



Caritas in Veritate and *Morality in Economic Life*



<p style="text-align: center;"><i>Caritas in Veritate</i> Pope Benedict XVI</p>	<p style="text-align: center;"><i>A Catholic Framework for Economic Life</i> Catholic Bishops of the United States</p>
<p>“The Church's social doctrine has always maintained that <i>justice must be applied to every phase of economic activity</i>, because this is always concerned with man and his needs” (37).</p> <p>“The economic sphere is neither ethically neutral, or inherently inhuman or opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner” (36).</p>	<p>As followers of Jesus Christ and participants in a powerful economy, Catholics in the United States are called to work for greater economic justice in the face of persistent poverty, growing income gaps, and increasing discussion of economic issues in the United States and around the world. We urge Catholics to use the following ethical framework for economic life as principles for reflection, criteria for judgment and directions for action. These principles are drawn directly from Catholic teaching on economic life.</p>
<p>“I would like to remind everyone, especially governments engaged in boosting the world's economic and social assets, that the <i>primary capital to be safeguarded and valued is man, the human person in his or her integrity</i>: ‘Man is the source, the focus and the aim of all economic and social life¹’” (25).</p>	<p>1. The economy exists for the person, not the person for the economy.</p>
<p>“<i>The economy needs ethics in order to function correctly</i> — not any ethics whatsoever, but an ethics which is people-centered” (45).</p> <p>“The conviction that the economy must be autonomous, that it must be shielded from ‘influences’ of a moral character, has led man to abuse the economic process in a thoroughly destructive way” (34).</p>	<p>2. All economic life should be shaped by moral principles. Economic choices and institutions must be judged by how they protect or undermine the life and dignity of the human person, support the family and serve the common good.</p>
<p>“The dignity of the individual and the demands of justice require, particularly today, that economic choices do not cause disparities in wealth to increase in an excessive and morally unacceptable manner²” (32).</p> <p>“The poor are not to be considered a ‘burden,’ but a resource, even from the purely economic point of view” (35).</p>	<p>3. A fundamental moral measure of any economy is how the poor and vulnerable are faring.</p>



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<p>“Charity demands justice: recognition and respect for the legitimate rights of individuals and peoples” (6).</p> <p>“The right to food, like the right to water, has an important place within the pursuit of other rights, beginning with the fundamental right to life” (27).</p>	<p>4. All people have a right to life and to secure the basic necessities of life, such as food, clothing, shelter, education, health care, safe environment, and economic security.</p>
<p>“In many cases, poverty results from a <i>violation of the dignity of human work</i>, either because work opportunities are limited ..., or because a low value is put on work and the rights that flow from it, especially the right to a just wage and to the personal security of the worker and his or her family” (63).</p>	<p>5. All people have the right to economic initiative, to productive work, to just wages and benefits, to decent working conditions as well as to organize and join unions or other associations.</p>
<p>“Unemployment today provokes new forms of economic marginalization. . . Being out of work or dependent on public or private assistance for a prolonged period undermines the freedom and creativity of the person and his family and social relationships, causing great psychological and spiritual suffering” (25).</p>	<p>6. All people, to the extent they are able, have a corresponding duty to work, a responsibility to provide for the needs of their families and an obligation to contribute to the broader society.</p>
<p>“If the market is governed solely by the principle of the equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well. Without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function” (35).</p>	<p>7. In economic life, free markets have both clear advantages and limits; government has essential responsibilities and limitations; voluntary groups have irreplaceable roles, but cannot substitute for the proper working of the market and the just policies of the state.</p>
<p>“Economic activity . . . needs to be <i>directed towards the pursuit of the common good</i>, for which the political community in particular must also take responsibility. Therefore, it must be borne in mind that grave imbalances are produced when economic action, conceived merely as an engine for wealth creation, is detached from political action, conceived as a means for pursuing justice through redistribution” (36).</p>	<p>8. Society has a moral obligation, including governmental action where necessary, to assure opportunity, meet basic human needs, and pursue justice in economic life.</p>



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<p>“There is also increasing awareness of the need for greater <i>social responsibility</i> on the part of business ... <i>Business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference</i>” (40).</p> <p>“It is good for people to realize that purchasing is always a moral — and not simply economic — act. Hence <i>the consumer has a specific social responsibility</i>” (66).</p>	<p>9. Workers, owners, managers, stockholders and consumers are moral agents in economic life. By our choices, initiative, creativity and investment, we enhance or diminish economic opportunity, community life and social justice.</p>
<p>“The global market has stimulated ... on the part of rich countries, a search for areas in which to outsource production at low cost ... These processes have led to a <i>downsizing of social security systems</i> as the price to be paid for seeking greater competitive advantage in the global market, with consequent grave danger for the rights of workers, for fundamental human rights” (25).</p> <p>“Through support for economically poor countries by means of financial plans inspired by solidarity — so that these countries can take steps to satisfy their own citizens' demand for consumer goods and for development — not only can true economic growth be generated, but a contribution can be made towards sustaining the productive capacities of rich countries that risk being compromised by the crisis” (27).</p>	<p>10. The global economy has moral dimensions and human consequences. Decisions on investment, trade, aid and development should protect human life and promote human rights, especially for those most in need wherever they might live on this globe.</p>
<p>“The current crisis obliges us to re-plan our journey, to set ourselves new rules The crisis thus becomes <i>an opportunity for discernment, in which to shape a new vision for the future.</i>” (21).</p> <p>“On this earth there is room for everyone: here the entire human family must find the resources to live with dignity, through the help of nature itself — God's gift to his children — and through hard work and creativity” (50).</p>	<p>According to Pope John Paul II in <i>Centesimus Annus</i>, the Catholic tradition calls for a “society of work, enterprise and participation” which “is not directed against the market, but demands that the market be appropriately controlled by the forces of society and by the state to assure that the basic needs of the whole society are satisfied.” All of economic life should recognize the fact that we all are God’s children and members of one human family, called to exercise a clear priority for “the least among us.”</p>

¹ Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*, 63.

² Paul VI, Encyclical Letter *Populorum Progressio*, 33: *loc. cit.*, 273-274.