there needs to be a return to the years of Adam Smith (instead of Ayn Rand), when men (now women as well) worked for the success of himself and his family, while simultaneously wanting to help those stuck behind. Humanity desired to help others- doing it not only to find a spot in heaven, but more importantly because it was the right, moral and just thing to do. As John Paul II states, “something which was due to man because he is man.”"\(^{119}\) Issues were being solved with a bible in one hand and a newspaper in another, the question “What would God do?” was much more prevalent, and going to Church at least every single Sunday was the norm. Today, a lot of society has lost touch with this. Humanity has lost sight of religion or at the very least his or her own moral system.\(^{120}\)

Large enterprises and successful corporations need to assure that profitability is not the only indicator of their success. But rather, they must ask themselves the crucial questions that Tony Judt reminds us to ask: not how much will it profit off of this decision, but is this a just decision? Is this right? Is this what God would want- which decision benefits the most people? As Tony Judt summarized, we need an “ethically informed public conversation.” As the pastoral letter promulgated by the United States Conference of Catholic Bishops in 1986 states, “With what care, human kindness, and justice do I conduct myself at work? How will my economic decisions to buy, sell, invest, divest, hire, or fire serve human dignity and the common good? In what career can I best exercise my talents so as to fill the world with the Spirit of Christ?”\(^{121}\) The challenge is not merely to think differently, but to also act differently. The answers to these questions

\(^{119}\) John Paul II, *Centesimus annus*, sec. 34.

\(^{120}\) How do you get traction here? As Tony Judt says by recognizing social democracy as a viable option.

are not always easy to live out, but it a process that God asks us to undertake. The pastoral letter also states, “Every economic decision and institution must be judged in light of whether it protects or undermines the dignity of the human person.”  

A business is a community of persons, whose individuals must first and foremost benefit their personal needs, but who need to never forget the service of the whole society. As Pope John Paul II summarizes, “Profit is a regulator of the life of a business, but it is not the only one; other human and moral factors must also be considered which, in the long term, are at least equally important for the life of a business.”  

In sum, this goal calls for responsible efforts on the part of the entire international community. Every decision, including political decisions, needs to be a moral decision. He is not referring solely to the duty of one’s personal needs, but rather even the decision to invest in one place rather than another, should always be a moral and cultural decision.  

His statement that the economy is in fact only one aspect and one dimension of the whole of society is one that goes against Ayn Rand’s beliefs. Rand suggested that economic freedom represents all human freedom, whereas Pope John Paul II, in addition to other Popes, believed that the religious and ethical aspect of society should never be weakened because it is such a crucial component to societal success.  

So, before concluding, we must clarify what Pope John Paul II desires of the State, rather than just the individual. He explicitly states, “… with the new capitalism, the State and all of society have the duty of defending those collective goods which,
among others, constitute the essential framework of the legitimate pursuit of person goals on the part of each individual.”¹²⁵ There is a clear defense of morality, once again, but this time on behalf of the government and not solely the individuals. He goes on to say that Marxism should not be the economic structure, stating that collectivism does not do away with alienation. He adds, “Exploitation, at least in the forms analyzed and describe by Karl Marx, has been overcome in Western society. Alienation, however, has not been overcome as it exists in various forms of exploitation… The concept of alienation needs to be led back to the Christian vision of reality.”¹²⁶ So making a return to an original question, can it now be said that subsequent to the failure of the communist system, capitalism is the best answer? “If by capitalism is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative…”¹²⁷ A capitalist system is the best system, however only when infused with the values of religion, or with the mantra that men and women should work hard. This means utilizing the free market and right to private property, but also never forgetting the duty we all owe to society. It is the duty of humanity to ask the question of what is just. At the same time, there is absolutely no doubt that “The Marxist solution has failed.”¹²⁸ Continuing with this solution, the Church also offers up her social teaching as an ideal system of guidance. Catholic social teaching is a teaching that “recognizes the positive value of the market and of enterprise, but which at the same time points out that these need to be oriented

¹²⁵ John Paul II, Centesimus annus, sec. 40.
¹²⁶ John Paul II, Centesimus annus, sec. 41.
¹²⁷ John Paul II, Centesimus annus, sec. 42.
¹²⁸ John Paul II, Centesimus annus, sec. 43.
towards the common good.”129 A business is not only a society of capital goods, but also a society of individuals all fighting for a common goal. The pastoral letter promulgated by the United States Conference of Catholic Bishops points out, “All members of society have a special obligation to the poor and vulnerable… Jesus takes the side of those most in need. In the Last Judgment, so dramatically described in St. Matthew’s Gospel, we are told that we will be judged according to how we respond to the hungry, the thirsty, the naked, the stranger.”130 Continuing, John Paul II makes a clear remark on his opinion of totalitarianism, stating that the praxis of totalitarianism involves a rejection of the Church. Totalitarianism seeks to destroy the Church, or at the very least reduce her role in society; too much state control is not the answer. “As history demonstrates, a democracy without values easily turns into open or thinly disguise totalitarianism.”131 The Church’s method is always the correct method, and that is to protect freedom, and the rights of religious freedom.132 The state has a duty to sustain business activities by creating conditions that will ensure job opportunity, supporting and stimulating them when needed. He goes on to critique the Welfare State, saying that a group of higher order should not interfere in the internal life of a community of lower order. He adds, “By intervening directly and depriving society of its responsibility, the Social Assistance State leads to a loss of human energies and an inordinate increase of public agencies, which are dominated more by bureaucratic ways of thinking than by concern for serving

---

129 John Paul II, *Centesimus annus*, sec. 43.
131 John Paul II, *Centesimus annus*, sec. 46.
132 Note: Pope John Paul II also makes remarks here to his opinions of abortion. Stating very clearly that one of the most important rights is the right to life, or the right of the child to develop in the mother’s womb from the moment of conception. This is a right of religious freedom, a right that the state should have no control over.
their clients.”¹³³ Material assistance is crucial, active charity has never ceased to be of utmost importance, and volunteer work is always emphasized. Instead of the Welfare State, what is needed is a clear commitment to solidarity and charity, beginning with the family not with the state. People are responsible for one another. As scripture admonishes us to take on “an active commitment to our neighbor” and also “demands of us a shared responsibility for all of humanity.”¹³⁴ This duty is not limited to the state, nation or family, but instead is the duty of all of humanity. As the pastoral letter so rightfully states, “Society as a whole, acting through public and private institutions, has the moral responsibility to enhance human dignity and protect human rights.”¹³⁵ Both the state and individuals have this moral responsibility. We must strive for a society that has faith in the individual, especially the poor individual, and the fact that he or she is capable of, and will, make a positive contribution to the economy.¹³⁶ At the same time, to make this happen, these same individuals need to be provided with realistic opportunities—conditions that call for a worldwide effort to promote development, and involve sacrifice. We may never forget Christ’s words “as you did it to one of the least of these my brethren, you did it to me.”¹³⁷

¹³³ John Paul II, Centesimus annus, sec. 48.
¹³⁴ John Paul II, Centesimus annus, sec. 51.
¹³⁵ United States Conference of Catholic Bishops, Economic Justice for All, 11.
¹³⁶ The Pastoral letter quotes Pope John XXIII on this point, “all people have a right to life, food, clothing, shelter, rest, medical care, education, and employment.” In other words, when individuals go hungry, are homeless, or do not have the chance to earn a living, they are being denied basic rights.
¹³⁷ Matthew 25:40 (NSRV).
Pope Benedict XVI
---------------------------------

Pope Benedict XVI, the 265th and current Pope, is highly conservative theologically, and his teachings have defended traditional Catholic doctrine and values. Similar to his predecessors, and relevant to this thesis, Pope Benedict XVI has advocated for a return to fundamental Christian values in order to counter the extreme secularization we find throughout the world today. More specifically, he can be best known for his argument that objective and moral truths, paired with brotherly love, are lacking in society today. In the first of his three encyclicals, *Deus Caritas Est*, (translation- “God is love”) delivered on December 25, 2005, Benedict XVI draws immediate attention to love, more particularly, “the love which God lavishes upon us and which we in turn must share with others.”138 Sadly, the word “love” today has become one of the most misused and abused words, word we have attached quite varying meanings to. More than any, however, the love between man and woman, where body and soul come together, is the love that does and should stand out. He discusses the differences between *eros* and *agape*, generally stating that love involves a real discovery of the other, which moves us beyond selfishness and instead towards concern and care for the other. This departure from “self-seeking” love makes man ready and even excited to sacrifice. This idea of selfish love is one that Ayn Rand would undoubtedly underscore.

Thinking more narrowly, we must never forget love as being grounded in the love of *God*. Benedict XVI sates, “God’s passionate love for his people—for humanity—is at the same time a forgiving love. It is so great that it turns God against himself, his love against his justice. Here Christians can see a dim prefiguring of the mystery of the Cross:

---

so great is God’s love for man that by becoming man he follows him even into death, and so reconciles justice and love.”139 The atheist does not see his neighbor as his brother. Instead, he sees his neighbor as another human being whose main concern should be love of self. God reminds us of the importance of selfless love, of the love that Jesus Christ represented so many years ago. “God’s way of loving becomes the measure of human love.”140 The concept of “neighbor” (with the help of technology and globalization) has now become universalized. Thus, it is our job as global men and women, as brothers and sisters under the one God, to love our neighbor as ourselves. “Love of neighbor is a path that leads to the encounter with God, and that closing our eyes to our neighbor also blinds us to God.”141 Love of God and love of neighbor are inseparable, and love of your enemy must never be left behind. We shall never forget those crucial words, “If anyone says, ‘I love God’, and hates his brother, he is a liar; for he who does not love his brother whom he has seen, cannot love God whom he has not seem.”142 Love of neighbor, grounded in love of God is the foremost responsibility for each member of the Church. As a result, love is the service that the members of the Church carry out to cure man’s sufferings and his needs. Pope Benedict XVI summarizes the “three-fold responsibility” of the Church, “proclaiming the word of God, celebrating the sacraments, and exercising the ministry of charity.”143

Touching on the topic of justice and charity, Pope Benedict XVI makes reference to an objection that Marxism has made to the Church’s charitable activity. He summarizes the critiques of socialists who say that rather than charity, we need to build a

139 Benedict XVI, Deus caritas est, sec. 10.
140 Benedict XVI, Deus caritas est, sec. 11.
141 Benedict XVI, Deus caritas est, sec. 15.
142 1 John 4:20 (NSRV)
143 Benedict XVI, Deus caritas est, sec. 25.
“just social order” in which there will essentially be a redistribution of goods in a just manner, leaving no need for charity. Though he concedes that there is some truth to their argument, Benedict XVI also says that there is much that is mistaken. Yes, the pursuit of justice should always and forever be the basic goal of the State. At the same time, Marxism had seen world revolution as the means to a better end. Today, the Church’s social doctrine has become a set of “fundamental guidelines offering approaches that are valid even beyond the confines of the Church: in the face of ongoing development these guidelines need to be addressed in the context of dialogue with all those seriously concerned for humanity and for the world in which we live.” He first clarifies that the two spheres of Church and State must always be distinct, but will always be interrelated. From God’s standpoint, faith liberates reason, allowing it to work more effectively. So, the Church does not have power over the State, however faith helps to purify reason. Without faith, without a moral basis, and thus without a sense of right versus wrong, humanity’s “reason” will be motivated by nothing. The Church wishes to “stimulate greater insight into the authentic requirements of justice as well as greater readiness to act accordingly, even when this might involve conflict with situations of personal interest.” The Church must not take the political argument upon herself. At the same time, it is the role of God, of the Church, and of faith in general to awaken a sense of right and wrong in individuals. “She cannot and must not remain on the sidelines in the fight for justice… she has to reawaken the spiritual energy without which justice, which always demands sacrifice, cannot prevail and prosper.” A just society is the goal of politics, but a promotion of “openness of mind” which wills to the demands of the

144 Benedict XVI, Deus caritas est, sec. 27.
145 Benedict XVI, Deus caritas est, sec. 28.
146 Benedict XVI, Deus caritas est, sec. 28.
common good is something that concerns the Church. Love, even in the most just society, will always be necessary, for “whomever wants to eliminate love is preparing to eliminate man as such.” A simple offering of material needs is not the only necessary thing, but rather a “refreshment and care for their souls,” is often more necessary than material support. Even more than this, directly attacking the goal of the socialist and in some sense supporting the mindset of the religious capitalist, Benedict XVI explicitly adds that the State should not regulate and control everything. However, we do need a state that “generously acknowledges and supports initiatives arising from the different social forces and combines spontaneity with closeness to those in need.” We need a moral state. In summary, the organizing of just structures is not the responsibility of the Church, but instead belongs to politics. The Church, however, holds an even more crucial position, and that is the role of reawakening the moral forces in society. Without morality, humanity, who controls politics and economics, will have no motivation to neither establish nor improve just structures. As stated throughout this entire thesis, political issues should be solved with a newspaper in one hand, and Bible in the other. And as Tony Judt’s dying words proclaimed, we must ask the questions “what is just?” and “what is right?” prior to making any major political decisions.

Returning to charitable service, Benedict XVI (still in Deus Caritas Est) states that with globalization comes great advances in technology and communication, further eliminating the distances between people throughout the world. For this reason, charitable action can embrace global concern more easily. “Concern for our neighbor

---

147 Benedict XVI, Deus caritas est, sec. 28.
148 Benedict XVI, Deus caritas est, sec. 28.
149 Note: Pope Benedict XVI is in no way disagreeing with Pope John Paul II, nor directly agreeing. But rather, he is making a subtle shift away from the role of the State.
transcends the confines of national communities and has increasingly broadened its horizon to the whole world.”

Benedict XVI reminds us “the command of love of neighbor is inscribed by the Creator in man’s very nature.” In other words, love of neighbor, just like the sense of right and wrong, is intrinsic in all of us. It is the goal of Christianity to constantly revive this, impeding all evil, and reawakening both politics and society in general. “Christian charitable activity must be independent of parties and ideologies.”

From here, Pope Benedict XVI makes a jab at Marxism, saying that their philosophy that charity is a means of preserving the status quo is an “inhuman philosophy.” He adds that one does not act more humanly by rejecting the needs of here and now, which is the ultimate goal of Catholic charity. The Christian heart, the heart of Jesus, the heart of the Good Samaritan is a heart that sees a call for love in this moment. It sees where this love is needed, and acts accordingly. Often times, the most severe suffering is due to the very absence of God. The Christian knows “that disdain for love is disdain for God and man alike; it is an attempt to do without God. Consequently, the best defense of God and man consists precisely in love. It is the responsibility of the Church’s charitable organizations to reinforce this awareness in their members, so that by their activity—as well as their words, their silence, their example—they may be credible witness to Christ.”

Benedict XVI makes the continuous claim that God is love—thus suggesting that the atheist, who does not believe in God, will never understand “true” love. Morality comes as a result of intrinsic values. We are all born with a conscience, a conscience that is instilled in most of us through upbringing… so why don’t we listen to

---

150 Benedict XVI, *Deus caritas est*, sec. 30.
151 Benedict XVI, *Deus caritas est*, sec. 30.
152 Benedict XVI, *Deus caritas est*, sec. 31.
153 Benedict XVI, *Deus caritas est*, sec. 31.
this inherent and fundamental voice? What pushes us away from morality? The popes would say that original sin is to blame.

To sum up Deus Caritas Est Benedict XVI says, “Saint Paul, in his hymn to charity, teaches us that it is always more than activity alone: ‘If I give away all I have, and if I deliver my body to be burned, but do not have love, I gain nothing’. This hymn must be the Magna Carta of all ecclesial service; it sums up all the reflections on love which I have offered throughout this Encyclical Letter.”154 We must give away not only our physical service and our monetary and material surplus, but most importantly we must give our very self. We must be personally present in love for all of humanity.

Continuing with Benedict XVI we must address his most recent Encyclical, delivered on June 29, 2009, titled Cairtas in Veritate (translation- “Charity in truth”). In this Encyclical, written four years after Deus Caritas Est, Benedict XVI continues with his emphasis on love and the plan for true life. He states that “Each person finds his good by adherence to God’s plan,” and both love and truth lead to courageous and generous engagement in justice and peace. Charity, he adds, is vital; however it has been unfortunately misconstrued and stripped of meaning. We need to remind humanity of the importance of charity paired with love and truth, not an undervalued charity that is served with the wrong secular motives. “Truth needs to be sough, found and expressed within the ‘economy’ of charity, but charity in its turn needs to be understood, confirmed and practiced in the light of truth. In this way, not only do we do a service to charity enlightened by truth, but we also help give credibility to truth, demonstrating its

154 Benedict XVI, Deus caritas est, sec. 20.
persuasive and authenticating power in the practical setting of social living.” More specifically, he highlights that adhering to the values of Christianity is not only useful, but also essential for executing successful acts of charity. Without truth, without trust and love for what is true (God), there is no sense of social conscience and responsibility. Because of this, social action begins to serve private interests, rather than the societal interests, leading to social fragmentation. Benedict XVI adds that “Caritas in veritate” is the principle around which the Church’s social doctrine turns, focusing on the importance of moral action. He underscores the significance, once again, to justice and the common good. Charity, he says goes beyond justice, because justice gives to the other what belongs to him, whereas charity gives love to the other, which is what is “mine.” Justice is inseparable from charity, and is in fact intrinsic to it. Adding to this, he tells us that institutions by themselves are not going to be enough. Human development requires vast human solidarity, which requires a vision of humanity that comes from God. “Only through an encounter with God are we able to see in the other something more than just another creature, to recognize the divine creature in the other, thus truly coming to discover him or her and to mature in a love that becomes concern and care for the other.”

As globalization continues, human beings find that they have gained more and more neighbors. But does man consider his neighbor a brother, or merely a “neighbor,”

---


156 Pope Benedict XVI makes many references to his great predecessor Pope Paul VI, who in 1967 issued the Encyclical *Populorum Progressio*, which “illuminated the great theme of the development of peoples.” Pope Paul VI highlighted this same idea, that it is the truth of God’s love, grace bestowed on us, that “opens our lives to gift and makes it possible to hope for a ‘development of the whole man and of all men’, to hope for progress in the human condition.”

holding no loving value to him? Benedict XVI points out that there is a “lack of brotherhood among individuals and peoples.”\textsuperscript{158} As a result, there is an urgent call for reform, a dire call for justice in truth and love, and more particularly, a pressing need for morality. In addressing the “present time,” Benedict XVI points out that the current economic crisis observes that the line between rich and poor countries is no longer as clear, and inequalities are on an incline. Yet, he stresses, “progress of a merely economic and technological kind is insufficient.”\textsuperscript{159} A focus on economic reform, though important, is not enough: neither for the already economically developed nations or the ones suffering. One thing he does declare explicitly is the importance of the promotion of workers’ associations that can defend their rights. Similar to Pope John Paul II, Benedict XVI feels that these rights must be honored today even more than in the past. He adds “I would like to remind everyone, especially governments engaged in boosting the world’s economic and social assets, that the primary capital to be safeguarded and valued is man, the human person in his or her integrity.”\textsuperscript{160} Being out of work for an extended period of time, or being impoverished and depending on either public or private assistance strips the individual of all human freedom and dignity; this causes severe psychological and spiritual suffering. “Man is the source, the focus and the aim of all economic and social life.”\textsuperscript{161} He proceeds by underscoring the relevance of the use of agricultural land in this situation. Hunger is not so much a result of lack of material things as it is a lack of social resources. As a result, it is important to cultivate a public conscience that considers food and water to be universal rights of all human beings

\textsuperscript{158}Benedict XVI, \textit{Caritas in veritate}, sec. 19.  
\textsuperscript{159}Benedict XVI, \textit{Caritas in veritate}, sec. 23.  
\textsuperscript{160}Benedict XVI, \textit{Caritas in veritate}, sec. 25.  
\textsuperscript{161}Benedict XVI, \textit{Caritas in veritate}, sec. 25.
without discrimination. With this moral mentality, man will be more motivated to invest in rural infrastructures, irrigation systems, and both traditional and advanced agricultural technology to guarantee exactly this. Humanity must discover openness to life; which is at the center of true, loving, and moral development. “By cultivating openness to life, wealthy peoples can better understand the needs of poor ones, they can avoid employing huge economic and intellectual resources to satisfy the selfish desires of their own citizens, and instead, they can propose virtuous action within the perspective of production that is morally sound and marked by solidarity.”

162 This is crucial and this also subtly suggests that there is nothing wrong with the capitalist system, as long as investment in the needs of others, investment in tools such as agricultural instruments, is practiced. Thus, we can make an appropriate return at this point in the discussion to Adam Smith and those thinkers that believe nothing needs be done with the economic system, but rather with the moral attitude that humanity approaches this system with. Man is not “a lost atom in a random universe,” but rather he is “God’s creature, whom God chose to endow with an immortal soul and whom he has always loved.”

163 At the same time, the dignity of the individual and demands for justice today both require that economic choices fight these disparities in wealth and continue to prioritize a steady decrease in unemployment rates. Both the individual and the State needs to promote the moral and spiritual strength that God gives us, because when the State teaches forms of practical atheism, it deprives its citizens of a certain strength and value that is crucial for attaining integral human development. Humanity must utilize the seed of love that God

162 Benedict XVI, *Caritas in veritate*, sec. 28.
163 Benedict XVI, *Caritas in veritate*, sec. 29.
has planted in every individual. Every decision, economic, political, and social, has a moral consequence; so much depends on this underlying system of morality.

As Benedict emphasizes, one of the biggest problems with society today is that humanity has failed to trust. “Without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function.” Trust has ceased to exist today. Because of this, it is the individuals—their moral consciousness most importantly—and their responsibility to both their selves and their neighbor that needs to be addressed. Not only do I hold a responsibility to the other, but also large corporations must not concern themselves solely with the interests of the proprietors. But instead, they must concern themselves with the many stakeholders and other individuals who contribute a great amount of time, money and energy into their profit. A great concern today is that many people would claim that they owe nothing to anyone, other than themselves. They are concerned solely with their own rights, and they have great difficulty caring about other people’s development. Because of this, the economy (and politics) needs ethics in order to properly function. One thing Benedict points out as being especially effective in accomplishing exactly this is “micro-finance.” He points out “these processes are praiseworthy and deserve much support. Their positive effects are also being felt in the less developed areas of the world.” Systems like these are absolutely crucial today when financial difficulties can become very severe for many vulnerable sectors of the population. Micro-finance gives practical assistance by offering new initiatives, protection from usury, and much more. No individual should ever find social concern to be an abstract attitude. But instead, the principal concern must always

164 Benedict XVI, *Caritas in veritate*, sec. 35.
165 A statement that brings us back to the Goldman Sachs example in the introduction.
166 Benedict XVI, *Caritas in veritate*, sec. 45.
be to improve the living conditions of the human person. As Benedict so rightfully puts it, “There is a pressing moral need for renewed solidarity.”\footnote{Benedict XVI, Caritas in veritate, sec. 49.} If humanity is unwilling to feel a moral obligation to the other, if everyone lives selfishly and refuses to trust in society, if there is a general lack of solidarity, then where is society going to end up? Without this moral motivation, without this desire to be ethical, economics and politics will be eternally selfish and thus the societal issues we face today will inevitably persist. Humanity, after having lived in solidarity with his neighbor, will want to make economic decisions by first asking “What is right” in this situation, or what is the “just” thing to do.

What is needed is an “effective shift in mentality” in which “the quest for truth, beauty, goodness and communion with others for the sake of common growth are the factors which determine consumer choices, savings and investments.”\footnote{Benedict XVI, Caritas in veritate, sec. 51.} As Tony Judt tells us, the problem is a discursive problem. There has been such an awful shift in the way many people think, speak, and operate. For example, through pro-abortion rights, a lack of respect for the right to live and to a natural death has been born. Benedict, more so than Judt and the philosophers from Part I, reminds us that this truth and love we seek cannot be produced, but rather can only be received as a gift. “Their ultimate source is not, and cannot be, mankind, but only God, who is himself Truth and Love.”\footnote{Benedict XVI, Caritas in veritate, sec. 52.} He also points out that, the Christian religion, and all other religions, can only offer their contribution to society if God has a position in the public sphere—“specifically in regard to its cultural, social, economic, and particularly its political dimensions.”\footnote{Benedict XVI, Caritas in veritate, sec. 56.} It is important for people to realize that purchasing, selling, trading, etc are not solely
economic acts, but also moral acts. But, above all else, for Pope Benedict XVI, there is the crucial argument that “Without God man neither knows which way to go, nor even understands who he is.”¹⁷¹ For the atheist, the moral arguments of Marx, Kant, and Smith from Part I are sufficient. For the religious individual, for Pope Benedict XVI and the whole of the Catholic Church, the most effective way to ground morality is through God. Because of this, even in the most difficult times, we must “above all else turn to God’s love.”¹⁷²

In conclusion, in the words that Jesus himself taught us and in the words that we say in the “Our Father,” we must “live according to his will, to receive the daily bread that we need, to be understanding and generous towards our debtors, not to be tempted beyond our limits, and to be delivered from evil.”¹⁷³

In 1986, nineteen years prior to his election to the papacy, Joseph Ratzinger (now Pope Benedict XVI) shared his thoughts on *Ethics and the Market Economy*. Interestingly enough, sections of Ratzinger’s central thesis in the article closely resemble my own. He addresses the economic inequality between the northern and southern hemispheres of the globe, saying that this was becoming “an inner threat to the cohesion of the human family.”¹⁷⁴ He goes on to enter the discussion of the economy and the Church, and what they should have to do with one another. The problem with the economy has been that, “…business ethics rang like hollow metal because the economy was held to work on efficiency and not on morality.”¹⁷⁵ —similar to the same argument I make here in this thesis. Ratzinger highlights the fact that, the development of the global economy coincides with the development of both world community (and thus universal

---

¹⁷¹ Benedict XVI, *Caritas in veritate*, sec. 78.
¹⁷² Benedict XVI, *Caritas in veritate*, sec. 79.
¹⁷³ Matthew 6:9-13 (NSRV)
family of humanity) and also the development of the spiritual powers of humanity. He explicitly adds, “These spiritual powers are themselves a factor in the economy: the market rules function only when a moral consensus exists and sustains them.”

Going even further, he essentially summarizes my thesis, stating, “It seems that if the whole were to be attempted on a stronger moral foundation, it should be possible to reconcile morality and efficiency in a society not oriented toward maximum profit, but rather to self-restraint and common service.” Thus, the problem seems to be the moral and spiritual foundations of the economy. He even goes on to criticize one of Marx’s main arguments, stating that it is wrong to suppose that a centralized economic system is a moral system in contrast to the mechanistic system of the market economy. The problem with this Marxist statement is that it is reducing ethics to the philosophy of history!

Ratzinger is calling for “An economic policy that is ordered not only to the good of the group—indeed, not only to the common good of a determinate state—but to the common good of the family of man demands a maximum of ethical discipline and thus a maximum of religious strength.” What is needed today is for economics to enter the service of the right goals, or for economics to be infused with ethics and morality.

Pope Benedict XVI when still Joseph Ratzinger proposed that non-believers should “act as if God exists and commit themselves to the moral universalism of the Christian tradition.” Ratzinger was here critiquing Immanuel Kant, and all other “Enlightenment thinkers,” who supported the idea that a commitment to morality was sufficient, even if God does not exist. This completely challenges Ratzinger’s main

argument that morality should be paired with a return to historical tradition, or to religion. Ratzinger views “the Christian tradition as the indispensable resource for the project of moral regeneration in modernity.”\textsuperscript{180} As a result, he criticizes any invitation to non-believers to practice the truth claims of Christianity without acting as if God exists. More generally, Ratzinger agreed with Jurgen Habermas, who calls attention to the moral resources of the Judeo-Christian tradition. The true problem with our time is the lack of moral reasoning. Because of this, Ratzinger agreed with Habermas’s suggestion that “in a post-secular society believers and non-believers should enter into a mutually critical dialogue.”\textsuperscript{181} At the same time, Ratzinger does commit himself to the retrieval of metaphysical understanding of reason, specifically from the moral foundation of the Christian tradition. In general he proposes retrieval of a metaphysical approach to truth. So he criticizes both Habermas and Immanuel Kant in their inability to see an interaction between faith and reason as being extremely crucial. Kant and Habermas feel that drawing from the “moral reservoir” of Christian tradition will suffice because it opens atheist philosophy to the \textit{content} of religion, without them having to actually submit to religion. Ratzinger once said, “Since Immanuel Kant the unity of philosophical thought has more and more become disrupted. The thing to suffer most has been the reliable certainty that man can feel his way, by solid intellectual argument, behind the realm of physics to the being of things and their ultimate cause.”\textsuperscript{182} This process of translating religion into mere rational faith is one that Joseph Ratzinger has a problem with. Instead, he proposes a process of translation in which non-believers should “act as if God exists,” accepting the \textit{Christian} moral tradition as trustworthy. Conclusively, similar to his Papal

predecessors, Pope Benedict XVI (even when Joseph Ratzinger) encouraged Christianity, stating that it offers the “most universal and rational religious culture,” and thus should operate as the basis for moral behavior.
PART III

Additional Thoughts

In 1971, right around the time the Regional Teaching of Catholic Bishops, Gustavo Gutierrez, a Peruvian priest, coined the term “Liberation Theology.” Liberation Theology began as a political movement in Christian theology that focuses on the teachings of Jesus Christ in the gospel as liberation from unjust political, economic, and social relations. It began as a moral reaction to the poverty caused by social injustice in Latin America, and major liberation theologians (Jon Sobrino, Gustavo Gutierrez, and Bishop John Romero) have “opened our eyes” to the gross and sinful inequality that has engulfed our contemporary world. While the Papal Encyclicals we have discussed thus far offer a religious and moral approach for how to overcome (or at the very least improve) this inequality, Liberation Theology shows us how serious the preferential option for the poor can be taken. In general, it offers a Catholic point of view that utilizes the philosophy of Karl Marx. For liberation theologians, God is a God who judges, criticizes, and calls individuals into question. There is a general sensitivity to suffering, a disposition towards compassion and mercy, and a fundamental commitment to compassion, justice, equality, and “open eyed spirituality” (rather than apathy).

For time’s sake, I will briefly touch on one renowned liberation theologian before succinctly analyzing what this option may give us. Jon Sobrino was born in 1938 in Barcelona, Spain and went to El Salvador where he joined the Jesuits in 1981. Jon Sobrino, along with all liberation theologians, will criticize any economic and political
policies that do not say that the fundamental authority is the authority of those who suffer. He says human beings are called to Kenosis, or “self-emptying love,” stating that our relationship with God is based on our relationship with others. It is also very significant to note his criticism of capitalism. According to Sobrino, capitalism is bad for those who succeed by its standards, and by those who fail by its standards. For this reason, Marxism is his appropriate alternative. He also goes one step further than Gustavo Gutierrez (who calls for a preferential option for the poor) and instead demands an exclusive option for the poor. Because of this, there is no salvation outside of the poor. He calls for praxis stating, “This love is the particular praxic love that swells within a person at the sight of another person’s unjustly inflicted suffering, driving its subject to eradicate that suffering for no other reason than that it exists, and precluding any excuse for not so doing.”

Very importantly, Jon Sobrino blames the empire, or the United States. He goes on to state that God has become a factor that we (upper class, white, citizens of the United States) have created in our image and likeness, to favor our own interests. This empire wrongly considers itself master of the world and “It imposes its will on the whole planet, with immense power.” In other words, the affluent empires are to blame because they have no thought for life, no thought for fairness, are manipulative, and do not understand the importance and necessity of living through the eyes of the oppressed.

In general, liberation theology criticizes the character of free market capitalism (specifically with the empire, or the United States, but more broadly throughout the entire

184 Critical social theorists refer to this as “Dominant Ideology,” blaming everything on capitalism, which produces the unjust structures of class, race, and sex-gender.
world). It very rightfully calls into question the commitment of the free-market economy to profit maximization and growth at the cost of the well being of many individuals, referring to it as the worshipping of a false, materialistic, idol god. This *wrongly* prevents individuals from honoring the one true God of the Judeo-Christian tradition, and thus strips them of any feeling of moral obligation. This God is God of neither power nor profits, but rather is a God of the victims of the societal oppression that unjustly inundates our world. These criticisms are *extremely* legitimate. Liberation theologians make very crucial points, while serving the prophetic role of revealing the way in which contemporary social and economic practices in our country (and more generally the world) have become split from the basic values of Judeo-Christian tradition.

Unfortunately this thought process is often overly utopian: critiquing capitalism without a practical alternative. From here we can make a return to the Catholic Social Teaching discussed in the previous sections with the Papal Encyclicals. While Pope John Paul II is in support of capitalism, Pope Benedict XVI is a little more to the left (critiquing it a bit), and Jon Sobrino is entirely in opposition. Although prophetic critique is both significant and necessary, it is also important to practically apply it to the current economic system (which we have at this point concluded to be the only realistic system). It is crucial that we balance a genuine pursuit of profit and private property, with a profound commitment to the common good for all of society. While liberation theologians “open our eyes” to the oppression that engulfs the modern world, the papal statements offer vital religious and moral approaches that are also paired with practical talk on the current economic system. In summary, liberation theology holds great prophetic importance, but this should highlight the more appropriate Catholic social teaching.
PART IV

Conclusion

I came to this thesis topic by way of my philosophic and religious journey here at Holy Cross. Since I myself grew up in a Catholic community, I wanted to specifically take up the issue of “devout Catholics” who seem to have forgotten the significance of traditional Catholic ethics, or our obligations to society as a whole. My goal in writing this thesis was to re-address ethics and morality in relation to our current situation, because capitalism today is lacking something that the capitalism of Adam Smith was not. Unfortunately the problem here is a large one and I certainly do not have all of the answers to the questions addressed here. However, I have a strong proposal; a proposal based on many recommendations varying from Karl Marx to Pope Benedict XVI. In confronting this issue, which has been consuming me since the beginning of my academic journey here at Holy Cross, I first looked at the philosophies of Tony Judt, Karl Marx, Ayn Rand, Adam Smith, and Immanuel Kant. From there, I moved in the direction of the Papal Encyclicals, where I highlighted Pope Leo XIII, Pope John Paul II, and Pope Benedict XVI, followed by a few succinct thoughts on liberation theology.

In my Jesuit education I have been inundated by talk about “spirituality of open eyes,” “men and women for others,” “a preferential option for the poor,” and the ethical face of capitalism, all of which led me to my research and thought processes here in this thesis. In one specific course of mine, we discussed the socialist alternative. I am going to be honest and admit that at first glance socialism seemed like the answer to all of my
questions, offering the possibility of a society in which individuals would be inundated by trust, love, and community, where everyone would be able to reach their full potential and capabilities. Though I do recognize the constructive vision in socialism, and am aware that society today needs assistance, my research has led me to realize that capitalism does not need to be, and should not be, eliminated as a viable economic system. I do understand the socialist argument that the vast majority are being exploited by a small minority who are benefiting from the system. At the same time, I also find a world in which the means of production are publicly owned to be all too idealistic. The way I see it is socialists are failing to address a crucial question. Under socialism, there would be no need for a police force, prisons would be empty, and even keys would be unnecessary. One of the great problems with socialism, as I see it, is that it assumes everyone understands, embraces, and operates under a moral system. Socialism ignores the fact that not everyone wakes up in the morning wanting to put others before his or her own self. It ignores the fact that many individuals are born with mental disorders that lead them into dangerous, violent, and even evil decisions; that not everyone recognizes and appreciates the good. The problem with socialism (as I see it) is that it is way too idealistic, and thus unrealistic, in the way that it assumes that each and every individual embraces the intrinsic good that they are born with; it assumes that evil does not exist. But because evil is part of our world, we have no choice but to address morality. I discovered in my research that philosophers and theologians alike have pointed to capitalism as a more practical and workable economic system. Most importantly, however, I discovered that they consistently pointed to the true problem with society: the presence of religion is dissolving, public and private conversations and decisions are no
longer founded in ethics, and fewer and fewer people have an understanding and appreciation for morality.

As “What is wrong with Capitalism? The Problem with the Problem with Capitalism” states, “…the empirical question put to capitalism cannot be “does it work?” The obvious answer is “yes”—at least to the degree that we are thinking about the problem of producing the goods that people need and desire. Thus the empirical question should be “what work does it do?” In other words, the problem with capitalism is not that it does not work, but rather that the work that it is doing is work that has not been (but should be) swallowed up by a genuine selfless love for the other. The article goes on to add, “If the options are between two secular economies (secular in the sense of the starkly human power that finally moves them, not in the sense that either are lacking in religious justifications), if the options are Marx or Smith, then I fear capitalism’s proponents are right, capital may be the best we can do.” As Adam Smith reminded us, it is a very good thing that the capitalist is motivated by the pursuit of profit; the world needs more wealth (not less) and capitalism knows how to create it. At the same time, this vision will only work if society is prepared to step in and infuse this pursuit of profit with a moral awareness. Wealth and profit are good things, but only if one is willing to share them. As a Catholic, I personally embrace Christian morality as the most appropriate moral system. However, for those individuals who do not embrace religion, it is extremely important that they (at the very least) gain sight of their own individual moral structure.

---

186 Daniel M. Bell Jr., “What is Wrong with Capitalism? The Problem with the Problem with Capitalism,” The Other Journal, February 2012.
187 Bell, “What is Wrong with Capitalism? The Problem with the Problem with Capitalism”, 6.
While it is important that I stress that my concerns are more philosophical than political, I understand that it is equally necessary to show that I am aware that what I am saying has important implications for both political parties. The way I see it, Democrats will support government control with economic issues, while simultaneously opposing intervention when it comes to social problems. On the other hand, Republicans urge for government intercession when it comes to cultural and social issues, while concurrently opposing their role in economic problems. In general, Republicans support unrestrained capitalism, which, insofar as it encourages greed (or simply fails to punish it), is systematically atheistic/immoral. At the same time, they attempt to compensate for this lack of religion and morality on the policy level by pushing a culturally conservative, very family-and-religion oriented, social agenda (i.e. pro-life, and anti-gay marriage rights). They want government to be wedded with Christianity, with strict control over culture, but they want that same government to be divorced from Christianity when it comes to economic issues.

Democrats are self-contradictory in a different way. They argue for the necessity of restraining capitalism in accord to Christian values (calling for respect for others, the poor, and equality), while simultaneously advocating for a secular and atheistic cultural framework. Democrats remind us that you cannot be really free unless you are being fed; however, they are missing religion in their argument. Though I see great importance in pointing this out as the political foundation to the problem at hand, I have explicitly chosen to focus on the role of the philosopher and theologian in responding to the problem to underscore the fact that intellectuals have a duty to keep government honest.

I am aware that by calling for change I am making myself susceptible to severe criticisms and demand for a concrete blueprint or an explicit plan of action.
Unfortunately, things are not that simple. In this thesis, I highlight the words of Pope Benedict XVI and call for a conversion of hearts among individuals and at the local level. As a result, it would be appropriate for me to recommend that it is necessary for both education and the Church to insist that capitalism needs to be reformed. I call on these two particular institutions because they play such important roles in shaping many individuals’ personal and private lives; why not continue to do this and to influence the public as well? We need to publicly witness to the Church’s teaching; too many individuals do not know about it. Too many of my fellow students graduate from this Catholic institution without any knowledge of what the Church’s social teaching is. Of course many students may not change their lifestyles if they did know, but some of them might. For that reason, both the institutions of Education and Organized Religion are absolutely crucial. Though there is no silver bullet answer to the “how” question, I do have a modest proposal. I see a need for a political, religious and personal response. Unfortunately, society today has become so consumed with part one of this threefold plan: wrapping their minds around political debates and blaming government for the problem. However, there seems to be a lack of emphasis on the religious and personal question. Too many people are scared to ask the questions I have attempted to address in this thesis, reason being none of it is easy. People want concrete answers, people want the clear blueprints; they do not want to turn to God or morality for an answer, both are often implicit. This is the problem. We need to make changes within ourselves; we cannot merely sit around and wait for governmental policies to change everything for us. As Wendell Berry points out in his essay entitled “Think Little,” we need to “think little” instead of “think big.” He adds, “We are going to have to go far beyond public protest and political action. We are going to have to rebuild the substance and the integrity of
private life in this country… the changes that are required are fundamental changes in the way we are living.” He adds, “Our country is not being destroyed by bad politics; it is being destroyed by a bad way of life.” We all have a responsibility to be religiously informed and to attempt to live out morality in our lives. We need a political, religious and personal response, and though none of this comes easily, we have a duty to at least try.

---

188 Wendell Berry, “Think Little”, *Flourish Magazine*, 2003, 86.
Special thank you to….

Advisor, Professor Joseph Lawrence, Philosophy Department

Readers, Professor Matthew Eggemeier, Religion Department
   Father William Reiser, Religion Department

College Honors, Professor Mathew Schmalz

And to my friends and family
Bibliography


Bell, Daniel M. “What is Wrong with Capitalism? The Problem with the Problem with Capitalism.” *The Other Journal* (2012).


