

## POPE JOHN PAUL II (1920 - 2005)

Pope John Paul II was born Karol Jozef Wojtyla in Wadowice, Poland. He was ordained in Krakow on November 1, 1946. Following his ordination he began pastoral work with the French working class and Polish refugees in France. As a bishop and cardinal in Poland, he was regarded by the Communist regime in Poland as “moderately reformist,” “tough but flexible.” People knew him to be a resilient enemy of Communism, a champion of human rights and a sophisticated intellectual. On October 16, 1978, he was elected by the College of Cardinals as the 263rd Bishop of Rome, and chose the name John Paul.

“On the Hundredth Anniversary of *Rerum Novarum*,” an encyclical letter addressed to “All the Christian Faithful and All Men and Women of Good Will,” was written May 1, 1991, as a celebration of the *Rerum Novarum* encyclical written May 15, 1891, by Pope Leo XIII. Like *Rerum Novarum*, the present encyclical comes almost at the threshold of a new century, and its intention is to prepare for that moment. It looks at the past, but above all it is directed toward the future. One hundred years after the publication of *Rerum Novarum*, states Pope John Paul II, the Church is still facing “new things” and “new challenges.”

**QUESTIONS:** How does John Paul II understand property and the purpose of business? Does this understanding stand in tension with current understandings within business and business disciplines? What role does John Paul II see for culture in its relationship to the economic sphere and in particular business? Does this relationship tell us anything about a Catholic business school?

---

## *CENTESIMUS ANNUS*

### JOHN PAUL II

#### **IV. PRIVATE PROPERTY AND THE UNIVERSAL DESTINATION OF MATERIAL GOODS**

30. In *Rerum novarum*, Leo XIII strongly affirmed the natural character of the right to private property, using various arguments against the socialism of his time.<sup>65</sup> This right, which is fundamental for the autonomy and development of the person, has always been defended by the Church up to our own day. At the same time, the Church teaches that the possession of material goods is not an absolute right, and that its limits are inscribed in its very nature as a human right.

While the Pope proclaimed the right to private ownership, he affirmed with equal clarity that the “use” of goods, while marked by freedom, is subordinated to their original common destination as created goods, as well as to the will of Jesus Christ as expressed in the Gospel. Pope Leo wrote: “those whom fortune favours are admonished ... that they should tremble at the warnings

of Jesus Christ ... and that a most strict account must be given to the Supreme Judge for the use of all they possess”; and quoting Saint Thomas Aquinas, he added: “But if the question be asked, how must one’s possessions be used? the Church replies without hesitation that man should not consider his material possessions as his own, but as common to all...”, because “above the laws and judgments of men stands the law, the judgment of Christ”.<sup>66</sup>

The Successors of Leo XIII have repeated this twofold affirmation: the necessity and therefore the legitimacy of private ownership, as well as the limits which are imposed on it.<sup>67</sup> The Second Vatican Council likewise clearly restated the traditional doctrine in words which bear repeating: “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”; and a little later we read: “Private property or some ownership of external goods affords each person the scope needed for personal and family autonomy, and should be regarded as an extension of human freedom ... Of its nature private property also has a social function which is based on the law of the *common purpose of goods*”.<sup>68</sup> I have returned to this same doctrine, first in my address to the Third Conference of the Latin American Bishops at Puebla, and later in the Encyclicals *Laborem exercens* and *Sollicitudo rei socialis*.<sup>69</sup>

31. Re-reading this teaching on the right to property and the common destination of material wealth as it applies to the present time, the question can be raised concerning the origin of the material goods which sustain human life, satisfy people’s needs and are an object of their rights.

The original source of all that is good is the very act of God, who created both the earth and man, and who gave the earth to man so that he might have dominion over it by his work and enjoy its fruits (Gen 1:28). God gave the earth to the whole human race for the sustenance of all its members, without excluding or favouring anyone. This is *the foundation of the universal destination of the earth’s goods*. The earth, by reason of its fruitfulness and its capacity to satisfy human needs, is God’s first gift for the sustenance of human life. But the earth does not yield its fruits without a particular human response to God’s gift, that is to say, without work. It is through work that man, using his intelligence and exercising his freedom, succeeds in dominating the earth and making it a fitting home. In this way, he makes part of the earth his own, precisely the part which he has acquired through work; this is *the origin of individual property*. Obviously, he also has the responsibility not to hinder others from having their own part of God’s gift; indeed, he must cooperate with others so that together all can dominate the earth.

In history, these two factors — *work* and *the land* — are to be found at the beginning of every human society. However, they do not always stand in the same relationship to each other. At one time *the natural fruitfulness of the earth* appeared to be, and was in fact, the primary factor of wealth, while work was, as it were, the help and support for this fruitfulness. In our time, *the role of human work* is becoming increasingly important as the productive factor both of non-material and of material wealth. Moreover, it is becoming clearer how a person’s work is naturally interrelated with the work of others. More than ever, work is *work with others* and *work for others*: it is a matter of doing something for someone else. Work becomes ever more fruitful and productive to the extent that people become more knowledgeable of the productive potentialities of the earth and more profoundly cognisant of the needs of those for whom their work is done.

32. In our time, in particular, there exists another form of ownership which is becoming no less important than land: *the possession of know-how, technology and skill*. The wealth of the industrialized nations is based much more on this kind of ownership than on natural resources.

Mention has just been made of the fact that *people work with each other*, sharing in a “community of work” which embraces ever widening circles. A person who produces something other than for his own use generally does so in order that others may use it after they have paid a just price, mutually agreed upon through free bargaining. It is precisely the ability to foresee both the needs of others and the combinations of productive factors most adapted to satisfying those needs that constitutes another important source of wealth in modern society. Besides, 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. Organizing such a productive effort, planning its duration in time, making sure that it corresponds in a positive way to the demands which it must satisfy, and taking the necessary risks — all this too is a source of wealth in today’s society. In this way, 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.<sup>70</sup>

This process, which throws practical light on a truth about the person which Christianity has constantly affirmed, should be viewed carefully and favourably. Indeed, besides the earth, man’s principal resource is *man himself*. His intelligence enables him to discover the earth’s productive potential and the many different ways in which human needs can be satisfied. It is his disciplined work in close collaboration with others that makes possible the creation of ever more extensive *working communities* which can be relied upon to transform man’s natural and human environments. Important virtues are involved in this process, such as diligence, industriousness, prudence in undertaking reasonable risks, reliability and fidelity in interpersonal relationships, as well as courage in carrying out decisions which are difficult and painful but necessary, both for the overall working of a business and in meeting possible set-backs.

The modern *business economy* has positive aspects. Its basis is human freedom exercised in the economic field, just as it is exercised in many other fields. Economic activity is indeed but one sector in a great variety of human activities, and like every other sector, it includes the right to freedom, as well as the duty of making responsible use of freedom. But it 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.

33. However, the risks and problems connected with this kind of process should be pointed out. The fact is that many people, perhaps the majority today, do not have the means which would enable them to take their place in an effective and humanly dignified way within a productive system in which work is truly central. They have no possibility of acquiring the basic knowledge which would enable them to express their creativity and develop their potential. They have no way of entering the network of knowledge and intercommunication which would enable them to

see their qualities appreciated and utilized. Thus, if not actually exploited, they are to a great extent marginalized; economic development takes place over their heads, so to speak, when it does not actually reduce the already narrow scope of their old subsistence economies. They are unable to compete against the goods which are produced in ways which are new and which properly respond to needs, needs which they had previously been accustomed to meeting through traditional forms of organization. Allured by the dazzle of an opulence which is beyond their reach, and at the same time driven by necessity, these people crowd the cities of the Third World where they are often without cultural roots, and where they are exposed to situations of violent uncertainty, without the possibility of becoming integrated. Their dignity is not acknowledged in any real way, and sometimes there are even attempts to eliminate them from history through coercive forms of demographic control which are contrary to human dignity.

Many other people, while not completely marginalized, live in situations in which the struggle for a bare minimum is uppermost. These are situations in which the rules of the earliest period of capitalism still flourish in conditions of “ruthlessness” in no way inferior to the darkest moments of the first phase of industrialization. In other cases the land is still the central element in the economic process, but those who cultivate it are excluded from ownership and are reduced to a state of quasi-servitude.<sup>71</sup> In these cases, it is still possible today, as in the days of *Rerum novarum*, to speak of inhuman exploitation. In spite of the great changes which have taken place in the more advanced societies, the human inadequacies of capitalism and the resulting domination of things over people are far from disappearing. In fact, for the poor, to the lack of material goods has been added a lack of knowledge and training which prevents them from escaping their state of humiliating subjection.

Unfortunately, the great majority of people in the Third World still live in such conditions. It would be a mistake, however, to understand this “world” in purely geographic terms. In some regions and in some social sectors of that world, development programmes have been set up which are centered on the use not so much of the material resources available but of the “human resources”.

Even in recent years it was thought that the poorest countries would develop by isolating themselves from the world market and by depending only on their own resources. Recent experience has shown that countries which did this have suffered stagnation and recession, while the countries which experienced development were those which succeeded in taking part in the general interrelated economic activities at the international level. It seems therefore that the chief problem is that of gaining fair access to the international market, based not on the unilateral principle of the exploitation of the natural resources of these countries but on the proper use of human resources.<sup>72</sup>

However, aspects typical of the Third World also appear in developed countries, where the constant transformation of the methods of production and consumption devalues certain acquired skills and professional expertise, and thus requires a continual effort of re-training and updating. Those who fail to keep up with the times can easily be marginalized, as can the elderly, the young people who are incapable of finding their place in the life of society and, in general, those who are weakest or part of the so-called Fourth World. The situation of women too is far from easy in these conditions.

34. It would appear that, on the level of individual nations and of international relations, the *free market* is the most efficient instrument for utilizing resources and effectively responding to needs. But this is true only for those needs which are “solvent”, insofar as they are endowed with purchasing power, and for those resources which are “marketable”, insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place on the market. It is a strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied, and not to allow those burdened by such needs to perish. It is also necessary to help these needy people to acquire expertise, to enter the circle of exchange, and to develop their skills in order to make the best use of their capacities and resources. 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. Inseparable from that required “something” is the possibility to survive and, at the same time, to make an active contribution to the common good of humanity.

In Third World contexts, certain objectives stated by *Rerum novarum* remain valid, and, in some cases, still constitute a goal yet to be reached, if man’s work and his very being are not to be reduced to the level of a mere commodity. These objectives include a sufficient wage for the support of the family, social insurance for old age and unemployment, and adequate protection for the conditions of employment.

35. Here we find a wide range of *opportunities for commitment and effort* in the name of justice on the part of trade unions and other workers’ organizations. These defend workers’ rights and protect their interests as persons, while fulfilling a vital cultural role, so as to enable workers to participate more fully and honourably in the life of their nation and to assist them along the path of development.

In this sense, it is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the absolute predominance of capital, the possession of the means of production and of the land, in contrast to the free and personal nature of human work.<sup>73</sup> In the struggle against such a system, what is being proposed as an alternative is not the socialist system, which in fact turns out to be State capitalism, but rather *a society of free work, of enterprise and of participation*. Such a society is not directed against the market, but demands that the market be appropriately controlled by the forces of society and by the State, so as to guarantee that the basic needs of the whole of society are satisfied.

The Church acknowledges the legitimate *role of profit* as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm’s condition. It is possible for the financial accounts to be in order, and yet for the people — who make up the firm’s most valuable asset — to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm’s economic efficiency. In fact, the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a *community of persons* who in various ways are endeavouring to satisfy their basic needs, and who form a particular group at the service of the whole of society. 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.

We have seen that it is unacceptable to say that the defeat of so-called “Real Socialism” leaves capitalism as the only model of economic organization. It is necessary to break down the barriers and monopolies which leave so many countries on the margins of development, and to provide all individuals and nations with the basic conditions which will enable them to share in development. This goal calls for programmed and responsible efforts on the part of the entire international community. Stronger nations must offer weaker ones opportunities for taking their place in international life, and the latter must learn how to use these opportunities by making the necessary efforts and sacrifices and by ensuring political and economic stability, the certainty of better prospects for the future, the improvement of workers’ skills, and the training of competent business leaders who are conscious of their responsibilities.<sup>74</sup>

At present, the positive efforts which have been made along these lines are being affected by the still largely unsolved problem of the foreign debt of the poorer countries. The principle that debts must be paid is certainly just. However, it is not right to demand or expect payment when the effect would be the imposition of political choices leading to hunger and despair for entire peoples. It cannot be expected that the debts which have been contracted should be paid at the price of unbearable sacrifices. In such cases it is necessary to find — as in fact is partly happening — ways to lighten, defer or even cancel the debt, compatible with the fundamental right of peoples to subsistence and progress.

36. It would now be helpful to direct our attention to the specific problems and threats emerging within the more advanced economies and which are related to their particular characteristics. In earlier stages of development, man always lived under the weight of necessity. His needs were few and were determined, to a degree, by the objective structures of his physical make-up. Economic activity was directed towards satisfying these needs. It is clear that today the problem is not only one of supplying people with a sufficient quantity of goods, but also of responding to a *demand for quality*: the quality of the goods to be produced and consumed, the quality of the services to be enjoyed, the quality of the environment and of life in general.

To call for an existence which is qualitatively more satisfying is of itself legitimate, but one cannot fail to draw attention to the new responsibilities and dangers connected with this phase of history. The manner in which new needs arise and are defined is always marked by a more or less appropriate concept of man and of his true good. A given culture reveals its overall understanding of life through the choices it makes in production and consumption. It is here that *the phenomenon of consumerism* arises. In singling out new needs and new means to meet them, one must be guided by a comprehensive picture of man which respects all the dimensions of his being and which subordinates his material and instinctive dimensions to his interior and spiritual ones. If, on the contrary, a direct appeal is made to his instincts — while ignoring in various ways the reality of the person as intelligent and free — then *consumer attitudes and life-styles* can be created which are objectively improper and often damaging to his physical and spiritual health. Of itself, an economic system does not possess criteria for correctly distinguishing new and higher forms of satisfying human needs from artificial new needs which hinder the formation of a mature personality. *Thus a great deal of educational and cultural work* is urgently needed,

including the education of consumers in the responsible use of their power of choice, the formation of a strong sense of responsibility among producers and among people in the mass media in particular, as well as the necessary intervention by public authorities.

A striking example of artificial consumption contrary to the health and dignity of the human person, and certainly not easy to control, is the use of drugs. Widespread drug use is a sign of a serious malfunction in the social system; it also implies a materialistic and, in a certain sense, destructive “reading” of human needs. In this way the innovative capacity of a free economy is brought to a one-sided and inadequate conclusion. Drugs, as well as pornography and other forms of consumerism which exploit the frailty of the weak, tend to fill the resulting spiritual void.

It is not wrong to want to live better; what is wrong is a style of life which is presumed to be better when it is directed towards “having” rather than “being”, and which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself.<sup>75</sup> It is therefore necessary to create life-styles 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. In this regard, it is not a matter of the duty of charity alone, that is, the duty to give from one’s “abundance”, and sometimes even out of one’s needs, in order to provide what is essential for the life of a poor person. I am referring to the fact that even the decision to invest in one place rather than another, in one productive sector rather than another, is always *a moral and cultural choice*. Given the utter necessity of certain economic conditions and of political stability, the decision to invest, that is, to offer people an opportunity to make good use of their own labour, is also determined by an attitude of human sympathy and trust in Providence, which reveal the human quality of the person making such decisions.

37. Equally worrying is *the ecological question* which accompanies the problem of consumerism and which is closely connected to it. In his desire to have and to enjoy rather than to be and to grow, man consumes the resources of the earth and his own life in an excessive and disordered way. At the root of the senseless destruction of the natural environment lies an anthropological error, which unfortunately is widespread in our day. Man, who discovers his capacity to transform and in a certain sense create the world through his own work, forgets that this is always based on God’s prior and original gift of the things that are. Man thinks that he can make arbitrary use of the earth, subjecting it without restraint to his will, as though it did not have its own requisites and a prior God-given purpose, which man can indeed develop but must not betray. Instead of carrying out his role as a co-operator with God in the work of creation, man sets himself up in place of God and thus ends up provoking a rebellion on the part of nature, which is more tyrannized than governed by him.<sup>76</sup>

In all this, one notes first the poverty or narrowness of man’s outlook, motivated as he is by a desire to possess things rather than to relate them to the truth, and lacking that disinterested, unselfish and aesthetic attitude that is born of wonder in the presence of being and of the beauty which enables one to see in visible things the message of the invisible God who created them. In this regard, humanity today must be conscious of its duties and obligations towards future generations.

38. In addition to the irrational destruction of the natural environment, we must also mention the more serious destruction of the *human environment*, something which is by no means receiving the attention it deserves. Although people are rightly worried — though much less than they should be — about preserving the natural habitats of the various animal species threatened with extinction, because they realize that each of these species makes its particular contribution to the balance of nature in general, too little effort is made to *safeguard the moral conditions for an authentic “human ecology”*. Not only has God given the earth to man, who must use it with respect for the original good purpose for which it was given to him, but man too is God’s gift to man. He must therefore respect the natural and moral structure with which he has been endowed. In this context, mention should be made of the serious problems of modern urbanization, of the need for urban planning which is concerned with how people are to live, and of the attention which should be given to a “social ecology” of work.

Man receives from God his essential dignity and with it the capacity to transcend every social order so as to move towards truth and goodness. But he is also conditioned by the social structure in which he lives, by the education he has received and by his environment. These elements can either help or hinder his living in accordance with the truth. The decisions which create a human environment can give rise to specific structures of sin which impede the full realization of those who are in any way oppressed by them. To destroy such structures and replace them with more authentic forms of living in community is a task which demands courage and patience.<sup>77</sup>

39. The first and fundamental structure for “human ecology” is the family, in which man receives his first formative ideas about truth and goodness, and learns what it means to love and to be loved, and thus what it actually means to be a person. Here we mean the *family founded on marriage*, in which the mutual gift of self by husband and wife creates an environment in which children can be born and develop their potentialities, become aware of their dignity and prepare to face their unique and individual destiny. But it often happens that people are discouraged from creating the proper conditions for human reproduction and are led to consider themselves and their lives as a series of sensations to be experienced rather than as a work to be accomplished. The result is a lack of freedom, which causes a person to reject a commitment to enter into a stable relationship with another person and to bring children into the world, or which leads people to consider children as one of the many “things” which an individual can have or not have, according to taste, and which compete with other possibilities.

It is necessary to go back to seeing the family as the *sanctuary of life*. The family is indeed sacred: it is the place in which life — the gift of God — can be properly welcomed and protected against the many attacks to which it is exposed, and can develop in accordance with what constitutes authentic human growth. In the face of the so-called culture of death, the family is the heart of the culture of life.

Human ingenuity seems to be directed more towards limiting, suppressing or destroying the sources of life — including recourse to abortion, which unfortunately is so widespread in the world — than towards defending and opening up the possibilities of life. The Encyclical *Sollicitudo rei socialis* denounced systematic anti-childbearing campaigns which, on the basis of a distorted view of the demographic problem and in a climate of “absolute lack of respect for the freedom of choice of the parties involved”, often subject them “to intolerable pressures ... in

order to force them to submit to this new form of oppression”.<sup>78</sup> These policies are extending their field of action by the use of new techniques, to the point of poisoning the lives of millions of defenceless human beings, as if in a form of “chemical warfare”.

These criticisms are directed not so much against an economic system as against an ethical and cultural system. The economy in fact is only one aspect and one dimension of the whole of human activity. If economic life is absolutized, if the production and consumption of goods become the centre of social life and society’s only value, not subject to any other value, the reason is to be found not so much in the economic system itself as in the fact that the entire socio-cultural system, by ignoring the ethical and religious dimension, has been weakened, and ends by limiting itself to the production of goods and services alone.<sup>79</sup>

All of this can be summed up by repeating once more that economic freedom is only one element of human freedom. When it becomes autonomous, when man is seen more as a producer or consumer of goods than as a subject who produces and consumes in order to live, then economic freedom loses its necessary relationship to the human person and ends up by alienating and oppressing him.<sup>80</sup>

40. It is the task of the State to provide for the defence and preservation of common goods such as the natural and human environments, which cannot be safeguarded simply by market forces. Just as in the time of primitive capitalism the State had the duty of defending the basic rights of workers, so now, 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 for the legitimate pursuit of personal goals on the part of each individual.

Here we find a new limit on the market: there are collective and qualitative needs which cannot be satisfied by market mechanisms. There are important human needs which escape its logic. There are goods which by their very nature cannot and must not be bought or sold. Certainly the mechanisms of the market offer secure advantages: they help to utilize resources better; they promote the exchange of products; above all they give central place to the person’s desires and preferences, which, in a contract, meet the desires and preferences of another person. Nevertheless, these mechanisms carry the risk of an “idolatry” of the market, an idolatry which ignores the existence of goods which by their nature are not and cannot be mere commodities.

41. Marxism criticized capitalist bourgeois societies, blaming them for the commercialization and alienation of human existence. This rebuke is of course based on a mistaken and inadequate idea of alienation, derived solely from the sphere of relationships of production and ownership, that is, giving them a materialistic foundation and moreover denying the legitimacy and positive value of market relationships even in their own sphere. Marxism thus ends up by affirming that only in a collective society can alienation be eliminated. However, the historical experience of socialist countries has sadly demonstrated that collectivism does not do away with alienation but rather increases it, adding to it a lack of basic necessities and economic inefficiency.

The historical experience of the West, for its part, shows that even if the Marxist analysis and its foundation of alienation are false, nevertheless alienation — and the loss of the authentic meaning of life — is a reality in Western societies too. This happens in consumerism, when

people are ensnared in a web of false and superficial gratifications rather than being helped to experience their personhood in an authentic and concrete way. Alienation is found also in work, when it is organized so as to ensure maximum returns and profits with no concern whether the worker, through his own labour, grows or diminishes as a person, either through increased sharing in a genuinely supportive community or through increased isolation in a maze of relationships marked by destructive competitiveness and estrangement, in which he is considered only a means and not an end.

The concept of alienation needs to be led back to the Christian vision of reality, by recognizing in alienation a reversal of means and ends. When man does not recognize in himself and in others the value and grandeur of the human person, he effectively deprives himself of the possibility of benefitting from his humanity and of entering into that relationship of solidarity and communion with others for which God created him. Indeed, it is through the free gift of self that man truly finds himself.<sup>81</sup> This gift is made possible by the human person's essential "capacity for transcendence". Man cannot give himself to a purely human plan for reality, to an abstract ideal or to a false utopia. As a person, he can give himself to another person or to other persons, and ultimately to God, who is the author of his being and who alone can fully accept his gift.<sup>82</sup> A man is alienated if he refuses to transcend himself and to live the experience of selfgiving and of the formation of an authentic human community oriented towards his final destiny, which is God. A society is alienated if its forms of social organization, production and consumption make it more difficult to offer this gift of self and to establish this solidarity between people.

Exploitation, at least in the forms analyzed and described by Karl Marx, has been overcome in Western society. Alienation, however, has not been overcome as it exists in various forms of exploitation, when people use one another, and when they seek an ever more refined satisfaction of their individual and secondary needs, while ignoring the principal and authentic needs which ought to regulate the manner of satisfying the other ones too.<sup>83</sup> A person who is concerned solely or primarily with possessing and enjoying, who is no longer able to control his instincts and passions, or to subordinate them by obedience to the truth, cannot be free: *obedience to the truth* about God and man is the first condition of freedom, making it possible for a person to order his needs and desires and to choose the means of satisfying them according to a correct scale of values, so that the ownership of things may become an occasion of growth for him. This growth can be hindered as a result of manipulation by the means of mass communication, which impose fashions and trends of opinion through carefully orchestrated repetition, without it being possible to subject to critical scrutiny the premises on which these fashions and trends are based.

42. Returning now to the initial question: can it perhaps be said that, after the failure of Communism, capitalism is the victorious social system, and that capitalism should be the goal of the countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third World which are searching for the path to true economic and civil progress?

The answer is obviously complex. 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, even though it would perhaps be more appropriate to speak of a “business economy”, “market economy” or simply “free economy”. But if by “capitalism” is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.

The Marxist solution has failed, but the realities of marginalization and exploitation remain in the world, especially the Third World, as does the reality of human alienation, especially in the more advanced countries. Against these phenomena the Church strongly raises her voice. Vast multitudes are still living in conditions of great material and moral poverty. The collapse of the Communist system in so many countries certainly removes an obstacle to facing these problems in an appropriate and realistic way, but it is not enough to bring about their solution. Indeed, there is a risk that a radical capitalistic ideology could spread which refuses even to consider these problems, in the *a priori* belief that any attempt to solve them is doomed to failure, and which blindly entrusts their solution to the free development of market forces.

43. The Church has no models to present; models that are real and truly effective can only arise within the framework of different historical situations, through the efforts of all those who responsibly confront concrete problems in all their social, economic, political and cultural aspects, as these interact with one another.<sup>84</sup> For such a task the Church offers her social teaching as an *indispensable and ideal orientation*, a teaching which, as already mentioned, recognizes the positive value of the market and of enterprise, but which at the same time points out that these need to be oriented towards the common good. This teaching also recognizes the legitimacy of workers’ efforts to obtain full respect for their dignity and to gain broader areas of participation in the life of industrial enterprises so that, while cooperating with others and under the direction of others, they can in a certain sense “work for themselves”<sup>85</sup> through the exercise of their intelligence and freedom.

The integral development of the human person through work does not impede but rather promotes the greater productivity and efficiency of work itself, even though it may weaken consolidated power structures. A business cannot be considered only as a “society of capital goods”; it is also a “society of persons” in which people participate in different ways and with specific responsibilities, whether they supply the necessary capital for the company’s activities or take part in such activities through their labour. To achieve these goals there is still need for a broad associated workers’ movement, directed towards the liberation and promotion of the whole person.

In the light of today’s “new things”, we have re-read *the relationship between individual or private property and the universal destination of material wealth*. Man fulfils himself by using his intelligence and freedom. In so doing he utilizes the things of this world as objects and instruments and makes them his own. The foundation of the right to private initiative and ownership is to be found in this activity. By means of his work man commits himself, not only for his own sake but also *for others* and *with others*. Each person collaborates in the work of others and for their good. Man works in order to provide for the needs of his family, his community, his nation, and ultimately all humanity.<sup>86</sup> Moreover, he collaborates in the work of

his fellow employees, as well as in the work of suppliers and in the customers' use of goods, in a progressively expanding chain of solidarity. Ownership of the means of production, whether in industry or agriculture, is just and legitimate if it serves useful work. It becomes illegitimate, however, when it is not utilized or when it serves to impede the work of others, in an effort to gain a profit which is not the result of the overall expansion of work and the wealth of society, but rather is the result of curbing them or of illicit exploitation, speculation or the breaking of solidarity among working people.<sup>87</sup> Ownership of this kind has no justification, and represents an abuse in the sight of God and man.

The obligation to earn one's bread by the sweat of one's brow also presumes the right to do so. A society in which this right is systematically denied, in which economic policies do not allow workers to reach satisfactory levels of employment, cannot be justified from an ethical point of view, nor can that society attain social peace.<sup>88</sup> Just as the person fully realizes himself in the free gift of self, so too ownership morally justifies itself in the creation, at the proper time and in the proper way, of opportunities for work and human growth for all.

#### Endnotes for Chapter 4

65 Cf. Encyclical Letter *Rerum Novarum*: *loc. cit.*, 99-107; 131-133.

66 *Ibid.*, 111-113f.

67 Cf. Pius XI, Encyclical Letter *Quadragesimo Anno*, II; *loc. cit.*, 191; Pius XII, Radio Message on June 1, 1941: *loc. cit.*, 199; John XXIII, Encyclical Letter *Mater et Magistra*: *loc. cit.*, 428-429; Paul VI, Encyclical Letter *Populorum Progressio*, 22-24: *loc. cit.*, 268f.

68. Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the World of Today *Gaudium et Spes*, 69; 71.

69. Cf. Discourse to Latin American Bishops at Puebla (January 28, 1979), III, 4: AAS 71 (1979), 199-201; Encyclical Letter *Laborem Exercens*, 14: *loc. cit.*, 612-616; Encyclical Letter *Sollicitudo Rei Socialis*, 42: *loc. cit.*, 572-574.

70. Cf. Encyclical Letter *Sollicitudo Rei Socialis*, 15: *loc. cit.*, 528-531.

71. Cf. Encyclical Letter *Laborem Exercens*, 21: *loc. cit.*, 632-634.

72. Cf. Paul VI, Encyclical Letter *Populorum Progressio*, 33-42: *loc. cit.*, 273-278.

73. Cf. Encyclical Letter *Laborem Exercens*, 7: *loc. cit.*, 592-594.

74. Cf. *ibid.*, 8: *loc. cit.*, 594-598.

75. Cf. Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the World of Today *Gaudium et Spes*, 35; Paul VI, Encyclical Letter *Populorum Progressio*, 19: *loc. cit.*, 266f.

76. Cf. Encyclical Letter *Sollicitudo Rei Socialis*, 34: *loc. cit.*, 559f.; Message for the 1990 World Day of Peace: AAS 82 (1990), 147-156.

77. Cf. Apostolic Exhortation *Reconciliatio et Poenitentia* (December 2, 1984), 16: AAS 77 (1985), 213-217; Pius XI, Encyclical Letter *Quadragesimo Anno*, III: *loc. cit.*, 219.

78. Encyclical Letter *Sollicitudo Rei Socialis*, 25: *loc. cit.*, 544.

79. Cf. *ibid.*, 34: *loc. cit.*, 559f.

80. Cf. Encyclical Letter *Redemptor Hominis* (March 4, 1979), 15: AAS 71 (1979), 286-289.

81. Cf. Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the World of Today *Gaudium et Spes*, 24.

82. Cf. *ibid.*, 41.

83. Cf. *ibid.*, 26.

84. Cf. Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the World of Today *Gaudium et Spes*, 36; Paul VI, Apostolic Epistle *Octogesima Adveniens*, 2-5: *loc. cit.*, 402-405.

85. Cf. Encyclical Letter *Laborem Exercens*, 15: *loc. cit.*, 616-618.

86. Cf. *ibid.*, 10: *loc. cit.*, 600-602.

87. *Ibid.*, 14: *loc. cit.*, 612-616.

88. Cf. *ibid.*, 18: *loc. cit.*, 622-625.