

Money should stay the means, not the end*

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Andrea Tornielli – Giacomo Galeazzi:

Pope Francis: This Economy Kills

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The authors, two renowned Vatican experts, compile the thoughts of Pope Francis about today's economic and social situation as well as the relevant criticism, thereby explaining the comments of the Pope that might often seem too radical. The Bishop of Rome has been severely criticised for the remarks he made in his encyclical, *The Joy of the Gospel* (Evangelii Gaudium) published in the year of his election: phrases such as “the new tyranny of capitalism” or the “idolatry of money” have received considerable attention not only among economic actors but also within the Catholic Church. Some have labelled the Pope a Marxist, others have called him incompetent or a man looking for a third way between capitalism and socialism. The authors reflect on these designations, and present Pope Francis' thoughts on the economic and social situation through interviews and his speeches.

The book, just like the Pope's views, centre on the need for the church to turn towards the poor: Pope Francis' goal is to build a “poor Church for the poor”. This is reflected by his choice of name that he adopted in honour of Saint Francis of Assisi, the patron saint of the poor, as well as his first apostolic journey, during which he visited refugees on Lampedusa, an island between Africa and Europe. The authors frequently assert that the Pope's focus on the poor was heavily influenced by his experiences in Buenos Aires, where he was repeatedly faced with the hopelessness of those living in the slums. Based on the poverty and the widening income gap he encountered in Argentina, Pope Francis has criticised the present system of capitalism and the trickle-down theory, which has been strongly denounced in the English-speaking press, especially in the United States.

* The views expressed in this paper are those of the author(s) and do not necessarily reflect the official view of the Magyar Nemzeti Bank.

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The authors give a detailed overview of these opinions that mainly lambast the Pope's incompetence and his flawed generalisation. According to the extensively quoted criticism of Michael Novak, an American Catholic philosopher, Pope Francis only met a disfigured form of capitalism in Argentina, whereas in the United States, free markets and the protection of private property were the very reasons that enabled the masses of immigrants to rise. Novak, just like other critics of the Pope, believe that the social teachings of John Paul II lend legitimacy to capitalism, and, according to Novak, denouncing capitalism is tantamount to questioning the thoughts of the former Pope. The authors underline that the universality of capitalism had already been called into question by the predecessor of Pope Francis, Benedict XVI, in his encyclical, *Caritas in veritate*, published immediately after the eruption of the economic crisis in 2008. That work received similar criticism from the followers of American conservative Catholicism.

A separate chapter is dedicated to the financial sector that, according to the Pope, has departed from its original function due to the belief in the absolute autonomy of the markets; speculation does not serve the interest of the people, which was clearly demonstrated by the spike in global food prices at the onset of the crisis. Back then, in search of greater yields, capital flowed from the bond and equity markets to commodities markets. This, without any true reason that could be explained in terms of the real economy, resulted in the doubling of wheat and maize prices between 2008 and 2009, which later returned to their original levels. Guided by similar events depicted in the book that directly affect the poor, Pope Francis has taken a stand against the autonomy of the market and financial speculation, which he considers directly responsible for preserving poverty.

A recurring phrase in the book, the "idolatry of money", best exemplifies the Pope's criticism against the money-centred economic system. Pope Francis argues that people in today's societies focus too much on gaining material goods, which results in major distortions both at the social and at the individual level. The Pope pays special attention to work, which should provide a decent, fair income if poverty is to be tackled. However, economic decision-makers have moved a sizeable share of the production of developed countries to developing countries in order to ensure the continuous increase in profits. As a result, masses of low-skilled, low-income workers have been made redundant, while often the new jobs created in developing countries do not provide the income levels securing livelihoods. Due to globalisation and the swift mobilisation of liquid assets, capital has increasingly grown in importance, which should be addressed by political decision-makers by (instead of constantly increasing production) guaranteeing appropriate working conditions and state-regulated, fair wages.

At the personal level, the "idolatry of money" is displayed by the single-minded pursuit of financial assets; the priority of providing material comfort leads to the

alienation of the individual from the community, and the emergence of social indifference. The latter is illustrated by the Pope's oft-repeated adage that if the stock market drops by two points, it makes the news, but nobody cares about the homeless person in the neighbouring street freezing to death. Social indifference increases with income inequality, even though decreasing individuality and boosting solidarity might well be the solution to reducing the current social disparities. Pope Francis suggests that the endless pursuit of self-interests and banning morals from economic life has produced a "throw-away" culture: our society is centred too much on competition, and those in power not only suppress the weak but also force them out of society. Because of the decline in solidarity, less attention is paid to the unemployed, the poor and the old who are increasingly stripped of their human dignity due to the unchanging circumstances.

The book repeatedly mentions that the Catholic Church does not intend to analyse the current economic system or to provide alternatives: the Pope has merely voiced his concern about the present deficiencies of capitalism, in line with the social teachings of the Church. In an interview at the end of the book, Pope Francis stresses that he does not make his comments as an economic expert, and that his thoughts, apart from the one concerning trickle-down theory, had already formed part of the Church's teachings. The book often quotes from the encyclical of Pope Pius XI issued after the 1929 global economic crisis, in which the "international imperialism of money" is condemned, and frequently mentions the teachings of the ancient fathers of the church, whose thoughts about putting an end to poverty seem radical today.

In view of the above, the book should not be read as a damning criticism of capitalism but rather as a guideline. The thoughts of Pope Francis do not provide specific solutions for easing social tensions, but promote a more liveable, human-centred world by pointing out problems. According to the main message of the book, in order to tackle social injustice, morals should play an increasingly dominant role in economic governance so that economic life is again centred on people instead of money.