

Pope Francis and the Economy

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Before learning what Pope Francis offers to modern society in terms of running the economy, let's agree on why this interests us.

Since Irenaeus, the Church has understood the centrality of full human flourishing, which we also call integral human development. It is intrinsic to our mission as Bishops and Church leaders to promote the integral human development of our people, whether as a diocese or a national conference or this continental conference. Our concern is to recognize the principal impediments to the flourishing of our people and to accompany them pastorally in their efforts to overcome the obstacles, so that all might develop according to their vocation as sons and daughters of God.

Economic policies and practices underlie virtually all aspects of ordinary daily life. Being concerned that our people flourish, are obliged, by our faith and mission, to pay attention to the economy, not in itself as economic theorists or business leaders but as pastors accompanying our people.

Their concerns are for decent, reasonably-paid work and affordable basics; and against rampant inequality, environmental degradation and the warming of the climate, etc. Economic policies and the activities of business and finance shape all of these, and where they harm our people, we must be attentive, not as economists but as pastors. Let us promote the interests of our people, especially those most affected by economic injustices.

Now, the question assigned to me: "What does Pope Francis offer modern society in terms of running the economy?" Basically, he is calling for an economy, rooted in the common good, seasoned by fraternity and directed by politics. He puts people ahead of money, and accords the poor the freedom to become artisans of their own development.

To draw out these themes, I will focus on three strands of the Holy Father's social magisterium: (i) the call for integral human development; (ii) the need to reject market ideology; and (iii) the problems with the technocratic paradigm.

1) The call for integral and sustainable human development

At a fundamental level, Pope Francis is calling for a different type of progress, one that is “healthier, more human, more social, more integral” (LS). He envisions “an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature” (LS).

Integral human development is a core principle of Catholic social teaching. Pope Paul VI calls for the development of the whole person and each person.¹ It is about the fullest flowering of a person’s capacities. It is less about “having” and more about “being.”

Like Jesus who upheld the poor and afflicted, Pope Francis adamantly refuses to ignore them. For Francis, lifting up the poor is less about giving them aid and more about allowing access to participate fully in the economy and society and become protagonists of their own development. This is why he has often encouraged popular movements—their members and leaders, he has said, are “social poets”—during his pontificate. As he says in *Fratelli Tutti*:

“In some closed and monochrome economic approaches, for example, there seems to be no place for popular movements that unite the unemployed, temporary and informal workers and many others who do not easily find a place in existing structures. Yet those movements manage various forms of popular economy and of community production. What is needed is a model of social, political and economic participation “that can include popular movements and invigorate local, national and international governing structures with that torrent of moral energy that springs from including the excluded in the building of a common destiny”.

Next, for everyone, poor or well off, human development needs to be sustainable. This centres on protecting creation, which lies at the very heart of Pope Francis’s pontificate. In *Laudato Si’* and *Fratelli Tutti*, he asks us to think of ourselves as a single family dwelling in a common home. And that family includes those not yet born—we must commit to intergenerational solidarity. He reaches out beyond our faith; as he puts it in *Laudato Si’*:

“Whether believers or not, we are agreed today that the earth is essentially a shared inheritance, whose fruits are meant to benefit everyone. For believers, this becomes a question of fidelity to the Creator, since God created the world for everyone. Hence every ecological approach needs to incorporate a social perspective which takes into account the fundamental rights of the poor and the underprivileged” (LS)

Caring for our brothers and sisters and caring for the earth are deeply linked: both are rooted in recognizing life as a gift from God.

“The human environment and the natural environment deteriorate together; we cannot adequately combat environmental degradation unless we attend to causes related to human and social degradation. [...] Both everyday experience and scientific research show that the gravest effects of all attacks on the environment are suffered by the poorest (LS, 48).

¹ Paul VI, *Populorum Progressio*, “The whole man and every man”

Everything is connected – these are the words that summarize the core message of *Laudato Si'*. Thus, the cry of the earth and the cry of the poor are one and the same cry” (LS 70, 91).

The biblical injunction for humanity to exercise dominion over creation has been misinterpreted, giving rise to a warrant to mistreat nature as we see fit. He blames a “disordered anthropocentrism.” The original harmony between creator, humanity, and creation has been ruptured, and this disruption has been brought about by human hubris, selfishness and shortsightedness, the untrammelled principle of maximizing profits without heed for the harm being done to the poor and to nature.

“Where profits alone count, there can be no thinking about the rhythms of nature, its phases of decay and regeneration, or the complexity of ecosystems which may be gravely upset by human intervention” (LS).

“Such care does not interest those economic powers that demand quick profits. Often the voices raised in defence of the environment are silenced or ridiculed, using apparently reasonable arguments that are merely a screen for special interests” (FT).

2) The market ideology

From the beginning of his pontificate, Pope Francis has been warning about the ideology of the market. He does not condemn the market itself but rather what he calls “the deified market” or the “magical conception of the market”. It sanctifies self-interest, which leads to a “seedbed for collective selfishness.” Further, “ideologies which defend the absolute autonomy of the marketplace and financial speculation” give rise to a “new tyranny.” In place of Adam Smith’s invisible hand, the Holy Father detects an “invisible thread” linking all forms of exclusion that privileges “the mentality of profit at any price, with no concern for social exclusion or the destruction of nature.”

According to St Thomas Aquinas, the right to private property must always be subordinated to the universal destination of goods, that is, destined for all people, including the poor. According to Pope St John Paul II, the right to private property always comes with a “social mortgage”.

“The principle of the subordination of private property to the universal destination of goods, and thus the right of everyone to their use, is a golden rule of social conduct and “the first principle of the whole ethical and social order”. The Christian tradition has never recognized the right to private property as absolute or inviolable, and has stressed the social purpose of all forms of private property.” The right to private property should be thought of as a secondary natural right and not be allowed to “displace primary and overriding rights, in practice making them irrelevant” (FT).

The contemporary understanding of the market economy, especially under neoliberalism, posits the centrality of private property and the self-directed activities of the free market. But this has never been the understanding of Catholic social teaching.

T “Private property, in fact, regardless of the concrete forms of the regulations and juridical norms relative to it, is in its essence only an instrument for respecting the principle of the universal destination of goods; in the final analysis, therefore, it is not an end but a means” (*Compendium of the Social Doctrine of the Church*, 177).

And the Catechism refers the universal destination of goods to the Seventh Commandment, *You shall not steal*. “The right to private property, acquired by work or received from others by inheritance or gift, does not do away with the original gift of the earth to the whole of mankind. The universal destination of goods remains primordial” (CCC 2043).

Evangelii Gaudium questions the claim that the market economy can solve all problems and lift everyone up:

“In this context, some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralised workings of the prevailing economic system. Meanwhile, the excluded are still waiting” (EG).

“The marketplace, by itself, cannot resolve every problem, however much we are asked to believe this dogma of neoliberal faith. Whatever the challenge, this impoverished and repetitive school of thought always offers the same recipes” (FT).

“To claim economic freedom while real conditions bar many people from actual access to it, and while possibilities for employment continue to shrink, is to practise doublespeak”.

Globalization is often defended on the grounds that it can create wealth and social inclusion. But Francis sees globalization – opening up to the whole world – coopted by powerful economic interests concerned exclusively with profit. The result is the very opposite of a fraternal economy. As Benedict XVI wrote in *Caritas in veritate*, globalization might make us neighbours, but it does not make us brothers and sisters.²

² The ever-increasing inequality in the world and the concentration of wealth in very few hands proves Pope Francis right. Consider these examples from the 2024 OXFAM Report: If each of the five wealthiest men were to spend a million US dollars daily, they would take 476 years to exhaust their combined wealth. Seven out of ten of the world’s biggest corporations have a billionaire CEO or a billionaire as their principal shareholder. 148 of the world’s biggest corporations (that we have data for) made nearly US\$1.8 trillion in profits in the 12 months leading up to June 2023, recording an increase of 52.5% compared to the average profit in the four-year period 2018-2019.

Pope Francis pleads: “Let us say NO to an economy of exclusion and inequality, where money rules, rather than service. That economy kills. That economy excludes. That economy destroys Mother Earth.”³

3) The technocratic paradigm

Pope Francis is also highly critical of the technocratic paradigm which shapes today’s global economy. This paradigm imposes on all economic decisions the exclusive logic of efficiency, productivity and profit "as if reality, goodness and truth automatically flow from technological and economic power as such" (LS 105).

The problem lies in the “myths of a modernity grounded in a utilitarian mindset” that includes “individualism, unlimited progress, competition, consumerism, the unregulated market” (LS). It justifies the emphasis on constant economic growth that does not respect the limits of nature; it sees nature as an external object to be manipulated and controlled, rather than as a common home that supports our communal flourishing.

Economics enslaved to this self-driven technocratic paradigm, without effective political oversight and control, leads to ruin:

“Politics must not be subject to the economy, nor should the economy be subject to the dictates of an efficiency-driven paradigm of technocracy ...” Although misuse of power, corruption, disregard for law and inefficiency must clearly be rejected, “economics without politics cannot be justified, since this would make it impossible to favour other ways of handling the various aspects of the present crisis” (LS 189, 196; FT 177).

Two important effects of the technocratic paradigm are the dominance of finance and the loss of work.

First, the technocratic paradigm views every advance in technology with a view to profit, and this is especially true for the financial sector, which “overwhelms the real economy” (LS). For example,

“Saving banks at any cost, making the public pay the price, foregoing a firm commitment to reviewing and reforming the entire system, only reaffirms the absolute power of a financial system, a power which has no future and will only give rise to new crises after a slow, costly and only apparent recovery” (LS 189).

This finance-driven paradigm shows no interest in “more balanced levels of production, a better distribution of wealth, concern for the environment and the rights of future generations”

³ Address to Popular Movements, Bolivia, 2015.

(LS 109). Francis contrasts this with the real economy that “enables small and medium businesses to develop and create employment” (LS 189).

The second challenge is employment. Policymakers and economists are grappling with the future of work, as technology replaces more and more workers, leaving people adrift. The advent of artificial intelligence makes this challenge even greater. What does the future hold? Are we doomed to ever greater concentration of wealth and ever wider relative misery?

“The goal should not be that technological progress increasingly replace human work, for this would be detrimental to humanity. Work is a necessity, part of the meaning of life on this earth, a path to growth, human development and personal fulfilment. Helping the poor financially must always be a provisional solution in the face of pressing needs. The broader objective should always be to allow them a dignified life through work” (LS 128).

If jobs are not protected from being overtaken by technology, “we can end up working against ourselves.... To stop investing in people, in order to gain greater short-term financial gain, is bad business for society” (LS 128).

While we embrace the social teaching of the Church, we also see how difficult it is in practice to get out from under the technocratic paradigm and for politics to exercise responsibility for the economy.

In fact, while politics and tax systems work on a national basis, business and finance move on a global scale. Companies can change their registered office avoid fair taxation and reasonable government regulations. They can ignore environmental measures reduce their costs relative to more responsible competitors.

Faith-filled entrepreneurs and economists are needed to apply Christian principles in the current conditions and make these principles of the Catholic tradition practicable.⁴

Conclusion

In my remarks I have reflected on some aspects of Pope Francis’s social magisterium—the call for integral and sustainable human development, the indictment of the ideology of the market, and criticism of the technocratic paradigm that dominates economics and politics.

Pope Francis is sometimes portrayed as opposed to business and the market economy. His teaching is rejected as unorthodox, anti-establishment, naïve, radical. In fact, he has high expectations:

⁴ For this reason, Pope Francis has involved young economists and entrepreneurs in the “Economy of Francis” movement.

“Business is a noble vocation, directed to producing wealth and improving our world. It can be a fruitful source of prosperity for the areas in which it operates, especially if it sees the creation of jobs as an essential part of its service to the common good” (LS 129).

Francis updates traditional Catholic social teaching in the light of the twin social and environmental crises. His starting point is always the suffering of the people, especially the excluded and vulnerable. “Practicing economy means taking care of the common home, and this will not be possible if we do not have eyes that are trained to see the world, starting from the peripheries: the gaze of the excluded, of the least ones.”⁵

Just as I have asked economists to help me prepare this paper, so I encourage you to seek the help of good academics and business-people as well as trade unionists and representatives of those who suffer from the economy. Ask them to help you to “read” the economy in your area and so accompany your people striving to survive and flourish. And please keep speaking out, as Jesus did, on behalf of those who undergo economic injustice that blocks their integral human development.

⁵ “Economy of Francesco” 13.10.2023. <https://francescoeconomy.org/>