

“Compliances in the Economy Cannot Replace Practised Virtues”
Speech held at Maxlrain, June 23, 2014, by Cardinal
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Europe Needs Christian Virtues

Honourable Ladies and Gentlemen,

On May 1, 1991, Pope John Paul II published his 3rd social encyclical “Centesimus Annus”. Hardly two years had passed after the change of 1989, when the Pope, who had contributed enormously to the end of communism and the liberation of the Eastern bloc, posed the question which way the community of nations would decide on after the antagonist, communism, had failed also due to its economic contradictions. Would it be capitalism along the lines of its founders of the 19th century? Or would the community of nations decide on a way of the social market economy?

In retrospect to the decision since the change, today – as it appears to me - it is worthwhile listening again to the prophetic diagnoses and orientations offered by the Pope. But before I enter the subject, allow me a preliminary remark.

I. A Preliminary Remark

For a long time the Catholic social teaching cultivated a certain pattern: here communism, there capitalism. Here the collectivist, centrally planned communism, there the liberalistic and egoistical capitalism. In face of this, the social market economy was juxtaposed as a third course avoiding both excesses. Justifiably it was asked if this pattern was not too simplistic. With the collapse of communism it was not that much of an ideology winning over another, capitalism over communism, but rather economic “normality” over a coercive economic ideology. Marxism had managed to “demonize” normal functions of the economy: market, free enterprise, entrepreneurs, profit and success have all come under an ideological suspicion labelled with the negative slogan “capitalism”. In terms of propaganda an outstanding success. In reality, these are normal basic performances of economic life of a human society. From the perspective of the Church, there is a certain risk to regard these basic performances with a suspicion of something unsocial or immoral. Without the liberty of the market, without a certain striving for gain and an interest in success no economy can thrive at a small or large scale. As will be shown in the following, the Catholic social teaching has seen an evolution, a more positive judgement of basic economic circumstances.

It is not the market that is evil, not the economy with its play of supply and demand. Only their abuse can be wicked which is driven by the freedom of humans. We have known about these ancient faults of humankind for ages. Amos, the prophet in the Old Testament, has already expressed them in all plainness: ‘Hear this, you who trample upon the needy, and bring the poor of the land to an end, saying, “When will the new moon be over, that we may sell grain? And the Sabbath, that we may offer wheat for sale, that we may make the epha small and the shekel great, and deal deceitfully with false balances, that we may buy the poor for silver and the needy for a pair of sandals, and sell the refuse of the wheat?”’ (Amos 8, 4-6).’ It is not trade and the market that are evil but human avarice and injustice. As we humans

are weak and leaning towards evil and sin, it does not make sense to believe that the “unseen hand” will govern the market by itself in such a way that it will yield a large profit for as many people as possible. Believing that all-encompassing deregulation will make possible optimal business management is simply an illusion. Similarly, as in communism, there is an oversight of the fact that the power of anonymous forces is wrought and shaped by **humans** and that it can only function if it is made for humans.

Therefore the foundation of any healthy economy, as of any society, is a sound moral order. In his “Centessimus Annus” Pope John Paul II has formulated the following diagnosis:

“For the moral and economic reconstruction in the countries that have given up communism there is need of strenuous effort. Over a long period of time, the most basic economic relationships were distorted. Basic virtues of economic life such as reliability, honesty, diligence were degraded. There is need of a patient material and moral reconstruction. Simultaneously, the nations emaciated by long-lasting deprivations demand from their governments concrete and quick success as regards prosperity and an appropriate fulfilment of their just demands”(CA27).

Among us (in the “free West”) arises the question in a reverse mirror image: it deals with preserving and cultivating the “basic virtues of business life” which made possible the reconstruction of our nation. The more intensively we have to face up to the questions of global development we, nevertheless, must not lose the focus on the prerequisites of winning and thriving that all rest upon personal and communal standards of ethics. A good society, a good economy, necessitates – one hardly dares stating something so simple-decent people. In the catechism of the Catholic Church under the seventh commandment (Thou shalt not steal), it is tersely hinted “**Promises** and **Contracts** must be kept conscientiously as far as the incurred obligation is moral. To a great extent, economic and societal life depends on **contracts** between natural or moral persons being kept: sales or purchase contracts, leases or employment contracts. Every contract is to be concluded and executed in good faith” (KKK2410).

In the globalized economy, in concrete terms, it will always depend on people being able to trust each other, that a word counts, a promise is kept, trust holds good. All legal safeguards, which are necessary because we are weak people tending to be wicked thus not absolutely reliable and trustworthy, only serve the basic trust in the oral reliability of the acting people. The worse the fact that in contemporary economic and societal development, due to an excess of competition and struggles for survival, the basis of trust in society and economy is undermined. Precisely this threatens to be the case beyond all measure.

II. Reflections from an Ethical-Theological Perspective

1.

The basic conviction of the Catholic social teaching has been formulated by the Second Vatican Council as follows: Basis, bearer and objective of all societal institutions is the human person and must be so.” (GS 25, 1) On the one hand, in theological terms, this primacy of the human person is justified by the belief in the human being as a creature, his Godlikeness and God immediacy. On the other, this conviction is best established rationally.

We find ourselves in the midst of a development which sees the human being as the great loser. Man turns into anthropomorphism. He is made redundant by economic progress and its rationalisation. However, more and more people ask themselves how a society is to function in which the abolition of work places is regarded as a message of success for the stock exchange, in which bad news on the job market counts as tidings of victory at Wall Street. Therefore, the Catholic social teaching formulates as supreme principle the “personality principle”, the conviction that the human person must be cause, bearer and objective of all societal institutions. Therefore, the supreme question must be: to what extent do developments serve the human being and his flourishing, to what measure do they serve the human community, the “common weal”? Rationally, the aim of the economy cannot lie in itself. To thrive it needs an orientation towards humanizing human life.

Therefore, we read in the catechism of the Catholic Church:” The unfolding of economic life and the increase of production must serve the needs of the human beings. Economic life does not only exist to multiply goods of production or to increase profit or power; in the first place it should serve the people: the human being as a whole and total human society. Economic activities – in accordance with their own methods – are to be carried out within the framework of moral order and social justice so they are on par with what God intends with humankind” (KKK2426).

The emphasis laid upon the principle of personality as a supreme maxim has nothing got to do with social romanticism. It has proved its truth and reasonableness again and again. Where a human being becomes a **mere object** as in totalitarian systems or where the market is regarded as an absolute entity at the expenses of the people and the common good, the foundation of the market itself will be destroyed on the long run: human society whose well-being serves as a prerequisite for economic life to thrive. Therefore, good economic politics is more than economic policy.

2.

Priority is given to the fostering of the family. This is the first place of learning those virtues without which society cannot flourish: a sense of solidarity, for the basic human virtues of living together such as diligence, considerateness, perseverance, ability of cooperation, mutual patience, living together of generations, thoughtfully caring for the weak. Experience of daily life at school shows us that school is hopelessly demanded too much of if expected to make up for the learning processes that do not take place in the family. An economic policy adverse to the family undermines its own foundations.

3.

The future of our economy decisively depends on the family, school and social environment bringing up an independent, responsible, entrepreneur personality.

Workplaces are not generated by speeches but by people who are concretely active as entrepreneurs. Where skilfulness, diligence but also the courage of an entrepreneur are flawed by a “guild of envy” and overextension of bureaucracy, a spirit of entrepreneurship can hardly emanate. Besides on the meaning of family, the Catholic social teaching has been placing emphasis on the importance of so-called “societal intermediaries.”

In reference to this, the catechism of the Catholic Church states: “To further the participation of as many people as possible in social life, establishing associations, unions, facilities of economic, cultural, entertaining, sports, vocational and political objectives on a national and global scale is to be cultivated. This socialization is based on the natural tendency of humans to bond in order to reach aims that exceed the powers of the individual. This unfolds the potentials of the person, especially the spirit of entrepreneurship and his responsibility to secure his rights” (KKK1882).

The great unfolding of these “societal intermediaries” since the middle of the 19th century, especially in the environment of the Catholic Church, has contributed a lot to taking off the edge of the impacts of early capitalism and to building a strong middle class (in Austria). As ever in this country, it has been the bearer of a great deal of economic and social activities. It must give cause for concern to all of us when it is put more and more under pressure due to the contemporary economic development. It does not make sense if in all areas (e.g. agriculture, banking, manufacturing) only the very big ones survive, respectively big mergers with a massive axing of workplaces are to be the way of the future.

This development must also raise our concern because modern democracy is based on as many people as possible not only participating in the economic but also in the social life. The latter is only possible through the former. People pushed to the margin of society are also alienated from political-public life. On the long run, this poses a threat to democracy, is democracy –as in ancient Greece- not to be a matter of a small elite served by a mass of slaves. Certainly, a system like ours in Austria, marked by unions and chambers, is constantly in need of reform. Breaking this system of benefit to the middle class cannot be in the interest of the future of our democratic body politic. A broad and sound middle class is one of the prerequisites of a sustainable democracy. The experience throughout centuries has shown us how severely the opening of a gap between the social layers opens the door to totalitarian ideologies and regimes.

4.

Is too much of state interference not a mighty impediment to a good economic development? Deregulation, less state and more freedom, is often regarded as a recipe. More than formerly does the Catholic social teaching today emphasize the essentially positive appreciation of economic competition among businesses as an efficient form of resources-allocation as long as economic competition is anchored in an orderly political framework. In Centesimus Annus No.40 the Pope states: “ It is the task of the state to provide for the defence and the protection of common goods, as well as the natural and human environment whose preservation cannot only be guaranteed by market mechanisms alone. The way capitalism was bound to defend the basic rights of labour in the times of the old capitalism, it now has the duty, in view of the new capitalism, to defend the common goods which, among other things, form the framework in which it is made possible that the individual can realize his personal aims in a just manner.”

In the following the Pope points out the new limits of the market:”There are common and qualitative needs that cannot be satisfied with the aid of its mechanisms. There are essential

human needs which do not follow its logic, goods that because of their nature cannot and must not be sold or bought”. And at another place: “But the state is tasked with establishing the legal framework within which economic life can unfold. This creates a basic condition for a free economy which exists in certain equality among the people involved so that the individual does not become too overwhelming thereby condemning fellowman to slavery.” (Centesimus Annus 15).

5.

Today the nation states cannot cope in view of a globalized economy. The main emphasis has shifted from the agents of the national states to the agents of a global and increasingly boundless mobile market. To the Catholic Church, which in its core is a world church, multinational, in an excellently organized network on all levels and to the four corners of the world, the phenomenon of globalization basically does not pose as something negative.

It was just under the pontificate of John Paul II that in the Catholic Church the consciousness of its being worldwide and global was strongly raised. This was also due to the mobility of the Pope himself. Cooperation between all continents, exchange of resources, of know-how, networking of information, balancing the distribution of goods, all that is known to the Catholic Church and makes it feel at home in a globalized world. This encourages its obligation to support all endeavours by complementing the globalization of the world market with new global, social and political measures of accompaniment and protection. Pope Pius XII already enthusiastically welcomed the integration of Europe and supported the establishment of worldwide political and social institutions.

In former times, it was sufficient to point out the national common weal, but today there is need to further everything that raises the consciousness of a supra and worldwide common weal. There are approaches and indications which give rise to hope. More and more emerges the consciousness of a global society of citizens. Talk of the “Brotherhood of Man” becomes more and more concrete. Despite all the proneness to crises, one cannot think of a global community of nations without the activity of the UNO. There is a growing awareness that ecological issues are of humankind’s concern and not merely of various regions.

As regards the question of human rights, a worldwide consensus has intensified since the General Declaration of Human Rights in the year 1948 even though there have been numerous violations of human rights. So there is hope that the international anchoring of social rights will make progress. In the area of European integration, there are clear first signs of a common social policy. Even the G-8 is involved with the social question. Finally, one cannot miss that in the area of large multinational enterprises there is a growing striving for ethical standards, social commitment and missions for humanitarian goals.

6.

Despite the hope that sensible ethical and social regulators will cap the excesses of present day globalization, there remains the big question which leaves us without a clue: anybody who soberly looks upon today’s way of life which has formed during the last 100 years must seriously ask himself how long this way of life will be possible and at whose expenses.

The ever burning question of sustainability of our business management and activities must give cause for concern. To what extent can our present life style be legitimized in view of the poor of the world and future generations whose life chances are sustainably violated? I believe that only a new and more intensive consciousness of the finiteness, the limits of humankind and of the world and its resources can bring about a long-term and sustainable change.

Again there is the issue of the awareness that, as hymn runs “we are only guests on earth”, we are on our way to our eternal home, and that one day we will have to give account to God for our life. Without this reference to transcendence, it will be difficult to yield this potential for renunciation, solidarity and willingness for sacrifice that will be imperative when our society, the individuals and groups, will have to lower their expectations and curb their opportunities. Conversely, there is today a newly awakening faith as a power of hope which can mobilize resources unheard of. I put my hope in the strengthening of faith despite all adverse forces, also in the tired west. It alone generates mental and spiritual forces to creatively face up to the challenges approaching us.

Thank you!

Translated from the German by York R. Buttler