

Go,  
Rebuild  
My Church!

**Comprehensive  
Course on the  
Franciscan  
Mission  
Charism**



Prophetic  
Criticism of Social  
Systems from the  
Franciscan  
Viewpoint

Lesson Unit 21  
Part 1  
Capitalism

The documents of Vatican II, Pope Paul VI's *Evangelii Nuntiandi*, and Pope John Paul II's *Redemptoris Missio* have deeply affected the understanding of mission. Constant efforts are being made to clarify its purpose and objectives, and to determine the most appropriate methods to carry it out. *Go, Rebuild My Church: A Comprehensive Course on the Franciscan Mission Charism*, provides a particular context to stimulate dialogue about the many dimensions of mission and the inevitable recognition of the equality, dignity and humanity of all persons. The course is unique, since it is genuinely inter-Franciscan and inter-cultural. An ongoing process for exchange among all members of the Franciscan Family from six continents provides for a creative meshing of the best in current theology, Franciscan research and pastoral practice. The vast and profound changes of present-day society make all the more urgent our search for a fuller understanding of humanity in the light of the Gospel and the Person of Jesus Christ.

As Franciscans, with the world as our *cloister*, we welcome this refreshing moment of intercultural dialogue. Francis was the first among founders to situate the missionary dimension of the Gospel call clearly within his rule. This study reawakens us to the challenge and genuineness of Francis' message for our own times.



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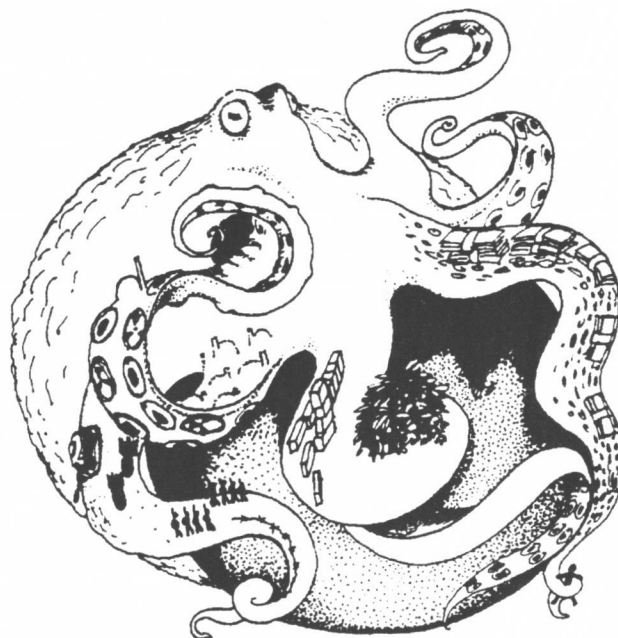


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Lesson Unit 21, Part 1 - Capitalism

# Go, Rebuild My Church!

*A Comprehensive  
Course on the  
Franciscan Mission  
Charism*



## Prophetic Criticism of Social Systems from the Franciscan Viewpoint

### Lesson Unit 21 Part 1 Capitalism



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## God or Money

In Francis' time money developed into a pervasive power which soon pushed the God of Life aside. God or money? That was the question! Francis chose God and rejected the use of money entirely.



On one occasion, a visitor laid money on the altar at the Portiuncula. A brother saw the money lying on such a holy place and removed it to the windowsill. Another brother then took it and brought it to Francis.



*Francis could hardly contain his anger. He asked who had put the money on the windowsill. When the brother came to him, Francis said: 'Why have you done that? Didn't you know that I have not only forbidden to use money but even to touch it?' Whereupon the brother fell to his knees and bowed his head. He admitted his guilt and asked for a harsh penance. Francis gave him the following penance: The brother had to pick up the money with his mouth and lay it on a dung heap. He was to feel with all his senses: Dung is dung (cf. AP 30)!*



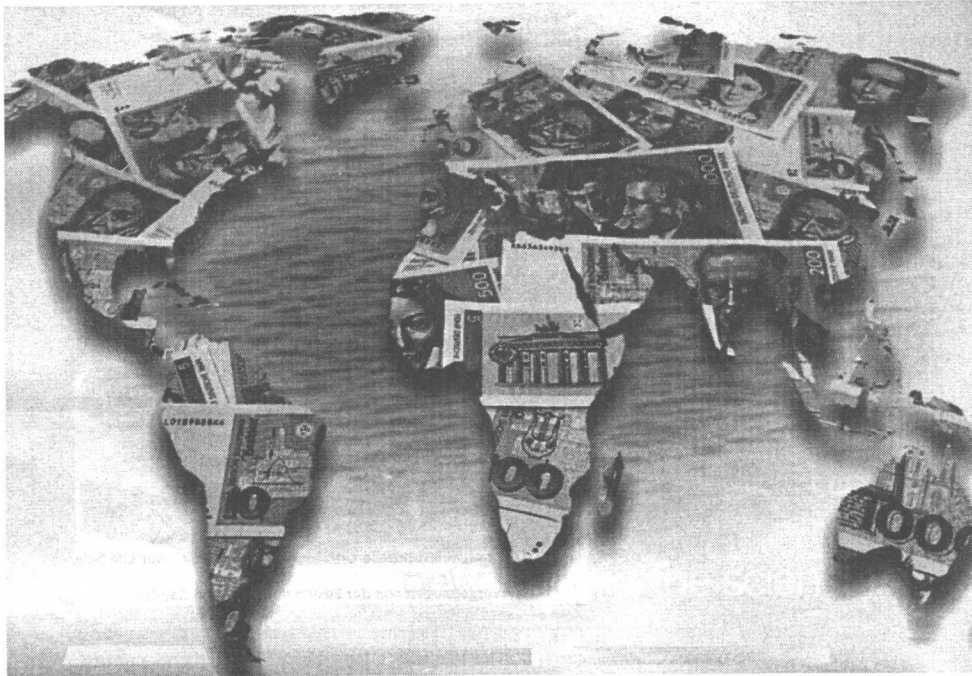
# Introduction



## he Process of Change

Throughout the history of the human race on earth, changes have always been taking place. Today, however, we are experiencing an era when changes occur at an ever increasing speed far beyond our limited comprehension. There is no corner of this world that remains unaffected by these changes and hardly an area of society which has not felt its consequences. People have tried to create new definitions to describe the new state of affairs. If the achievements of reason, science and technology are viewed sceptically then the word *postmodernism* is used.

is called "the global village". If the emphasis is placed rather on considerations and aspects of economy, then the talk is of the "world market." Above all, we speak of *globalization*, by which we mean that one special form of attitude towards the economy – capitalism – has achieved respectability throughout the world. The champions of capitalism insist that its dynamism must not be watered down by social control systems. People in Latin America call this variety of capitalism *neo-liberalism*; elsewhere in the world it is known as "Free Market Economy" or "Manchester Capitalism."



*Money governs the world.*

If modern achievements in linking us together all over the world, information technology and the flow of communication is the focus, then it

been able to spread unhindered throughout the world. Certainly, as hardly anyone doubts today, communism had its own methods of en-

In this lesson we intend to unmask capitalism, neo-liberalism, and the "free-market economy" as forms of idolatry. The God of Life, as revealed in the Bible, whom Francis and Clare follow, is a God who is always on the side of those whose life is threatened. Our faith in this God can only be truly a living faith when we side with the poor, in solidarity with them and with those for whom society has no use. Only now since the collapse of socialist systems has capitalism



slaving people and nature. Yet by its mere existence it hindered capitalism from developing its inherent inhuman attitudes fully. Marxism, which Lenin and Stalin partly developed and partly falsified, did raise critical questions about the capitalistic system. For a long time it supplied the poor and the lower classes of society with the only alternative to capitalism. For that reason, when it faded away with the collapse of communism, many people in the so-called "Third World" lost all hope for a world that would be socially more just.

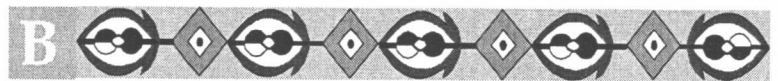
If we want to stand with Francis and Clare on the side of the poor and the outcast, we have to

deal with Karl Marx and his influence. What is wrong with Marxism? Why had communism to fail? What is left in it that is correct? Has Marxism had its day? These are questions that present themselves and call for attention

Given the importance of both these topics of Capitalism and Marxism and the length and detail required to do them justice, this lesson is divided into two parts. Part One: *Capitalism*; Part Two: *Marxism*.

Note that the Franciscan response to both systems, as well as the exercises, applications, and bibliography are found in Part Two.

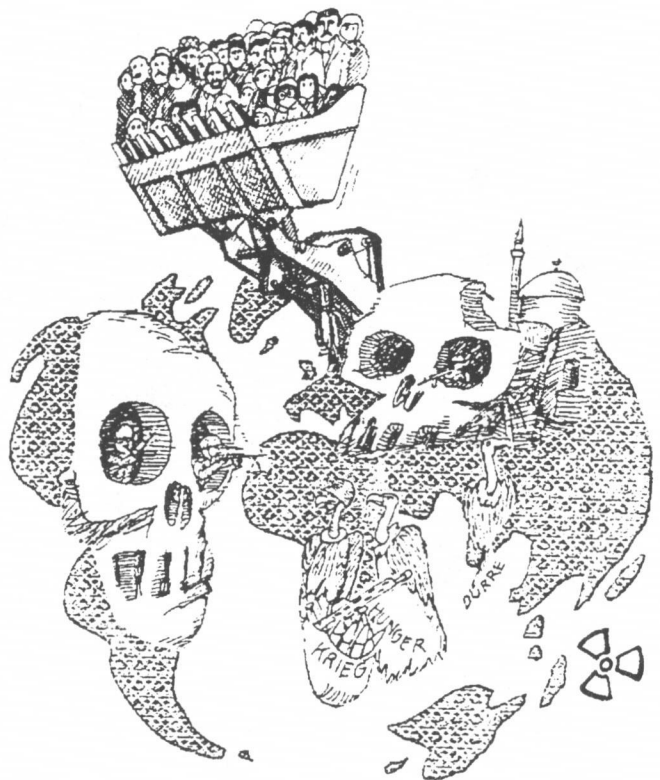
## Survey



### Questions We Raise Today

This lesson unit deals with exceptionally difficult questions of our time, with economics and politics, or rather with two economic systems that are opposed to each other, and with the Franciscan response respectively. We begin with a few definitions of the different forms of the economic order. In one major section (Part One) we discuss capitalism, which today has gained a world-wide recognition (globalization).

First we describe the power that money wields over all sectors of life; science and technology which have been bought out by the power of money and, in connection with this, work places and employment that have been *rationalised* out of existence: the philosophy behind all this; the ruinous consequences; and finally, the political and economic structures connected with the fact of a globalized market; in short, the crisis of civilisation which has befallen the whole world.





Once we have described capitalism, we will subject it to a thorough criticism. First, we shall repeat the self-criticism which the capitalists level at themselves. Then we shall subject capitalism to criticism from outside its quarters, a systematic, socio-ethical, theological, and prophetic criticism of capitalism. At the same time, we will naturally bring our Franciscan concerns into play as well.

In Part Two we consider Marxism, which has challenged capitalism since the middle of the nineteenth century. We begin with a brief biography of Karl Marx and then turn to the various forms of Marxism: the early Marx, the later Marx, Marxism-Leninism, Western Marxism. All of these are modes of thought influenced by Marxism, yet each independent. Finally, there is the

Marxism specific to Latin America. We may well wonder what the various forms of Marxism have in common. Even here a critical analysis is indispensable to deal with different aspects of this complex and multi-faceted Marxism: Marxist humanism, the social theory or Marxist method, Marxism as a world view, the Marxist state, the Biblical roots and the uninformed criticism of Marxism. Finally, Franciscan aspects will be emphasised.

We want to draw conclusions about the mission of the Franciscan family today in just the same way and in the same spirit in which Francis and Clare dealt with money and power, and their practice of linking freedom and justice together; in such soil the seeds of a new culture can grow.

## Information



### Economic Questions

This lesson devotes a great deal of time to economic questions. Economic practices have to do first of all with satisfying needs, with seeing to the means of life for ourselves and for others. The word *economy* comes from Greek and refers to the *order which exists in a household*. It implies making provision for oneself and others with the goods of this world, obtaining and administering well those goods necessary for survival and prosperity. From the family household there arose long ago the village community, the state, co-operation between countries, now extended to embrace all the peoples and nations of the world. In the process, by paying close attention to the rules governing the running of a regulated household, management became a doctrine, a science of domestic economy which have pervaded

completely the life of the individual as well as of the society. The management of a nation's household, in other words, the conduct of its economy, which a state or all states together adopt, is in every case a human act or a question of political will respectively. This lies behind the following distinctions:

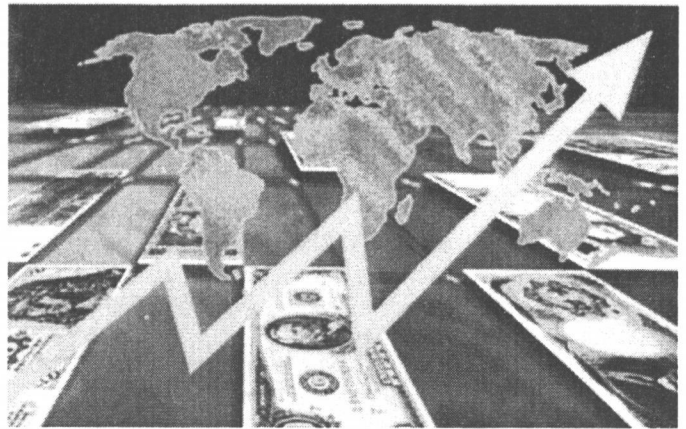
- **A planned economy.** In a planned economy, the state alone decides, directs, and controls economic behaviour. This is the way the communist states managed their household.
- **A market economy.** Competition for goods and services in the open market determines economic behaviour. This form of household management today claims universal validity.
- **A social market economy.** The state directs



the competition in the provision for goods and services in the open market in order to prevent injustice in the operation of the market and ensure fair trading. Today the word *ecological* is often added. This means the responsibility of the state to intervene actively to protect nature and preserve the created world.

- **A free market economy.** No rules or laws may hamper market competition for goods and services. When people seek to justify this view philosophically, especially in Latin America, they speak of *neoliberalism*, because the idea of absolute liberty of the individual lies at the base of the term Neoliberalism. In Europe it is called "*Manchester liberalism*", named after the city of Manchester in England. There, in the early 19<sup>th</sup> century, industrialists demanded for the first time free play of economic forces without any interference from government, as the basic principle for producing and marketing goods. In this context the term *neodarwinism* also occurs. It implies that "the Law of the Survival of the Fittest" proposed by Charles Darwin (†1882) as an evolutionary principle, is applied to the field of economic conduct, too.

- **Capitalism.** We can group together all the economic systems listed above under the general



*Huge amounts of money are being accumulated in the hands of a few individuals.*

term of *capitalism*. By this means the great importance of capital in the form of money, in all fields of the economy is duly emphasised. The "planned economy," which is usually contrasted with capitalism, was also no less *capitalism*, the only difference being that the state (or those in positions of power in the state) got the money and in this way were able to enrich themselves in ways unimaginable. The "planned economy," is often defined as "capitalism with the brakes on", while economies run on the lines of "Manchester Capitalism" is "capitalism unbridled".

## Capitalism



### The Essential Nature of Capitalism



In 1990 Communism in Eastern Europe collapses and with it the socialist system of a controlled economy, (the "Planned Economy") collapses too. The tension-laden antagonism between the two superpowers with their different social and

economic models (the United States and the Soviet Union) dissolved. From that point on nothing is now able to stop unbridled capitalism from spreading over the whole world. Therefore this is called *globalization* of capitalism.





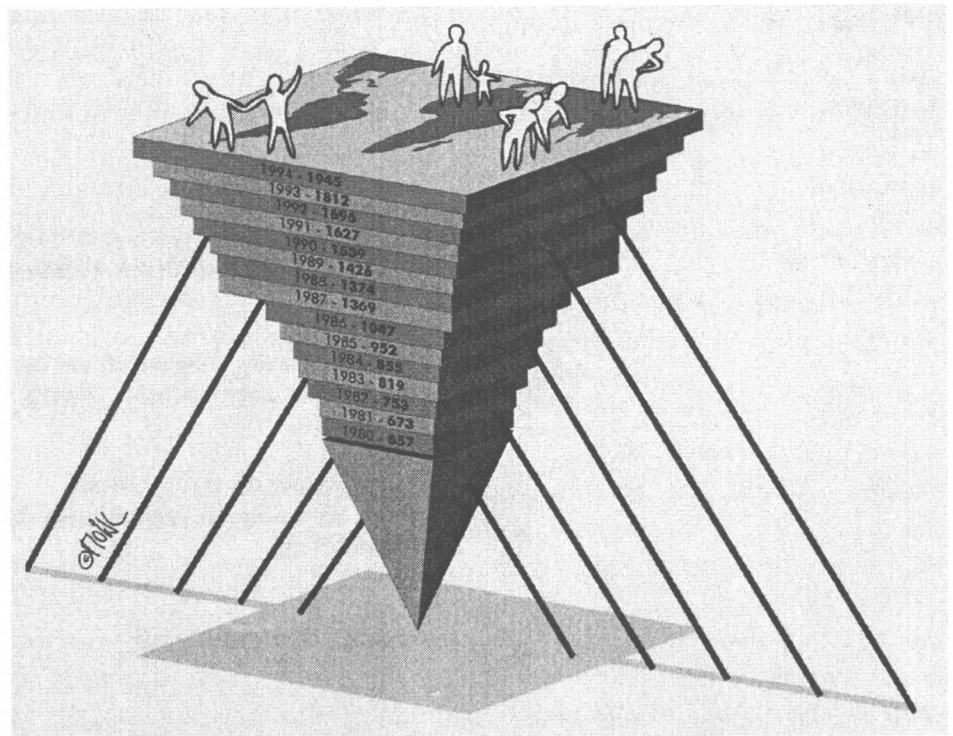
Fundamental to capitalism is an attitude which is diametrically opposed to the normal task which an economy or an economic system should pursue. Every economy has the primary task to meet the basic needs of people and to safeguard prosperity and welfare for all the citizens. Instead, the whole point of capitalism is to accumulate and increase money.

In recent decades a huge redistribution of wealth has taken place throughout the world. Huge amounts of money are being accumulated in the hands of a few individuals. In 1996 the wealth of the world's 358 dollar billionaires (individual persons!) each exceeded the total income of the poor countries. In a wealthy country such as Germany there are seven and a half million poor people, among whom are 900,000 homeless persons.

How senseless the accumulation of money is, can, above all, be demonstrated in the world of professional sports. The US basketball player Shaquille O'Neil earns, in no less than seven years, according to his contract US\$ 127 million, and that does not include income from advertising appearances. Although he certainly is in no danger of starving, the President of the United States would have to be in office for 600 years to earn as much as O'Neil does in seven years. An American with the minimum wage of US\$ 5.15 per hour would have to work 10,735 years to earn as much as O'Neil does in seven years. O'Neil earns US\$ 4,500 a minute or US\$ 350,000 a week.

This is but one example of the absurdity at the very core of capitalism. The most important promoters of

capitalism are the multinational corporations, the major banks and loan agencies, e.g. the International Monetary Fund (IMF) and the World Bank. These last two institutions were originally established to give poor nations a share in the wealth of the rich countries. As time passed, the exact opposite happened: these institutions became instruments of exploitation. The impoverished nations of the Third World have had repay so much on the loans *granted* them that soon the amount being paid back surpassed many times over the credit they had received. As a precondition, these countries are being forced to accept the neoliberal economic program of the IMF and the World Bank: all state-owned industries must be privatised and the markets must be unreservedly thrown open. The countries must adapt themselves to the movements of the international money flow. Finally, it is also a question of adjusting an individual country's national economy to the general conditions in force in the international market. In this way, the domestic economy slips more and more out of the



The debt total of all developing countries: 1980-1994.  
Source: World Bank, World Debt Tables, 1988/89, 1994/95.



regulatory control of the state. Before his election to the post of President of the World Bank, James Wolfenson was envisioning a new international pact of solidarity.

At a 1996 symposium in Austria, the former President of Zambia, Kenneth Kaunda, sharply criticised the debt policies of the World Bank and the industrialised nations. He called the debt crisis a human tragedy:

*The debt crisis is not only an economic matter, nor is it a merely technical question, it is a human tragedy, and we have to look at it that way. People are dying. Children are dying. Civil wars are raging. In all African countries south of the Sahara, social and political structures are disintegrating. Much of it – certainly not all of it, but much of it can be traced back to the debt crisis.*

*The burden of debt is a sort of slavery. It is the harshest form of slavery. The Old Testament already forbade enslavement of this sort. The Book of Deuteronomy tells us: 'If your brother is poor, you should lend him what he needs, without asking interest. As security you should not demand the clothes he wears or things he needs to live.'*

*No one should take a mill or its millstone as a deposit. That is like taking a life as a deposit. A miller needs the millstone merely to survive. Today Africa needs all its resources for its sheer survival.*

*Africa's creditors take the lives of Africans as security. In 1783 Austria did away with slavery. Today we call on the people of Austria to join us in the struggle against modern slavery. We will have to fight in London, in Washington, in Frankfurt. At the very centre of this struggle stands Africa.*

Rounding off his speech Kaunda said:

*Simple people get angry when they learn that, between 1990 and 1993, 57% of bilateral loans and outright grants-in-aid to Africa never got to the African continent but flowed directly into the treasuries of wealthy creditors. They are astonished when they hear that Africa in all its poverty is rich enough to supply the IMF with money. According to a report by the British Debt Crisis Network, African countries paid the IMF back about 350 million dollars more than it received in 1993. The debt total of African countries south of the Sahara rose to almost 220 billion US dollars. That is more than three fourths of the yearly revenue of this region and about two and a half times*

*more than its export income. That means that Africa is working for its creditors and not for itself.*



*Africa needs all its resources for its sheer survival.*

The economic and political power of the world is concentrated in the hands of the 500 largest corporations and major banks. This concentration is even more impressive when we consider that, of the 200 largest multinational corporations, 176 have their headquarters in no more than six countries and these companies handle 90% of all sales (62 companies and 40% of all business transactions in Japan; 53 companies and 25.4% of all sales in the United States; 23 companies and 10% of all sales in Germany; 19 companies and 7.3% of sales in France; 11 companies and 3.5 % of sales in Great Britain and eight companies and 3.1% of sales in Switzerland). To a much greater extent than the governments of individual countries, they can decide the fate of the world.

A band of unscrupulous money dealers play an even greater role. They draw large amounts of money off from rich and poor countries alike and direct its course in such a way that money



is always in short supply when the state urgently needs funds to fulfil its duties. (98.4% of the world's money mass is subject to such specula-

tion). President Jacques Chirac of France called these dealers in money "the AIDS of the world's economy."

### The "Two Hundred Richest" of the World (figures from 1995)

Countries	Number of Entrepreneurs	Gross Sales (in billions US \$)	Profit (in billions US \$)	Share of the 200 in percentage	
				of world-wide gross sales	of world-wide profits
Japan	62	3.196	46,0	40,7	18,3
USA	53	1.998	98,0	25,4	39,2
Germany	23	786	24,5	10,0	9,8
France	19	572	16,0	7,3	6,3
Great Britain	11	275	20,0	3,5	8,0
Switzerland	8	244	9,7	3,1	3,9
South Korea	6	183	3,5	2,3	1,4
Italy	5	171	6,0	2,2	2,5
GB / Netherlands	2	159	9,0	2,0	3,7
Netherlands	4	118	5,0	1,5	2,0
Venezuela	1	26	3,0	0,3	1,2
Sweden	1	24	1,3	0,3	0,5
Belgium/Netherlands	1	22	0,8	0,3	0,3
Mexico	1	22	1,5	0,3	0,6
China	1	19	0,8	0,2	0,3
Brazil	1	18	4,3	0,2	1,7
Canada	1	17	0,5	0,2	0,2
Total	200	7.850	251	100%*	100%
World-GNP		25.223		31,2%	

\* Since the percentages are rounded up/down the total is not exactly 100%.

Given these conditions, the economic policies of countries have long since lost their freedom and independence to multinational corporations, major banks, and institutions of credit and finance. These organisations, to a great extent, now define the policies of poor and rich countries alike and they have no interest in making money available for activities that promise no

profit, such as health care, education or employment programs. Everything is sacrificed to money and personal benefit, and people no longer count. Their labour has been largely excluded from the production process. Nature no longer counts. The Earth, the indispensable basis of all life (resources), is being deliberately and want only destroyed.



## The Revolution in Science and Technology, and its effects on the World of Work

1.2.

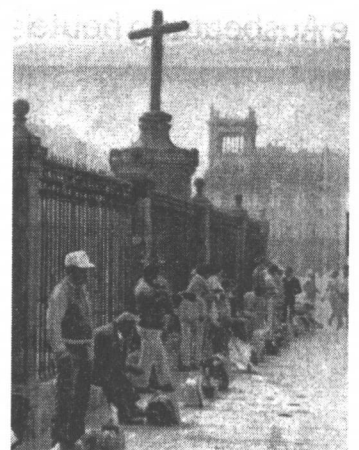


Since capitalism has the necessary funds at its disposal, it can turn science and technology to its advantage. Everywhere the computer is being introduced; it fosters the automation of production. By fax and e-mail people can send and receive information in seconds. To nuclear fission is added the techniques of nuclear fusion. Materials can be produced artificially. Technological intervention into the very processes of life itself

has brought about a change, even influencing the genetic substance of life itself, the gene. Laser and space technology open up impressive new possibilities. In the sectors of service and leisure as well, technology has led to major changes. Taking all this into account, what is happening is nothing less than a technico-scientific revolution (compare lesson unit 24).



All this has led to the radical transformation of relationships existing in the workplace and the production processes. Business management in a modern company has only one thing and one thing alone in mind: how may more and better products be manufactured at less cost (defined as *rationalisation*). Since machines are cheaper than employing workers, then the worker must go. Only in this way, it is said, can competitiveness and the survival of the manufacturing firms be guaranteed.

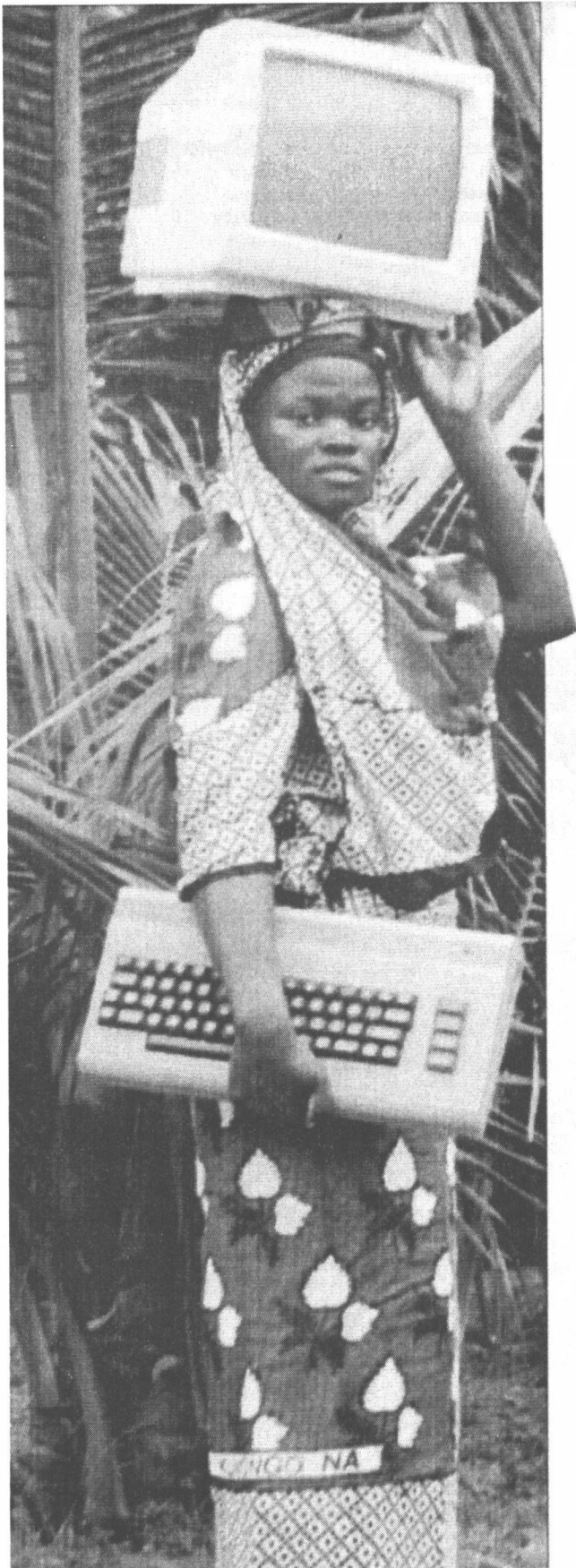


Only well-trained specialists have a good chance at good jobs, whereby they can earn correspondingly high wages. In their professions, they are free to develop initiatives, and with their wages they have impressive purchasing power. The labourers, however, who are not professionally qualified specialists, are increasingly becoming "surplus to requirements" and fall into long-term unemployment. Jeremy Rifkin, the author of a book entitled "*The End of Work*", says that we are approaching a future with 80% unemployment.

Of course this prognosis has the industrialised countries in mind, which have had close to full employment for a long time. In this way the state of affairs which is the norm in the so-called Third-World countries will be *globalized*.

On the other hand, jobs are being relocated from industrial countries to poor countries, where labour costs are cheap. Clothes, cars, computers, and other goods are produced in these lands, while bookkeeping and secretarial work is carried out for the rich companies in industrial countries.





*Whoever masters the technology,  
who has the know-how, has power.*

A new form of colonisation is arising.

Another aspect is the exclusion of some countries and whole regions. They have neither the money nor the know-how to put products of the same value on the market. On account of their poor quality, products from Third World countries are not competitive; they earn little, and so the dependence of the Third-World countries on the rich nations increases. It is a vicious circle. These countries are unable to obtain and use the new technologies, and since their chances for profit are low, they attract no foreign investment. They can neither increase the quantity nor the quality of their products. The people of these countries have been socially, politically, and economically marginalized.

Moreover, the technologies and machines of today require specialised knowledge. For this reason information, education and science are considered "means of production." They have even become more important than factories and machines or the ownership of land. Whoever has mastered the technology, who has the know-how, has the power. Since the underdeveloped countries have neither access to the information nor possess the most recent applied technologies, they are kept in a state of backwardness by the capitalist system as far as science and technology go. In the meantime several countries, especially in Asia, have won out over the traditional industrialised countries. In Southeast Asia, technological development and the accumulation of capital have rapidly brought about conditions that amount to a leap from pre-industrialised societies into the 21<sup>st</sup> century; consider Singapore, Malaysia, Korea, and Indonesia for example. These countries however, the so-called "tiger states", demonstrate the close interconnection between dictatorship and capitalism. Every day these states prove that there is something wrong with the ideology of the free market. For the tiger states regulate and guide, manipulate and intervene in the free workings of the market according to the dictates of capital, ignoring the needs of the people. We do not find "human dignity" listed in the dictionaries of state capitalism. The result is an enormous spiritual impoverishment of broad sectors of the population.



## Capitalistic Thought: Neoliberalism

1.3.



The thinking behind world capitalism is called, among other things, neoliberalism. Some characteristics:

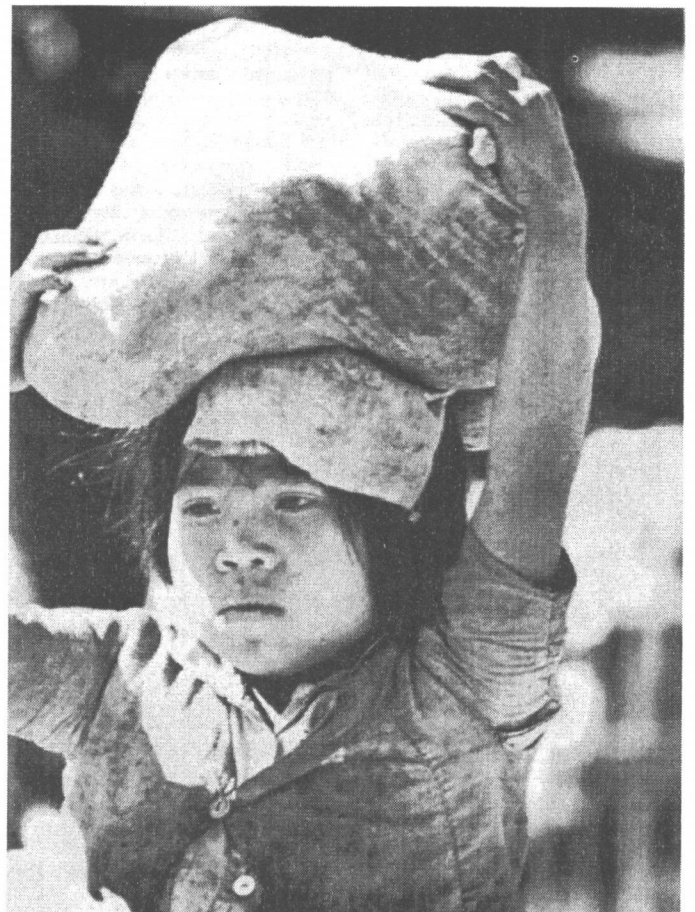
- **The inviolability of the market.** The market regulates itself. The free play of forces which define the market maintains balance and equilibrium. If this balance has not yet been reached, if the social system does not yet work perfectly, then the fault lies with the government and the citizens' organisations which meddle with the laws of the market and oppose its development. The central theme here is something like this: The market is perfect, but man is imperfect. The market promises salvation. It is holy.

- **Deregulation.** Deregulation follows on the principle just stated. The state must withdraw completely from the conduct of the economy: no more prescriptions, no more laws, and no more regulations. This presupposes that Adam Smith's "unseen hand" will solve all problems. And so anything that obstructs the workings of the capitalist market must be removed. According to this view the exclusion of the working population from the process of production and the destruction of the environment do not follow from the market economy but from the regulations imposed on the market.

- **The natural inequality among people.** The deep and pervasive inequality in society (the capitalist says) stems from human nature. Everyone gets what he or she deserves. It is unimportant where one lives, whatever the social, economic, and historical or structural factors: they play no decisive role in one's life. There is no such thing as social justice or social injustice, but only the individual's correct or incorrect behaviour. Whenever social problems arise, then it is human nature itself, which is to blame, whether for the excessive riches of one and the destitution of others. The circumstances and the historical causes which led to that situation are simply ignored. The assumption is: that all people have the same chances and all they have to do is simply seize them. In other words: the sys-

tem as such is good; *people* are the problem. Those who live in destitution cannot be helped by "social assistance." They have to free themselves by their own efforts. This philosophy justifies abandoning the poor and the outcasts to their own fate.

- **Neodarwinism.** Many of neoliberalism's theoreticians are also supporters of neodarwinism. In other words, they transfer the principle of "natural selection" to the continued development of humankind. The saying goes: in nature the strong thrive at the expense of the weak, and it is no different in human societies. Whoever is



really interested in the progress of humankind, must ignore the plight of the poor and the weak, of those who have been left behind in the race towards economic wealth. One can't make an





omelette without breaking eggs. The poor are unavoidable casualties fallen by the wayside on the long march to the perfect society. Only idlers

and parasites cannot make it in the market. Those who are prepared to work and do so, will come out on top.

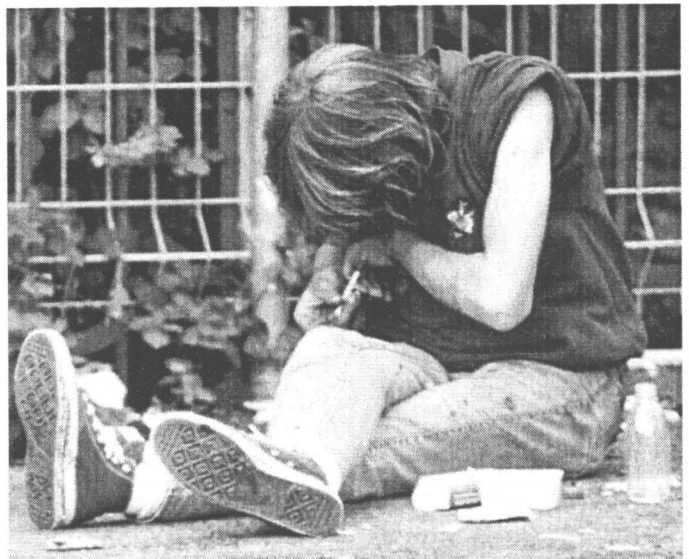
## The Devastating Results



The consequences of capitalism are immense. We have already mentioned some results, but there are more:

- Rich countries attract the money; the gap between rich and poor countries continues to widen. The same mechanisms can be seen operating within wealthy countries, however.
- The destruction of the natural foundations of life and the destruction of the environment continues to accelerate.
- In cities violence directed against foreigners is on the increase. Radical groups arise and fight against the prevailing social living conditions. Everywhere radical nationalistic parties form and foster hatred against foreigners and the search for scapegoats drives out rational thought. Poor regions are seeking to dissolve the connection with the wealthier ones to pursue their own development, while the rich turn from the poor because they do not want to share. The rich feel they are forced to protect themselves against the poor who want to migrate towards the "islands of prosperity." While the poor are called "economic refugees" in order to distinguish them from political refugees, and nothing can prevent their immediate deportation. In this way the wealthier social classes withdraw into guarded neighbourhoods, into *gated* communities where they can protect their riches, and keep the poor out. The Berlin Wall shut people in, now this wall shuts them out.
- People suffer a form of spiritual impoverishment in their poverty. They are being driven into ever greater social isolation. An increased feeling that life is meaningless and an increased use of drugs is the result.
- Neoliberalism claims that the market economy favours and guarantees democracy, but

this has been refuted by events and experiences. Governments, parties, parliaments, unions have been swept aside by the dynamism of the neoliberal economy. Control of a government by its citizens has been steadily decreasing, resulting in a series of crises: increasing unemployment, social injustice, violence. People are beginning to speak of the return of *barbarism* to Europe. Such tendencies could lead to catastrophes in the Third World: peoples' revolts, senseless violence, weak and unstable governments, and never-ending civil wars. We are already experiencing such things to some degree now: e.g. the uncontrollable urban criminality (In 1992 Washington DC [USA] was called the most crime-ridden city in the world); the cruel and never-ending conflicts in former Yugoslavia, the massacres that have been taking place in Afghanistan, Sri Lanka, Chechnya, Rwanda, Burundi, and Congo-Zaire, the civil wars in Uganda, Angola, Sierra Leone, the Sudan, and Congo-Brazzaville, whose victims may well run into millions.



*An increase use of drugs is the result of spiritual impoverishment.*



There are countries which have been or which still are, politically and economically stable such as Mexico, Chile, Brazil, Indonesia, India, and South Africa. Capitalism thrives only when a democratic and stable system of government is in place. Should the slightest signs of political unrest or of dwindling profits appear in a country, the financial life's blood will be drained away. The indispensable currency reserves will be withheld. Among other things this means that the social programs of that country are weakened financially.

As a result, those who suffer the most are always the people on the bottom rungs of the social ladder. Since the country's social system can dispense with them, it drops them from social assistance. In vain do these people wait for social reforms. Gradually they lose interest in politics. The country's dependence on foreign capital, on exports and investment, also weakens the labour movement and the political parties.

To the degree that the country's government loses

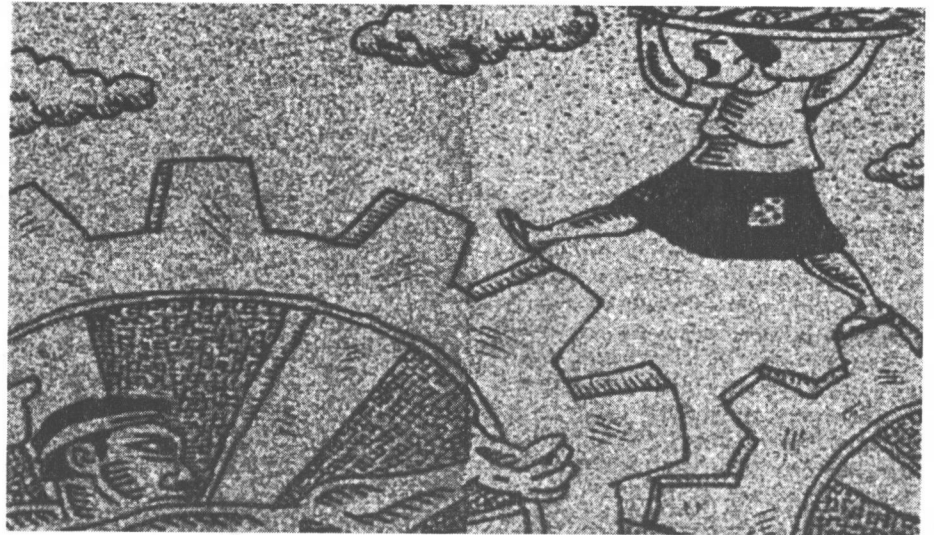
control of the local economy, people lose interest in the political parties, the parliament and the government. People no longer believe that anything can effectively be changed by political action; more and more people withdraw into their private lives and fight for their individual interests alone. They do their best to get by as well as they can in the here and now, without concerning themselves about the fate of others. They forget the past and do not think of tomorrow.

The new democracies of Latin America, Eastern Europe, and Asia run the risk, not so much of slipping back into authoritarian forms of government, but of succumbing to resignation, disinterest, and alienation. The people become nothing but consumers and beneficiaries of public services. In other countries, especially in Africa, there is the danger that the political system will crumble and chaos will result. Then the law of the stronger takes over.

## New Forms of Political and Economic Organisation

1.5.

The trend all over the world is towards new forms of rule. On the one hand political and economic alliances are trying to impose their particular interests and at the same time to win back political control of the markets.



- New economic blocs are intended to protect their own regional markets. The impulse to create these economic blocs, though, originates

in the multinational firms who wish to secure for themselves a stable market for their products. Countries that have few products to offer



or have limited purchasing power, have no chance of holding their own within these new international agreements.

### Here are the most important economic blocs:

- **The G7 plus 1.** These are the seven richest industrial nations. They are: Canada, France, Germany, Great Britain, Italy, Japan, the United States, plus Russia.
- **NAFTA**, the North American Free Trade Association: Canada, Mexico, and the United States.
- **OECD**, the Organisation for Economic Co-operation and Development. It includes: Austria, Australia, Belgium, Germany, Denmark, Finland, France, Greece, Great Britain, Iceland, Ireland, Italy, Japan, Canada, Luxembourg, New Zealand, the Netherlands, Norway, Portugal, Sweden, Switzerland, Spain, Turkey, the United States.
- **Grupo del Pacifico**, or the Pacific Group (of Latin-American Countries). Bolivia, Ecuador, Columbia, Peru, Venezuela.
- **MERCOSUR**: The "Common Market" of the Southern Cone, which comprises Argentina, Brazil, Paraguay, and Uruguay.

### ● Political Blocs.

The problems of modern life in every field of human activity have become so complex that individual countries can no longer solve them alone. For that reason countries on all continents have gradually drawn together in order to protect themselves and see to their interests in their dealings with other power blocs.

### These are the important ones:

- **EU**, the European Union. It gathers together (as of 1997) all the countries of Western Europe with the exception of Norway and Switzerland.
- **CSCE**, the Conference on Security and Co-operation in Europe. It includes all the states of Europe, plus Canada and the United States.
- **OAS**, the Organisation of American States. It includes all independent American

states, with the exception of Cuba, Belize, and the Guyanas.

- **OAU**, the Organisation of African Unity, which includes all independent states of Africa, has been operating for 39 years.
- **AU**, the **African Union**, founded in July 2002 after the example of the EU, replaces the OAU. 52 African states are members of the **African Union**, joining forces to combat hunger and promote peace on the African continent.
- **ASEAN**, the Association of South-East Asian Nations: Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Vietnam.

● In contrast to all these associations, **the UN (UNO), the United Nations Organisation**, belongs to no interest bloc, political or economic.



It has been in existence since 1945. Its principal purposes are: friendly relations between nations on the basis of the equality of rights and the self-determination of peoples, and co-operation in solving international problems. For that reason the UN is also the place where economic globalization can be given a human face.

The principal sub-organisations of the UN [UNO] are: ECOSOC, the Economic and Social Council; UNCTAD, the UN Council on Trade and Development; UNHCR, the UN Commission for Refugees; UNICEF, the UN International Children's Emergency Fund; FAO, the Food and Agriculture Organisation; ILO, the International Labour Organisation; and UNESCO, the UN Educational, Scientific, and Cultural Organisation.



It is clear that we are not confronted by a passing crisis of mere adaptation. It is far greater than that. It is the very foundations of Western civilisation that have been shaken, and since capitalism has become the accepted standard throughout the world, the crisis affects all peoples and cultures of our planet.

By civilisation we mean the totality of conditions essential to life which have been achieved by

science and applied technology, and forms of social behaviour. Civilisation also brings into play the ways we envisage life and its meanings. "Is man no more than his economics? Can he really be reduced to naked cost analysis, which is capitalism's sole norm? Capitalism as a system feeds on the very marrow of people. It uses up their very humanity" (V. Forrester).



### Criticism of Capitalism

We have presented capitalism as something thoroughly negative, but that does not mean that we reject an economy that embraces the whole world. On the contrary, a market in which the whole world shares is even a postulate that we can derive directly from our Christian faith and from Franciscan spirituality. A world-wide economic system, understood in this way, has to

serve justice, solidarity, and the preservation of creation world-wide. There has to be a world-wide interconnected economic system that does not find its purpose in the accumulation of wealth but in the promotion of life. With this outlook in mind, let us sum up the main criticisms addressed to capitalism.

### Criticism from within Capitalism

Even within the capitalist system there is what amounts to self-criticism. Here are two examples:

- **Capitalism as Ideology**

Early in 1997, *CASH*, a Swiss business economics journal (24.01.1997) published an article "on the totalitarian character of market economics". The article quotes at length Mr. George Soros, a United States financier of Hungarian descent, one of the world's leading dealers in currencies. When he saw that he was earning more money than he needed, Soros decided to establish a foundation for an open society. From this foun-

dation alone US\$ 350 million flows annually for the democratisation of Eastern Europe.

Soros holds that the market economy is a set of beliefs with a totalitarian ideology comparable to communism, fascism, and similar systems. He says that the totalitarian system has two characteristics: the belief that it knows the truth and the belief that it can distinguish the good from the bad. Opinions that are not subject to any proof are forced upon others.

"In so far as we can talk about a dominant philosophy in our societies, it is the belief in the magic of the mar-



ket. The doctrine of 'laissez-faire' capitalism declares that the commonweal is best served through the unhindered (laissez-faire) process of individual interests. I earned a fortune in the currency markets of the world, and yet, while doing so, I began to fear that the uncontrolled intensification of laissez-faire capitalism and the extension of capitalism's values over all areas of life endanger the future of our open and democratic society.

supposedly scientific theory which sustains it has shown itself to be a closed system whose conclusions are contained in its suppositions. It possesses a bothersome similarity to Marxism, which also claims scientific validity for its teachings.

The laissez-faire ideology begins by assuming that the conditions of supply and demand are universally valid and applicable, while declaring governmental intervention as the supreme evil. Consequently it has in

principle rendered impossible a satisfactory distribution of income and well-being. I can concede that attempts at better distribution modify the market's efficiency, but that hardly proves that no such attempts should be made. ... Prosperity accrues to those with property. If no mechanism is foreseen for the distribution of goods, it is possible that insupportable injustice results."

The editor-in-chief of the publication in question works Soros's reflection into his searching article, entitled "In the Name of the Market. Amen," and continues: "Why does a financial review like 'Cash' devote two whole pages to the question whether belief in the market is an ideology, and worse still a totalitarian creed? For the good reason that we too are not at all immune to the totalitarianism of the market. Let's be honest. If George Soros were no more than an intelligent man who had read a series of solid books, then neither we nor 'Die Zeit' nor 'The Herald Tribune' would have granted the man a mere foot-

note. But Soros is a well-known billionaire... The fact that we therefore take him seriously demonstrates the extension of money's influence into the spheres of the spirit. The way this one principle of order or of distri-



The most important enemy of the open society is no longer the communist, but the capitalist threat. The assertion that free markets would see to the best distribution of resources can no longer be upheld. The



but ion reaches over and influences another and wholly different area of activity is exactly what the political theorist Michael Walzer, in his book 'Spheres of Justice', calls tyranny or, in its extreme form, totalitarianism. As long as money rules over the economy there is little to argue about. When, however, the economy

dominates all spheres of life, when the laws of the market reign over politics, social policy, and the pursuit of knowledge, and when whole countries are no more than centres of economic activity fighting for survival, then totalitarianism is not far down the road..."



*A world-wide economic system has to serve justice and solidarity.*

### • Freedom and Neoliberalism

Here is the way Countess Doenhoff addressed the Free Democratic Party in a stirring speech about "liberty out of control." (Countess Doenhoff earned herself a name as a clear, forceful, and leading journalist in post-war Germany. In German politics, the Free Democratic Party, which is the Liberal Party, represents free-market principles.)

*"It is a great honour to receive here today the Reinhold-Maier Medal, an award for liberal thinking. Reinhold Maier was the first Minister President of Baden-Wuerttemberg. In 1952 he said: 'We aspire to full freedom. We want it everywhere. We want economic freedom, cultural freedom, freedom at home and freedom*

*in the world. Individual freedoms do not exist, nor do subordinate and partial freedoms. Freedom exists whole or not at all.' When we consider his words today, a moving expression of his ideals, then we see how much has changed since then...*

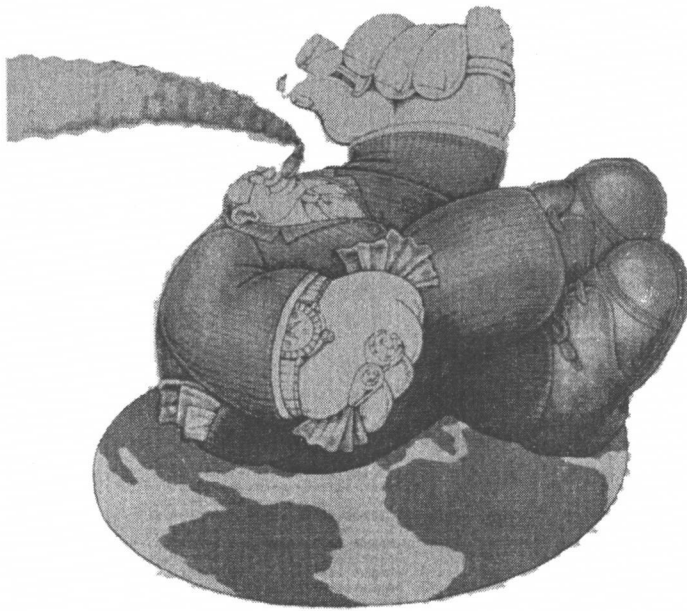
*Today, forty years later, we have become more sceptical. Cultural freedom: Do we really use it? Economic freedom? That we enjoy. We have a free market, and we know from abundant evidence that a market economy is the most efficient economic system we can imagine. But the system has side effects which we were unable to foresee.*

*The reason for that is that the market economy follows the law of competition. The essence of competi-*



tion is faster, higher, further, and the motor driving it forward is self-interest. I must perform better and earn more than my competitor. Responsibility for the whole, for society? Let the state see to it.

At present everything revolves around the economy. Spiritual, humane, aesthetic matters are shoved aside. All energies concentrate on business. We live in a world of things and their processes, in a technological society where efficiency through rationalisation dominates. In that world there is a drive to get rich and nothing should stand in the way. Ethical norms do not hold us back; there are no moral barriers and the catch phrase is total freedom.



Have we and the rich lost to a great degree the sense of what one may and may not do?

But liberty with no holds barred leads to brutality and criminality. Stefan Schmidtchen, professor of psychology at Hamburg University, was quoted in the latest issue of 'Die Welt' (a weekly review) as saying: 'The threshold of violence among young people has never been so low as today.' He sees the major problem as our inability to pass on to the young basic ethical values like compassion, helpfulness, respect for the elderly.

Freedom without a degree of self-control leads ultimately to the call for a 'strong leader,' to an authoritarian government, the very opposite of freedom. Here in Germany we are still better off than in many other countries, but we too see corruption spreading as never

before. The senior public prosecutor of Frankfurt reported recently that, in the area under his jurisdiction, since 1987 there have been 1,500 investigations conducted against officials and businessmen for bribery and slush funds. Some time ago we saw in the papers that similar inquiries were underway in Germany against 2,700 doctors. We have lost to a great degree the sense of what one may and may not do.

But every society needs commitments. Without rules of the game, without tradition, without some common agreement about proper behaviour, no community can survive. Stability becomes impossible. The absence of control over the market system, which is subject to no ethical notions, ends up ruining society as well as any form of solidarity. If we do not succeed in reaching a minimal consensus on rules and limits, then the market system will end up as a free-for-all-wrestling match. It would not surprise me if then, in ten years, capitalism comes apart as did socialism.

Today much more than ever before, we need an ethic of responsibility. The philosopher Hans Jonas thinks that 'in the past the Ten Commandments may have sufficed to give us a sense of direction, but in the global age and given our means of mass destruction, as well as the prospect of the technical modification of genes with a new man as the result, we have to develop an ethics which impresses on us just how great a responsibility we bear.'

The constitutional state, the separation of powers, pluralism are certainly important presuppositions. But whether the freedom that Reinhold Maier had in mind can survive depends on the reflection and the behaviour of people who live in this constitutional state. There exactly, I submit, lies the responsibility of the Liberals. They first of all have the task of reminding citizens of the connection between the two. They have contributed much to the development of the constitutional state that the Enlightenment foresaw and prepared. Now they have to make sure that the perversions of economic freedom are reined in and that the unseen hand of the market submits to a few ethical controls. This only the Liberals can achieve, for they invented the free market, their history has laid on them this explicit duty. (...)

Being a liberal will always involve something contradictory. It is not only opposition against the power of absolutist rule. Liberals have to resist the fashions of the day. That includes relativizing all ideologies each claiming to be the only ones who deliver happiness..." (Die Zeit, 2. February 1996).





Capitalism must also be criticised from outside. Here are a few aspects.

- Economics as housekeeping.** The basic meaning of the word *economy* implies, first and foremost, the care, attention and management of everything that belongs to good housekeeping. It sees to the satisfaction of basic human needs. Today's economics no longer functions with basic needs in mind, but in increasing wealth and accumulating capital. So it has to learn again its proper tasks and purposes.

services produced and rendered, hardly suffices. The GDP either projects the illusion of a good life or, in some circumstances, speaks misleadingly about poverty. The situation for the majority of the population can even get worse when the GDP rises several percent. People's bodily, psychological, and spiritual needs (health, well-founded hopes for the future, love, a sense of well-being and security, feeling at home within the community, environmental harmony) hardly figure in the logic of the GDP. But these



*The economy has to find the means and the ways to see to it that all survive and prosper.*

- Looking after everybody.** The economy of any individual nation must address the needs of all its citizens. It must not exclude anyone. When, as happens today, it satisfies no more than a third of humankind, it excludes the other two thirds from a share in life's goods. And so it has to find the means and the ways to see to it that all survive and prosper.

- A different standard.** We have to come up with different criteria for measuring the welfare of a nation's population. The GDP, the "Gross Domestic Product", the sum of all goods and



*The new values of a future society: moderation, composure, solidarity, a new culture of sharing.*





very needs depend on the economy and must be taken into consideration. The exclusive attention to growth in the sense of an increasing GDP is the immediate cause of the loss of vitality, environmental destruction, outbursts of violence, the dissolution of relationships, the loss of meaning and hope. All these undoubted evils must be entered on the debit side of the balance sheet. A sound economy must in the first place be measured by its social contribution.

- **Equal conditions.** The ruling opinion that the market is truly free does not correspond to reality. The free play of competition can occur only if the conditions are right: equal and equitable chances of participation at the beginning. If major sectors of the population lack the power to produce and to acquire, they are immediately excluded from the action and a balance of interests can hardly ensue. The gap between rich and poor widens and instead of the balance of forces the result is a dictatorship of the ruthless.

- **The role of the state.** For that reason the state has to set rules and pass laws in favour of those excluded from the market and disadvantaged by its operation. It must avoid the ruinous exploitation of the environment. Deregulation is no solution, for it rides roughshod over equitable market conditions.

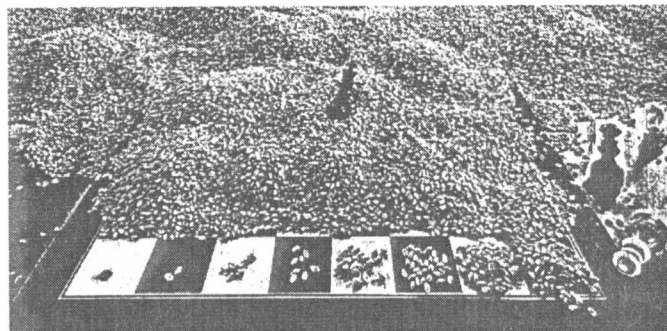
- **The future.** *Sustainability* must be the very heart, the core principle of a new economy. This means that we do not use resources for short-term advantages in a way that harms the future and long-term interests of humankind. The Club of Rome<sup>1</sup> put it succinctly: Double prosperity and halve the use of resources! The Club argues that we can master the problem of poverty only by doubling prosperity world-wide, and by reducing by half world-wide, the irreversible exploitation of the resources of Nature. Of course it has to be pointed out that this means that the wealthier nations will have to cut back on their demands while at the same time reducing their consumption of natural resources tenfold. The Club of Rome's strategy is realistic and is not

asking the impossible, as has been proved time and again by many examples.

- **The role of reason.** The present economy must dispense with many firmly held dogmatic views, which are no better than the very worst examples of religious dogmatism. This will come about if we emphasise innovation: imagination, inventiveness, boldness, a fresh start! All so-called *laws* of traditional economics will have to be critically scrutinised.

- **A new order of values.** We need a new World Order. We have to give work a new meaning, we even must re-invent it. We cannot accept the idea that growth of the GDP functions as the only answer to unemployment. Sustainability forbids it. We have to recognise work in sectors other than production and see to it that jobs are more evenly available. We can already name the new values of a future society: moderation, composure, solidarity, a new culture of sharing.

- **The problem with growth.** The "free market economy" presupposes falsely that the economy can go on expanding indefinitely. That, however, is mathematically impossible. An economy which set that as its goal would end up destroying itself. Let us recall briefly the old story about the king who granted the inventor of the game of chess one wish as a reward. The inventor wished one grain of wheat on the first square of the chessboard, two grains on the second square, four on the third square, and so on: on each of the following squares twice of the preceding square. The king could not grant the wish! Why? The last square would claim eighteen and a half billion grains of wheat or four hundred and forty times the grain harvest of a whole year!



<sup>1</sup> The Club of Rome is an independent gathering of well-known scientists and Politicians. Founded in Rome in 1968, it meets regularly to propose ways of ensuring a good future for humankind.



Put differently: One German penny banked at 5% interest per year at Jesus' birth would, in 1990, amount to 134 ingots of gold, each the size of the earth. However playful the comparisons, the mathematical laws behind them are those invoked by the ideology of growth and the whole system of money earning money.

This is real economics and not just a game, as we can see from the following example. In the early 1980s people could buy US government bonds that earned 12-14% a year. The term of the bonds was, and this is no misprint, thirty years! These bonds were so-called "zero bonds" or no-dividend loans. They did not pay dividends each year. Rather, the sum invested is noted and paid back with interest, and interest on the interest after thirty years. That means that the investor who lent the US government \$ 10,000 dollars in 1982 could expect to receive in the year 2012 at 12 % some \$ 300,000, and at 14 % about \$ 500,000. That means thirty or fifty times the amount of money on the initial loan.



Indian farmer carries his products to the market.

A government which makes such a rash promise reveals the condition in which it finds itself. For such a promise is realistic only if the economy and the national revenue could be expected to grow thirty-fold or fifty-fold. We do not have to explain that such increase is not realistic, even if

there were no problems with the environment. The sale of such bonds is realistic only if the government is expecting the value of its currency to lessen because of inflation. There is no other explanation for such promises. But that also means that the US government can in no way even wish the currency to maintain its purchasing power over time.

For these reasons unrestrained capitalism will end up destroying itself. It is only a question of time. But we will not get there until the environment has suffered irreparable damage and millions of people have paid with their lives.

- *The region as economic unit.* Regions, as organic areas of human activity, culture and economic life, need to be strengthened again. *Decentralisation* holds more promise for the future and is more sustainable than huge organisations that ultimately will suck in everything towards themselves, kill initiatives and destroy jobs.

- *Utopia.* It is time to dream again. It is time to set imaginatively high standards to aim at and not be content to accept that today's conditions are absolute, unchangeable. We have to set ourselves new goals at all levels and in all areas. This can only happen when we believe that this dream can be realised, the utopia can come true.

- *The Problem of money.* The former head of the Swiss Bank of Issue, F. Leutwiler, said: "It is only through inflation that so few can get rich in such a short time and so many become poor" (Creutz 127). And a well-known Swiss economist, Hans Christoph Binswanger, says that a world economy that respects people

and promises a future will come about only when we have worked through the question of money, associated with interest, simple and compound, with inflation, speculation and similar matters. He writes: "99% of people do not see the problem with money. Economists do not see it,



the economy does not take account of it and even declares it non-existent. As long as we are blind to the prob-

lem of an economy ruled by money, there is no possibility for an ecologically sensitive economic system."

## The Socio-Ethical Criticism voiced by the Church

2.3.

The Church's social teaching spoke very critically about capitalism relatively early. We can even go so far as to say that the Church spoke prophetically and sharply about capitalism's ethical implications for society. What is tragic in this is that Christians in general took hardly any notice, even politically active Christians who invoked Christian humanism, as in the Christian parties.

### • *The condemnation of capitalism in the first social encyclical of the Church.*

Without using the word *capitalism*, the first papal encyclical on the social question (Pope Leo XIII's *Rerum novarum*, 1891 [= RN]) described the capitalistic reality in forceful terms, ... "the changed relations between masters and workmen, in the enormous fortunes of some few individuals, and the utter poverty of the masses" (RN 1). In the 19<sup>th</sup> century, the old co-operatives of the working class in Europe were destroyed, with no other protective organisations to replace them. Civil and national life moved farther and farther away from Christian principles, while workers were progressively surrendered to the heartlessness of factory-owners and the unbridled greed of competition. Pope Leo XIII: "The hiring of labour and the conduct of trade are concentrated in the hands of comparatively few; so that a small number of very rich men have been able to lay upon the teeming masses of the labouring poor a yoke little better than that of slavery itself" (RN 3). Pope Leo proposed that a broad distribution of property would do much to right the existing conditions, which were indefensible, and he demanded a start in that direction "by a fairer distribution of the earth's goods..." (RN 47).

The Pope continued: "The result of civil change and revolution has been to divide cities into two classes separated by a wide chasm. On the one side there is the party which

holds power because it holds wealth; which has in its grasp the whole of labour and trade; which manipulates for its own benefit and its own purposes all the sources of supply. This party is not without influence even in the administration of the commonwealth. On the other side there is the needy and powerless multitude, sick and sore in spirit and ever ready for disturbance, disinclined to accept its lot" (RN 47).



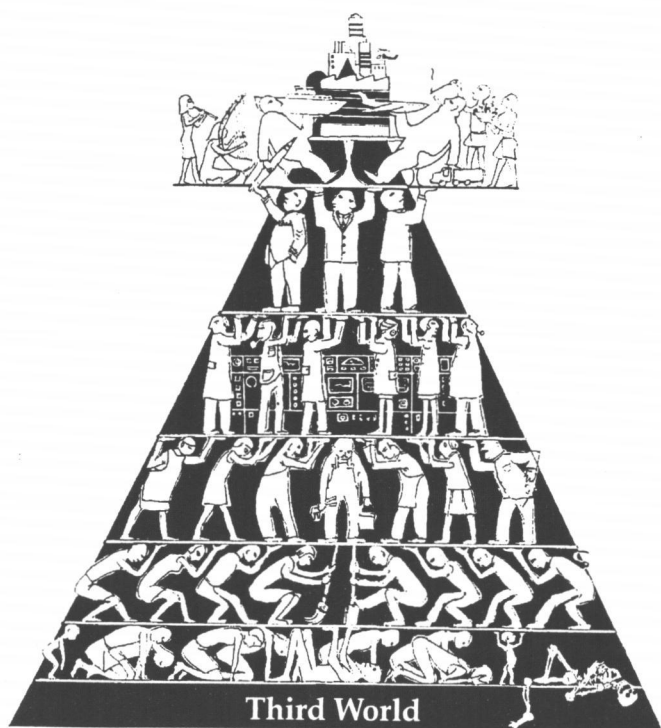
"Civil change and revolution divide cities into two classes separated by a wide chasm" (RN 47).

With regards to justice, the Pope presses his point: "Those who control access to work should remember this, that to exercise pressure on the indigent and destitute for the sake of gain, to take one's profit from the need of others, is condemned by all laws, human and divine. To keep from the labourer the wages due him is a sin which shouts to heaven" (RN 20). Leo XIII refers explicitly to the Letter of James (cf. 5:4), with its recall of God's instruction to the Israelites of old (Lv 19:13 and Dt 24:14-15).



Here it is not only a matter of justice, but a question of human dignity. Pope Leo was addressing a world which needed to be reminded that there was no shame in earning one's livelihood by labour; but it was disgraceful and demeaning, in his words, "to exploit people for one's profit and to prize them for their labour power alone" (RN 20). Without using the word *capitalism*, Pope Leo XIII describes very clearly its excesses in the social context which had provided its development.

The present world-wide extension of the neoliberal capitalistic system (globalization) threatens to bring back conditions which ruled in Europe over a century ago. That shows us just how dangerous the system is.



It is disgraceful "to exploit people for one's profit and to prize them for their labour power alone" (RN 20).

• **The abominable imperialism of money.** Pius XI's encyclical *Quadragesimo anno* ("Forty Years" after *Rerum novarum*, 1931) sharply criticises "noxious and detestable internationalism or international imperialism in financial affairs, which holds that where a man's fortune is, there is his country" (QA 109). The Pastoral Constitution *Gaudium et spes* of the Second Vatican Council states: "Developing nations will not be able to find

material assistance unless radical changes are made in the established procedures of modern world commerce" (GS 85).

• **Recognising the free market's blind spot.** In his Apostolic Letter *Populorum progressio* (1967), Pope Paul VI criticises "the dominant doctrine of free trade." Experience shows that only the strong succeed in the global economy and the weak are disadvantaged. From this he draws the conclusion that market mechanisms alone are incapable of governing trade relations between rich and poor countries in a way that would be humanly and morally satisfactory. The Pope rejects unrestricted competition because this leads to the concentration of economic power, and it is also blind to the demands of justice. Unequal trade relations between industrial and developing countries had led to the rise and the continuation of a global *apartheid*.<sup>2</sup> Such apartheid denies some 800 million people an existence worthy of human beings.

• **Exposing the structures of injustice.** In his Encyclical *Sollicitudo rei socialis* (1987), Pope John Paul II formulates the most radical condemnation of the unjust system at present existing between the North and the South. He repeats the criticism of the mechanisms of the market economy. Although they depend on human decisions, they function almost automatically. They consolidate the situation, the wealth of a few and the poverty of the others. Such mechanisms favour the interests of those who put them in place, while they control and finally crush completely the economic order of the less developed countries (cf. SRS 16). After mentioning liberation theology, the Pope speaks of "structures of sin." In that way he clearly expresses that these structures are not merely weaknesses and drawbacks of the system, but that they are mechanisms applied by people who have to answer for them. They are subject as a whole to ethical and theological evaluation. Of course it is not completely clear to what degree the objective structures of economic control and purpose dominate the moral ability and the freedom of decision of those who operate through them. Or,

<sup>2</sup> A Dutch and Afrikaans term, originally used for racial separation, here used for social class separation.



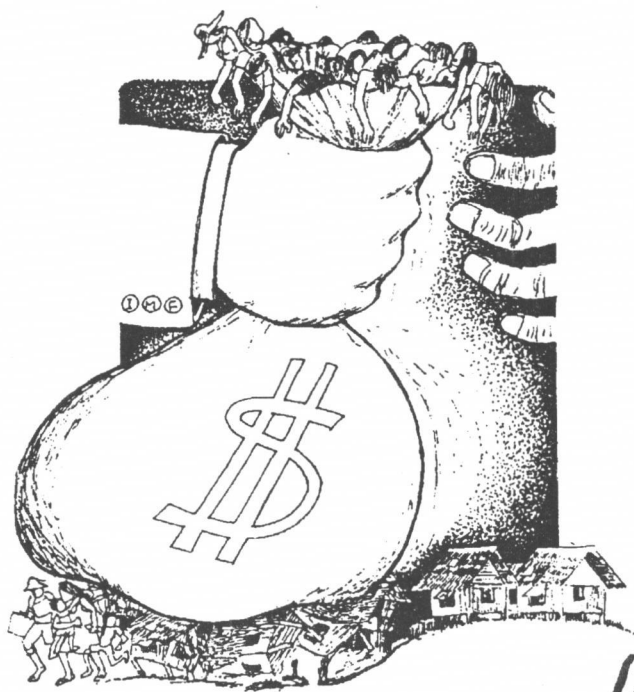
to express it differently one could ask: is the president of a mega company ever in the position of being able to formulate his decisions in accord with the principles contained in the Sermon on the Mount? In spite of this lack of clarity, *Sollicitudo rei socialis* succeeded in giving voice to the interests of the disadvantaged and weak partner in the North-South 'dialogue.'

means "the 100<sup>th</sup> year"): "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" (CA 35).



As we forgive those who trespass against us.

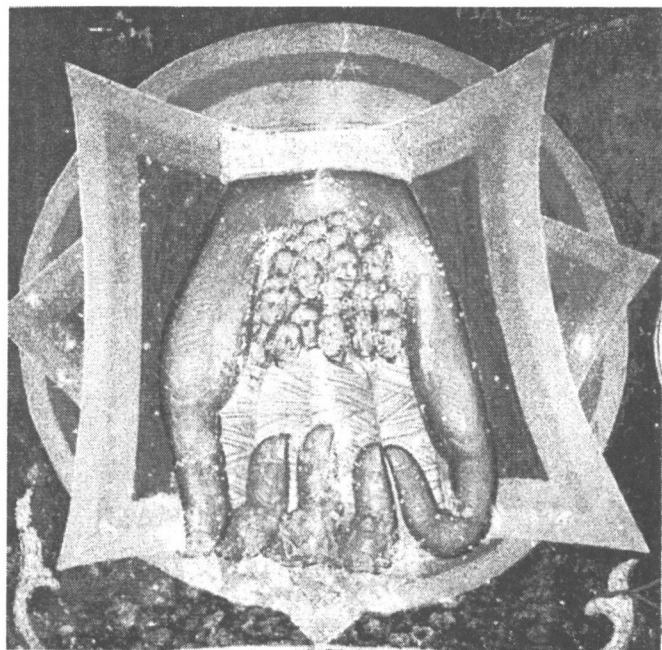
• **Overcoming the debt crisis.** The Pontifical Commission "Iustitia et Pax" (1987) addressed this issue in a text entitled: "In Service to Society: An Ethical Proposal for Overcoming the International Debt Crisis." The Council described the whole problem in great detail, and although not offering any clear solutions did call the crass abuses by name and drew up ethical guidelines. Pope John Paul II addressed the same problem in his Encyclical (celebrating the 100<sup>th</sup> anniversary of *Rerum novarum* 1891), *Centesimus Annus* (which



*To pay is to die*



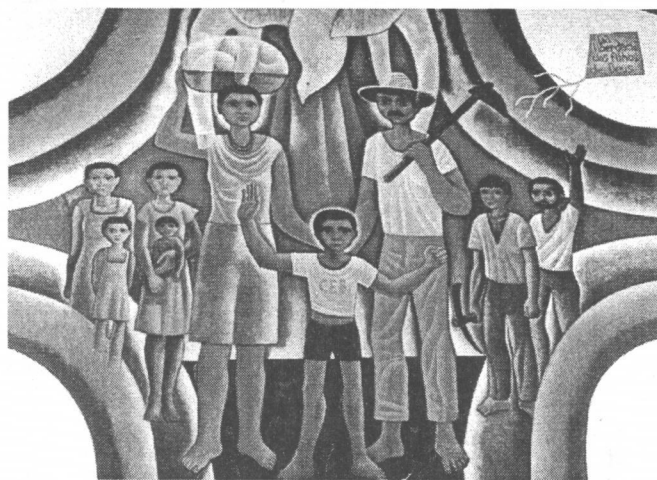
Capitalism often presents itself dressed in religious terminology. Its teachings are stated as dogmas, its prospects are put as promises, and its offerings to consumers are announced even in its advertising, as though they were sacraments that satisfy religious longings. For that reason critics in Latin America talk about a "theology of the production process". J. K. Galbraith, a well-known academic economist, identifies a "theology of *laissez-faire*": "Just as one has to believe in God, so too must one believe in the neoliberal system: under this aspect the two are identical." The economy's globalization, the collapse of the socialist system, and the revolution in communication technology are the necessary and inevitable results of this new religion. Technical progress is the way to paradise, and the greatest sin is "the temptation to do good," instead of humbly submitting to the market and its divine laws. In the face of this *theology* and its idols, we have to make the prophetic voice of the true God, as it appears in the Bible, heard and understood.



*The Souls of the Just in God's Hand.*

- **Discovering the true God.** Adam Smith's expression "the unseen hand" which guides the market economy on the right path, is explicitly

religious. It casts a light of divine legitimisation on the structures of injustice. In truth, "the hand of God," an expression from Scripture, works differently. It leads and guides the exodus out of structures of injustice (cf. Ex 3). One of God's names is *Justice*, and only one who confesses justice is listening to God's voice. Capitalism as a religious system is idolatry.



*God is the counsellor and agent of the weak and the marginalized.*

- **Opting for the weak and the poor.** From a theological point of view, capitalism simply does not recognize that the principle of natural selection has been revoked for the human sphere. The Bible gives precedence to the right of the weak over that of the strong. Seen in this way, the biblical option for the poor is a prophetic challenge to Neo-Darwinism (cf. lesson unit 19). This option must also be brought to bear upon economic policies as well. God does not side with might and money, but figures as the counsellor and agent of the weak and the marginalized.

- **Cultivating life.** God is life (cf. Dt 30)! Consumer goods are not everything nor can they satisfy the deeper needs of people. Those who see in things and consumption life's sole purpose feed on death and end up dead. Those who use things up are themselves "used up". Those who only consume are fatally bound to things that are fading and passing away. Here we see how the economy itself brings about the death of those whom it supplies with the means of life.



The economy can only do its proper tasks when it ceases to claim absolute importance; it must recognise the precedence of people's deeper

needs and respect them rather than push them aside or even stifle them. Only then is it at the service of the person.

## Prophetic Criticism

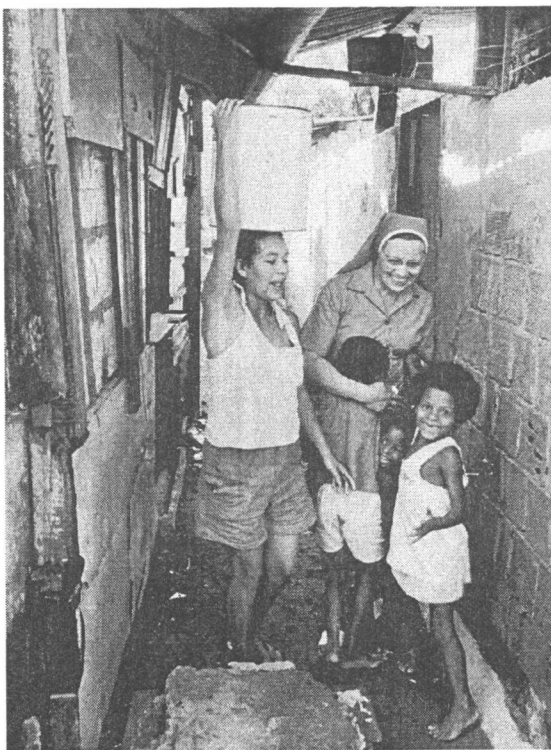
2.5



The criticism levelled at capitalism is only prophetic in the real sense of the word when concrete alternatives are provided. U. Duchrow, the Protestant theologian, points to the religious Orders as alternatives of this sort. They arise from a different understanding of the human person and therefore they are committed to a different kind of economy.

to hold possessions in common and, consequently, live a life of solidarity both among themselves and towards people outside. The poor become the standard of one's own life. For those who follow in the footsteps of Brother Francis and Sister Clare this is still valid right up to the present day.

- **Rejecting private property.** In the course of church history there have been many forms of life that rejected private property in principle. Francis and Clare lived by such a resolution. They



*Religious poverty obliges to live a life of solidarity among people.*

- **Living the Evangelical Counsels.** From their beginnings religious Orders have always held up another model for society. They do it by using human energy differently. They take the three evangelical counsels as key indicators, not only for their members' relations to God, but also for how human beings can organise their lives in community. Religious poverty in particular obliges members of a religious Order



*Francis' betrothal with Lady Poverty.*



understood poverty not only as mere detachment from material things: they actually wanted to live "sine proprio", "without property" (cf. ER1:1). Appropriation or accumulation was, to their mind, the fundamental sin of humankind (Adm 2). For that reason Paul's hymn to God's Incarnation (Phil 2:5-11) has such great significance for the practical creation of Franciscan life. Paul speaks of the *expropriatio* (Phil 2:5), God in Christ giving up all he had in order to become one of us, no more than a man among people. Francis and Clare set out on the way of Jesus of Nazareth in their radical lack of possessions. In this lies the very essence of the Franciscan movement. It sums up the movement and its promise.

- **Alternatives to money.** For centuries the economy did without money. When the money economy was driving the system of barter out of

the Italian cities, Francis refused money for himself and the community. His experience had taught him that money drives people apart and is life's enemy. Money was the "devil incarnate", dung (cf. 2C 65), dust, "a messy stench" (cf. 2C 66), "a trick of the devil" that recalls the seductive snake in the Garden of Eden (cf. 2C 68).

In the course of time and with the general introduction of the money economy, the sisters and brothers of the Franciscan family understandably became accustomed to using money. However, we begin to understand Francis' condemnation of money better when we consider the extent of the injustice which an unbridled money economy causes. As the sisters and brothers of Clare and Francis, we must develop a new sensitivity on this point and support present alternatives to the world of money.



Whoever finds a job, e.g. as coffee picker in Guatemala, receives less money than necessary for his survival.

- **Franciscan solidarity with the poor.** In the course of their history the Franciscans have not hesitated to take the initiative in economic matters in the interests of the poor. So stocks of grain were stored - "corn banks" (in Latin *monti frumentarii*) in order to make provision for the needy in times of famine. Saint Bernardin of Feltre (†1494) gathered the nobility and the wealthy into brotherhoods so they could help the poor and visit the sick. With the help of others, he founded banks that were able to lend

money to the poorer classes. These were the so-called "*Monti di pietà*" that flourished in Italy, Spain, France, and Germany. Theologians attacked them for taking interest, and thus violating the Church's ban on interest. (The church taught and imposed that ban up to and into the 20<sup>th</sup> century!) However, the fifth Lateran Council, in its tenth session (May 4, 1515), took the Franciscans' side. With the decree "*Inter multiples*," it abided by the absolute ban on interest by citing Luke 6:34f. It explained that the one







Community work in a village in Tschad.

who lends "cannot seek more than the capital he has lent. That is the precise meaning of interest: one attempts to profit from the use of something which itself produces nothing, and that without labour, without cost, and without risk." The council referred to the *Monti di pietà*, calling it "an undertaking of very great usefulness to the commonweal". It emphasises the principle of justice, which prohibits the charging of interest, and supplements this by associating it with the principle of Mercy and Truth so the poor may be assisted. And so the Council could conclude that the *Monti di pietà* could take a modest compensation for their efforts in warding off harm, but only for the expenses of the employees and for other operating expenses (cf. Denzinger 1442 ff.). As people who live a prophetic alternative to capitalism, we Franciscans should help people develop ways of living, a genuine alternative to capitalism, forms of life that escape the domination of money and property.

### Church Documents and Franciscan Sources

Scripture	Ex 3; Lv 19:13; Dt 24:14f.; 30; Lk 6:34f.; Phil 2:5; Jas 5:4.
Documents of the Church	CA 35; GS 85; RN 1f.; 16f.; 35; PP; Qa 109; SRS 16.
Franciscan Sources	Adm 2; ER 1:1; 2C 65f.; 68; AP 30.
Inter-Franciscan Documents	
OFM, OFM <sup>Cap</sup> , OFM <sup>Conv</sup>	
Poor Clares	
Third Order Regular	
Secular Franciscans	
Supplements	

The list of sources may be supplemented by the participants of the CCFMC.

### Annotation:

As Marxism understands itself as a criticism of Capitalism, the exercises and applications as well as the bibliography are at the end of part two of this double Lesson unit.



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# For Reflection



The holy lover of complete humility went to the lepers and lived with them, serving them most diligently for God's sake and washing all foulness from them, he wiped away all corruption of the ulcers (1C17).



*Francis embraces the leper.*

The Father of the poor, the poor Francis, conforming himself to the poor in all things, was grieved when he saw someone poorer than himself, not because he longed for vainglory, but only from a feeling of compassion. And, though he was content with a tunic that was quite poor and rough, he frequently longed to divide it with some poor person (1C 76).

