

# “CREATION THEOLOGY” IN ECONOMICS SEVERAL CATHOLIC TRADITIONS

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SUMMARY: 1. *Introduction*. 2. *The Shocking Facts*. 3. *Looking Down on Commerce*. 4. *Anglican and Orthodox Catholic Traditions*. 5. *John Paul II and Creation Theology*.

## 1. INTRODUCTION

SUPPOSE someone asked you to write an article on the difficulties Catholic cultures have traditionally had with coming to see the Christian impulses within capitalism. They wanted you to include Eastern Orthodoxy, Russian Orthodoxy, Roman Catholicism, Anglicanism – all forms of Catholic culture.

It so happened that I was posed just this question by a University in Moscow (give exact name) with a special interest in Russian Orthodoxy. It proved necessary for me to move beyond the question of liberty, to the question of creativity.

For more than eighteen centuries of Christian history, the economy experienced by Christian peoples was an agricultural economy rather like that of the Bible. In Jewish and Christian Testaments, the traditional economy was redolent with the scents of planting time and harvest time, separating the weeds from the wheat, pruning the olive trees and fig trees, observing good seed gone sterile from falling on rocky soil, pressing purple wet grapes into wine, killing and preparing the selected lamb. One could say the biblical economy was a “property economy” or a “labor economy”. This economy was remarkably stable down the centuries. Walking through fields in Russia in the late 1700s was not much different from walking through them in the time of Christ. In Great Britain, the land was a little more bucolic, neatly gardened, a bit more tamed by the care and attention given to smaller plots, on a more compacted, self-contained island.

In Great Britain, however, something new was coming into existence. In Scotland in 1776 Adam Smith published the most revolutionary book ever written, and launched a wholly new inquiry: *An Inquiry into the Nature and Causes of the Wealth of Nations*.

Even today, many journalists ask questions about “the causes of poverty”. But that is a useless inquiry. Suppose you figure out the causes of poverty? Good! Now you know how to make more poverty.

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*Poor* is what most humans in history have always been. Poverty, one might say, is natural to humans. What is unusual is the systemic creation of wealth, slow but steady development. *That* is what requires an inquiry into its nature and causes.

Once the nature and causes of wealth have been figured out, one can begin to envision a time when the shackles of poverty are broken. One can begin to imagine universal economic development. One can begin to imagine “universal affluence” (Adam Smith’s term). That is why Smith’s book is so revolutionary. That is why it launched a huge transvaluation of morals.

Before Smith, it was possible to believe that poverty was morally neutral, simply a natural phenomenon. “A large majority of people are poor, and there is nothing we can do about it”, people said. “The poor ye shall always have with ye”.<sup>1</sup>

After Adam Smith, it became clear that whole nations could adopt new systems and methods (as well as new habits), whose fruit would be greater wealth, more widely distributed than ever before (not at first universally, but more and more widely). Whole nations, one by one, learned how to make steady economic progress, and their standard of living kept growing decade by decade.

More important: No world leader could say: “Most of my people are poor, and I intend to *keep* them poor”. Such a sentiment no longer reflects natural wisdom, but gross and hard-hearted immorality. The continued existence of systemic poverty in a nation has come to be seen as a moral deficiency, in need of urgent correction. If the poor *can* be freed from the shackles of poverty, then morally they *must* be. A new moral calculus has entered into this world.

## 2. THE SHOCKING FACTS

After Adam Smith published his fascinating inquiry, and came to his revolutionary answer, the condition of the poor (first in Great Britain, then elsewhere) improved steadily and dramatically. On this point, Marx and Engels saw a part of the truth about 19<sup>th</sup> century Britain, but missed the real point. The harsh capitalism of that time demanded reform. But during the 19<sup>th</sup> century the average income of the poor in Britain increased by a total of 1600 percent. Their diets improved dramatically (and at ever declining cost), their numbers more than doubled, and the products the poor now had for their daily use multiplied rapidly.<sup>2</sup> Outstanding historians have published the following tables (See Tables 1 and 2 below).<sup>3</sup>

<sup>1</sup> See JOHN 12,8 and MATTHEW 26,11.

<sup>2</sup> See P. JOHNSON, *Has Capitalism a Future?* in E.W. LEFEVER, ed., *Will Capitalism Survive?*, Ethics and Public Policy Center, Washington, D.C. 1979, p. 4. Also see L. VON MISES, ed., *The Anti-Capitalist Mentality*, D. Van Nostrand Company, Inc., Princeton 1956; and F. VON HAYEK, *Capitalism and the Historians*, University of Chicago Press, Chicago 1954.

<sup>3</sup> Taken from J. STUART MILL, *Principles of Political Economy*, D. Appleton and Company, New York 1888, pp. 520-521.

TABLE 1. Rise in Wages in Britain (1833-1883).

Occupation	Place	Wages / week 1833 <i>s. d.</i>	Wages / week 1883 <i>s. d.</i>	Increase or decrease, amount percent <i>s. d.</i>
Carpenters	Manchester	24 0	34 0	10 0 (+) 42
“	Glasgow	14 0	26 0	12 0 (+) 85
Bricklayers	Manchester	24 0	36 0	12 0 (+) 50
“	Glasgow	15 0	27 0	12 0 (+) 80
Masons	Manchester	24 0	29 10	5 10 (+) 24
Masons	Glasgow	14 0	23 8	9 8 (+) 69
Miners (daily wage)	Staffordshire	2 8	4 0	1 4 (+) 50
Pattern-weavers	Huddersfield	16 0	25 0	9 0 (+) 55
Wool scourers	“	17 0	22 0	5 0 (+) 30
Mule-spinners	“	25 6	30 0	4 6 (+) 20
Weavers	“	12 0	26 0	14 0 (+) 115
Warpers and beamers	“	17 0	27 0	10 0 (+) 58
Winders and reilers	“	6 0	11 0	5 0 (+) 83
Weavers (men)	Bradford	8 3	20 6	12 3 (+) 150
Reeling and warping	“	7 9	15 6	7 9 (+) 100
Spinning (children)	“	4 5	11 6	7 1 (+) 160

In other words, in the short span of fifty years, most wage earners received more than a 50% increase in wages, some more than 100%, with the highest, the Weavers and Spinners gaining 150-160%.

TABLE 2. Annual Consumption of Food per Person in Britain (1840, 1881).

Articles	1840	1881
Bacon and Hams Pounds	0.01	13.93
Butter “	1.05	6.36
Cheese “	0.92	5.77
Currants and Raisins “	1.45	4.34
Eggs No.	3.63	21.65

Articles	1840	1881
Potatoes Pounds	0.01	12.85
Rice “	0.90	16.32
Cocoa “	0.08	0.31
Coffee “	1.08	0.89
Corn, Wheat, and Wheatflower “	42.47	216.92
Raw Sugar “	15.20	58.92
Refined Sugar “	Nil.	8.44
Tea “	1.22	4.58
Tobacco “	0.86	1.41
Wine Gallons	0.25	0.45
Spirits “	0.97	1.08
Malt Bushels	1.59	1.91

At the beginning of the nineteenth century, only duchesses wore silk stockings; by the end, even working girls did. At the beginning of that century, few had eyeglasses; by the end, eyeglasses were in frequent use. Dental care advanced somewhat (much more so, however, in the 20<sup>th</sup> century). Longevity rose steadily, and infant mortality began to decline (again, much more so in the 20<sup>th</sup> century).

Moreover, during just the past thirty years, two of the nations on earth with the largest number of poor persons – China and India – liberated more than one-half billion of their citizens from poverty. This was the swiftest, largest advance out of poverty in history. These nations used the very secrets uncovered by Adam Smith: private ownership and personal initiative.

What is the cause of the wealth of nations? At root, it is invention and discovery – such as the invention of the pin machine, which Smith describes in his very first chapter.<sup>4</sup> It is the use of the mind in organizing work efficiently (with less wasted time and effort), and in finding new ways of doing things. It is supplying the incentives that prompt people to do things with energy and desire, rather than being coerced into what they are doing.

As Abraham Lincoln put it, for example, the Patent and Copyright Clause (of the U.S. Constitution) “added the fuel of *interest* to the *fire* of genius, in the discovery and production of new and useful things”.<sup>5</sup> He meant that by

<sup>4</sup> See *The Wealth of Nations*, bk. 1, chap. 1, *Of the Division of Labour*.

<sup>5</sup> See A. LINCOLN, *Lecture on Discoveries and Inventions*, Jacksonville, Illinois, February 11, 1859, in *Speeches and Writings: 1859-1865*, Library of America, Washington D.C. 1989.

guaranteeing to authors and inventors the financial fruit of their inventions, the new law for the first time in history turned the human mind into a much more powerful source of wealth than land. For generations, the *land and its fruits* had been the greatest source of wealth, for both Russia and the United States (as well as in most other countries). Is that the case today? Almost everywhere, *land* as a source of wealth has fallen far behind invention, discovery, initiative, and other forms of creativity. Whole new sciences and technologies have been developed, delivering all sorts of new medicines and medical operations, new forms of energy, new modes of communication, new vehicles for transport, airplanes, fiber optics, genetic medicine. Not long ago, the vast majority of the people of the world worked in agriculture. Not today. The vast majority today work in centers of experimentation and discovery, communications, and in multiple new forms of commerce and international trading. There is hardly a kitchen table in the developed world on which there are not served fruits, foods, drinks, and condiments from other lands far across the globe. Most food products today are marketed internationally.

Thus, a whole new world of economic activity has sprung from the human mind during the past two centuries. Nowadays, creativity and know-how are the greatest single causes of the wealth of nations. In the young especially, the training and patient instruction of the mind is required, if the knowledge gained in the past is to be used fruitfully for the human race. Practical knowledge about how to bring new things never seen before into existence is essentially important today.

The new economy in which we live is often called “the free-market economy”. But markets are universal. Markets were central during the long agrarian centuries, through biblical times, in all times. For this reason, the term “the market economy” or even “the free-market economy” somewhat misses the mark. More accurate is the “initiative-centered”, the “invention-centered”, or in general the “mind-centered economy”. More than anything, *mind* is the cause of wealth today. The Latin word *caput* (head) – the linguistic root of “capitalism” – has inadvertently caught the new reality quite well.

“The free economy” captures only part of the secret – it emphasizes the conditions under which the mind is more easily creative, in the fresh air of freedom. Freedom is a necessary *condition*, but the dynamic driving *cause* of new wealth is the initiative, enterprise, creativity, invention – which *uses* the freedom. Freedom alone is not enough. Freedom alone can also produce indolence and indulgence. To awaken slothful human beings out of the habitual slumber and slowness of the species, the fuel of interest must normally be ignited. One must move the will to action by showing it a route to a better world. Since humans are fallen creatures, mixed creatures, not angels, the fuel of interest is a practical necessity. The fire of invention lies hidden in every human mind, the very image of the Creator infusing the creature. To ignite

it, one must offer incentives, a vision of a higher, better human condition, not only thisworldly, but also nourishing the expansion of the human soul and easement of bodily infirmities. There is a natural desire in every human being, although it is often slumbering, to better his or her condition. And it is good for a woman to liberate herself and her whole people from the narrower horizons within which they find themselves. It is good for humans to catch glimmers of new possibilities for human development.

This, or something very like this, is the famous, celebrated, and usually misunderstood “spirit of capitalism”. This is not a spirit of greed or avarice, which are grasping and small, not creative. It is an *esprit*, a gift of the spirit rather than of the body. It is sometimes found even in a single isolated human breast (as in that of Robinson Crusoe, in the famous parable<sup>6</sup>). But it is also capable of being lit like a prairie fire across an entire culture, and transforming its entire attitude toward life. The spirit of capitalism is far from being entirely materialistic, even miserly. Far from it. This spirit teaches people to turn away from what they now have, to put that at risk, to stop clinging to the safe things of the past, and to set off bravely toward inventing new futures. It is a spirit of risk. It is a spirit of adventure. It is a spirit of creativity. It is a spirit that incites dreams, and in a quiet undertone murmurs, “Why not?”.

The spirit of capitalism belongs more to the human spirit than to the relatively inert flesh and matter of the past.

The early theoreticians about this new appearance in history linked this new spirit, suggestively but ultimately erroneously, to “the Protestant Ethic” of the 16<sup>th</sup> through 19<sup>th</sup> centuries. Its origins in Western Europe are far earlier. These great scholars, pre-eminently Max Weber, usually did note as an aside that the first intimations of this new spirit, which slowly dislodged the ancient and traditional agrarian economy from the center of human history, blazed up in the indispensable commercial ventures, and in the inventive, entrepreneurial talents of such medieval cities as Florence, Lucca, Bologna, Venice, and others. They had flourished even earlier among the many single-resource nations of the Middle East, which depended on one another for their well-being, if not survival.

The real oversight of Weber and others, however, was to identify as the essence of the new spirit: asceticism, hard work, frugality, self-discipline, and the other self-denying ordinances of the “Protestant Ethic”.<sup>7</sup> The problem is,

<sup>6</sup> D. DEFOE, *Robinson Crusoe* (1719).

<sup>7</sup> See M. WEBER, *The Protestant Ethic and the Spirit of Capitalism* (1904; Scribner, New York 1958): «The religious valuation of restless, continuous, systematic work in a worldly calling, as the highest means to asceticism, and at the same time the surest and most evident proof of rebirth and genuine faith, must have been the most powerful conceivable lever for the expansion of that attitude toward life which we have here called the spirit of capitalism» (*ibidem*, p. 172).

their definition struck only in the outer rim of the bulls-eye. Asceticism, frugality and related virtues are common to many communities of the monastic traditions of many different religions (such as the Essenes in Palestine, some forms of Buddhism, the Benedictines of the 6<sup>th</sup> century, etc.). But Weber and the others missed the center of the target: that great lunge of the enterprising, adventuring, *creative spirit* that springs directly from the inspiration of the Jewish Testament, the Torah,<sup>8</sup> and has been carried forward in history more centrally by the Catholic traditions than by the Protestant. The heart of the capitalist ethic is not self-denial (although that is important) but creativity.<sup>9</sup>

One should not at all take from the Protestant Spirit the immense credit it deserves in the history of human progress and development -- especially for promoting popular education, the printing press, crucial elements of modern democratic life, such as the recognition of human sin as a reason for checks and balances, and also for honoring thrift and industry, and business as their fruit. Protestantism played a large role in giving shape to the daily life of the new *bourgeoisie* in the growing towns and cities, as opposed to the more Catholic tenor of the feudal and chivalric life of the countryside and villages. This new bourgeoisie was comprised of all those persons who were neither nobles nor bonded serfs, but independent persons who lived by their own wits and crafts.

By contrast, the Catholic churches (Greek, Roman, Russian, Anglican) had lived so many centuries incarnated, so to speak, in the agrarian culture, that they were closer to the land, less dynamic, less focused on the individual. They were traditional rather than new. The new Protestantism seemed in some ways better suited to the spirit of the bourgeoisie and its emphasis on individual achievement. (This was ironic, because theologically, Protestants tend to downplay works, individual efforts, and merit, in favor of faith and grace alone.)

The empirical record does not entirely fit the theory attributing the origin of capitalism to the Protestant Ethic. In Great Britain, contrary to what Weber's theory would lead one to expect, it was not in Presbyterian Scotland, nor in Methodist Wales, but in Anglican Catholic England that the invention and creativity of the Industrial Revolution most strongly manifested itself.<sup>10</sup> The Catholic faiths tend large-mindedly to praise the beauties and glories of creation, as do the Psalms of David and most other Hebrew books of the

<sup>8</sup> See D.J. BOORSTIN, *The Creators: A History of Heroes of the Imagination*, Vintage, New York 1993. See also D. LANDES, *The Wealth and Poverty of Nations*, Norton, New York 1998.

<sup>9</sup> See M. NOVAK, *Beyond Weber*, in *On Capitalism*, Stanford University Press, Stanford 2007.

<sup>10</sup> See M. NOVAK, *The Catholic Ethic and the Spirit of Capitalism*, The Free Press, New York 1993, pp. 1-14.

Bible. They stress the goodness of creation, while emphasizing as well the “wound” that humans suffered. They exalt artistic creativity, architecture, the visual arts.

By contrast, the most dissident Protestant sects tend to stress the fallenness, indeed, the depravity of the human being, his helplessness beneath the Bar of God’s Justice, his complete dependence on the necessity of Redemption by and through Jesus Christ alone. There are magnificent exceptions, such as J.S. Bach, but I think it must be said that the Catholic faiths place far more stress upon the glories and beauties of God seen in creation. Especially in the visual and tactile arts, including statuary and sculpture, they explode in festivals for the eye and ear. By contrast, the dissident Protestant churches favor simplicity, plainness, the absence of ornament, and only a restrained celebration of nature. Protestant churches tend to get down to basics, as they see the basics. They emphasize spirit far more than the flesh. They favor the ascetic rather than the celebratory instinct, hard work rather than the serendipity in which creative ideas are usually born.

For the Catholic faiths, the themes of Creation and Redemption work more closely together. In the great Eastern churches of the first five centuries, the great symbol of the *Pantokrator*, Maker of all things, Source of all good, dominates the apses of great, colorful, mosaic-rich houses of worship.

In addition, the early Greek Fathers, as compared with the Western Fathers, spoke very favorably of commerce. They used *commercium divinum* (the divine commerce) as a metaphor for the interchange between God and Man personified in Jesus Christ. Commerce was to the Greek, Arab, and Turkish Fathers a dear image. Their very lives depended on international commerce. The desert nations around the eastern and southern Mediterranean needed many goods from abroad. Church Fathers like St. Ephrem of Syria (306-373 AD) used images of the international commerce he observed around him in the sails and busy harbors, as metaphors for the Mystical Body of Christ. He saw Christianity as the one spiritual inner life of God, dwelt in at the same time by an extended international community. Nations that produced wine and olive oil, and those that produced wool or magnificent cedar wood, desperately needed one another. The foot served the arm, the lungs the head, and every part of the extended human body gave life to the others.

### 3. LOOKING DOWN ON COMMERCE

In the West, by contrast, poets since Horace have spoken of commerce with aristocratic *hauteur*. The academic traditions of the liberal arts and humanities do so even today. This is true even in commercial and capitalist countries. Most artists, intellectuals, and other symbol-makers think of themselves today as “aristocrats” (of the spirit), of higher moral rank than businessmen. At the heights of fashion and taste, we have heard almost two centuries of a

thorough-going denigration of commerce and capitalism, as “philistine”, vulgar, and crass. The traditional agrarian spirit, carried out in the name of courtesy, chivalry, leisure, and wisdom, over against busy-ness, distraction, vulgarity, and cheap frivolity of capitalist culture (as they see it). A tiny example: I have heard professors speak with contempt for paper napkins, paper cups and plastic forks and spoons as obviously inferior to linens, real silver (carved or engraved), and fine crystal ware. Such cultural critics prefer the aristocratic style.

To this tradition, the several socialist movements of the 19<sup>th</sup> and 20<sup>th</sup> centuries, especially Marx and Engels, added their own contempt for capitalism (as they defined it) and “all its works and all its pomps”.

Still, though, commerce does not go to the heart of why the Catholic traditions bring deeper intellectual and cultural resources to an accurate understanding of capitalism. In the Catholic traditions, it is not necessary to go down on all fours in order to praise God, nor to belittle human goodness, nor to emphasize human depravity. In the Catholic view, Christ died to redeem all of creation, its beauties, its goodnesses. The Catholic liturgy is intended to resonate with “all creation redeemed and at prayer” (Romano Guardini), all creation restored to its original beauty, and now infused with a divine radiance. Human nature was never entitled to such grace, but is now called to accept it as its unmerited destiny. The Divine has united itself – taken up commerce with – the human, in Christ.

It is this positive impulse that is the inner spring of this amazingly creative age from which the world has moved forward so much during the last five centuries. Think of the bravery of those intrepid Portuguese, Genoese, and Spanish explorers aiming their tiny wooden vessels into the great unknown. Some “scientific” theories predicted that such voyagers would reach the end of the flat earth and drop into everlasting darkness. Still the explorers went. For in their hearts they knew, and had celebrated for generations, that the Creator is good, that the world He created is good, that He intended us to make it as one in His goodness. They thought the human vocation is to “conquer” the world in the name of its Redeemer.

They were mercenaries, too, sometimes foremost. For such men, riches were the fuel that ignited the fires of invention and discovery. Yet what is inhuman about that? To gain the whole world through the loss of one’s soul is no profit. But for the sake of the image of the Creator-God implanted in us, and for the sake of His Only Divine Son, “through Whom and with Whom and in Whom were made all the things that are made”, – for these, to carry round this whole huge world the glorious news of God’s love for humans, is by no means compromised through gaining earthly riches, too. Better the first than the second; the second is in fact in vain, without the first; but *both together* quite suit our joint nature, body and soul, human and divine. It would

be odd of God to arrange the world in such a way that to glorify Him meant to denigrate man. “The glory of God is man fully alive”, wrote St. Irenaeus of Lyons (185 AD).

Contemporary efforts at human development, in the name of progress, have not escaped being marked by greed, lust, pride, the will to power, and in some places the defiance of God. There is on earth no fully developed nor secure City of God. My good friend Irving Kristol wrote a book called *Two Cheers for Capitalism* (Signet, 1979). That claim might be considered exuberant. Compared with what feudalism did to my family in Slovakia, and compared to what Socialism did to my cousins who remained there, the world of development – and education, and opportunity, which they are at last beginning now to experience – capitalism does deserve at least one cheer. One cheer for the creative economy, the mind-centered economy, is quite enough. For like all systems, capitalism has many flaws, and self-contradictions within it. It is by no means paradise. It creates new problems. Its main claim is that, better than any other system, it does raise up the poor. And it does so better by protecting human rights of individuals and their communities.

#### 4. ANGLICAN AND ORTHODOX CATHOLIC TRADITIONS

At the present time, the Anglican Church, which once did so much to inspire international commerce and development – and, in fact, presented the first taste of it in the 19<sup>th</sup> century to the whole world – has in recent generations given way to a “pinkish” socialism, a vague sort of anti-capitalism intermixed with an uncritical embrace of the welfare, or as the Brits say, “the nanny state”.

Neither has the Orthodox Church in Russia yet had an opportunity to speak about the power of “creation theology” to improve the lives, opportunities, and even artistic and religious depths of its people. If I am wrong about that, I am eager to be corrected.

In most of the Roman Catholic Church, strong opposition to the creative economy still thrives, from both social democratic and traditionalist sources. “Capitalism” is a term Marx may have blackened beyond repair. But an antipathy toward the creative economy still echoes in the modern, traditionalist, residually agrarian societies, and among many intellectuals.

Despite all this, Pope John Paul II (1922-2005) enunciated in a powerful series of “encyclicals” (letters addressed to all humanity) the new characteristics of economic developments around the world. No other religious leader has come so close to the bulls-eye. This is not the place for a long examination of his analysis. But perhaps a few of his words may furnish us with a conclusion.

## 5. JOHN PAUL II AND CREATION THEOLOGY

The Roman Catholic Church at the present time is, in the main, divided into four factions regarding economic questions.

The first, by far the largest faction, is “Euro-social democrats” and North American “progressives”, perhaps in favor of “Rhenish capitalism” but opposed to “Anglo-Saxon capitalism”. Their distinctive belief is in a powerful welfare state. Their highest ideals are their version of “equality” and their version of “community”. By the latter, they rather quickly turn to the State as the main efficient cause of national community. By “equality” they want to redistribute income and “equalize” economic outcomes as near as may be possible, and they tend to mean something approaching “conformity” or “uniformity”, since they are made uncomfortable (they say) by social inequalities. They say this is a reaction against the feudal class system that for centuries shaped European history.

Another large part, particularly from Latin America and parts of Asia, nourishes deep anti-capitalist (especially anti-American) resentments and hostilities, from which they find release in “liberation theology”. Liberation theology was born in Peru in 1971, predominately in the writings of Fr. Gustavo Gutierrez. In its beginnings, liberation theology promised to show the congruencies between Marxism and the Gospels.

The third is the “party of the land”, the traditionalists, rather anti-capitalistic, anti-bourgeois, and aristocratic in its feeling. It is anti-capitalist from the direction opposite to the socialists.

The fourth is a turn of thought rooted in part in Leo XIII, Benedict, XI, and Pius XII, in their emphasis on “voluntary associations” as an alternative to the socialist state, on small business and enterprise, and on the dignity of the human person. The papal tradition since 1891 begins from the asymmetry between socialism and capitalism. Socialism is the name of a unitary system – its politics, economics, and morals. By contrast, capitalism names only *one part* in a three-part system, the economic part. That part should be held checked and balanced by the political part and moral/cultural part. This tradition has regularly rejected socialism, but favored a limited welfare state. The Social Encyclicals welcomed the capitalist emphasis on the traditional right to private property, and the protection of rights under the rule of law. They have also been quite critical of current and historic abuses in the history of capitalism.

Pope John Paul II took that tradition in a creative direction. What is it that is *good* about the market economy, private property, personal initiative, and enterprise? He condemned the abusive and coercive tendencies within “unchecked” capitalism. At the same time, he noticed the affinities of capitalist economies for liberty, creativity, and a large-minded human development, notably in the poorest countries.

In his very timely encyclical *Laborem Exercens* (1981), the Pope decisively shifted the dynamic of economic life from “liberation” to “creation”.<sup>11</sup> The metaphor of liberation, as in liberation theology, pictures the cause of poverty as “oppression” that comes from outside the self. Thus, appeals to liberation stoke feelings of resentment, hostility, and anger against external “oppressors”. All will be well only if the oppressors are thrown down and kept down. The partisans of liberation have nothing to say positively or constructively about how wealth is actually created. Nor do they reflect on the severe limits of economic development when ingenuity and creativity are constricted. Seemingly, they fail to understand that human ingenuity and creativity reside, first of all, in the individual human person – theologically, in the *imago Dei* encoded in *human capacities for action*; and economically, in the human capacity for *enterprise, discovery, and creative energy*.

By contrast, the metaphor of creation pictures poverty as the baseline state of humanity. Men and women come into the world natively poor, but made by God with a potency for creating new wealth. This potency must be awakened, however. Human beings must learn to “be intelligent, gain insight, hypothesize, experiment”, in order to use well the new resources and new products of their own invention. Thus is wealth created, where it did not exist before.

There remains one point to emphasize. Pope John Paul II came only slowly to the insight that wealth depends on individual initiative and invention, that is, on “human capital”. In 1981 (*Laborem Exercens*) he was still describing capital as a matter of things. “Capital” for him meant money, machinery, and the tools and material instruments of production. For this reason, in his mind, “labor” always had priority over “capital”. “Capital” was always something *outside* human beings, pre-human, and inferior. But by 1987, in *Sollicitudo Rei Socialis*, he began to look more closely. He recognized the importance of “economic initiative” as a basic human right, rooted in the *imago Dei*, the Creator in every human being. From here it was a short step to the concept of “human capital” – for instance the human capacity for initiative for imagining new futures, and for learning the needed new habits and skills. This step gave John Paul II a wholly new way of thinking about the contemporary economy.

By 1991, in *Centesimus Annus*, the encyclical written in “the one hundredth year” after the first papal encyclical on economics by Leo XIII in 1891, the Pope brought a long evolution in Catholic Social Thought to a new point. He affirmed that such qualities of the human spirit as initiative, teamwork, cooperation, and creativity are our chief hope of lifting the poor around the

<sup>11</sup> JOHN PAUL II, *Laborem Exercens*, §§ 4, 25, 27 (available online at [http://www.vatican.va/holy\\_father/john\\_paul\\_ii/encyclicals/documents/hf\\_jpii\\_enc\\_14091981\\_laborem-exercens\\_en.html](http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jpii_enc_14091981_laborem-exercens_en.html)).

world out of poverty. He also saw that these economic capacities also require corrective institutions and the rule of law, to keep them on the path of helping human persons to flourish.

Let us conclude with this one paragraph from *Centesimus Annus*:

«[I]t is important to note that there are specific differences between the trends of modern society and those of the past, even the recent past. Whereas at one time the decisive factor of production was the *land*, and later capital – understood as a total complex of the instruments of production – today the decisive factor is increasingly *man himself*, that is, his knowledge, especially his scientific knowledge, his capacity for interrelated and compact organization, as well as his ability to perceive the needs of others and to satisfy them».<sup>12</sup>

The Pope then went on to speak about the urgent need today to bring the poorest of the world into an expanding circle of progress. He stressed several times that a creative economy is inspired by a vigorous set of moral and cultural institutions, and a watchful, constitutional, political system, the only good soil in which it can grow.

The free society is three systems in one: and economic system that liberates the poor from poverty, a political system that frees all its citizens from torture and tyranny, and a moral/cultural system that nourishes an “ecology of liberty”, designed for human flourishing.

ABSTRACT: *In the last 250 years, capitalism has transformed and liberated societies from poverty in an unprecedented way. “Caput”, the Latin root for capitalism reflects the idea of “mind-centered economy.” More than anything else, mind is the cause of wealth today, so the spirit of capitalism is far from being entirely materialistic. It teaches people to turn away from what they now have, to put that at risk, to set off bravely toward inventing new futures. The weberian interpretation of Protestant ethics ignores this and pays little attention to the fact that the first experiences of modern trading and entrepreneurship were developed by catholic cities in the late Middle Ages. After the Reformation, Catholic culture fostered invention in the visual and tactile arts. By contrast, the dissident Protestant churches favored simplicity, plainness, and the absence of ornament. Even now capitalism faces resistance within catholic culture, but John Paul II’s encyclicals (Laborem exercens, Sollicitudo rei socialis and Centesimus annus) made clear that work is a way of human development (both personal and social) and that economic creativity, teamwork and cooperation are our chief hope of lifting the poor around the world out of poverty. The free society is three systems in one: an economic system that liberates the poor from poverty, a political system that frees all its citizens from torture and tyranny, and a moral/cultural system that nourishes an “ecology of liberty,” designed for human flourishing.*

KEYWORDS: *capitalism, Catholic Social Thought, economy, creation theology.*

<sup>12</sup> JOHN PAUL II, *Centesimus Annus*, § 32 (available online at [http://www.vatican.va/holy\\_father/john\\_paul\\_ii/encyclicals/documents/hf\\_jpii\\_enc\\_01051991\\_centesimus-annus\\_en.html](http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jpii_enc_01051991_centesimus-annus_en.html)).