

Pope Francis and Neoliberalism

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Introduction:

On the 7th of September a letter was published in the *Irish Times* calling for new taxes on the rich. Among the signatories were several Irish politicians and MEPs, economists Thomas Piketty and Joseph Stiglitz, U.S. Senator Bernie Sanders, Abigail Disney, music composer Brian Eno, politicians, millionaires, and business people from as far away as Hong Kong and Australia, and representatives of organisations such as “Millionaires for Humanity,” “Patriotic Millionaires,” and “Earth 4 All.”

They state: “The accumulation of extreme wealth by the world’s richest individuals has become an economic, ecological and human rights disaster, threatening political stability in countries all over the world. Such steep levels of inequality undermine the strength of virtually every one of our global systems and must be addressed.” Their proposal is to “make our international and national systems work for everyone, not merely those who have money and power. With this in mind, we call on the members of the G20 to work together to enact new tax regimes – at national and international levels – that eliminate the ability of the ultra-rich to avoid paying their dues and introduce new rules that determine higher taxation of extreme wealth.”¹

The Catholic social tradition provides a robust condemnation of the abuses of neoliberalism, most notably in the social teaching of popes John Paul II, Benedict XVI and Francis. What I wish to focus on here today is the ways in which Pope Francis in particular dismantles the “logic” of neoliberalism and consider the socio-economic vision that he proposes instead.

What is neoliberalism?

Pope John Paul II described it as follows: neoliberalism is a system “based on a purely economic conception of [the human person], this system considers profit and the law of the market as its only parameters, to the detriment of the dignity of and the respect due to individuals and peoples. At times this system has become the ideological justification for certain attitudes and behaviour in the social and political spheres leading to the neglect of the weaker members of society. Indeed, the poor are becoming ever more numerous, victims of specific policies and structures which are often unjust.”²

How has neoliberalism failed us?

The implications of a neoliberal agenda, as described above by John Paul, deserve closer attention. The neoliberal among us might well argue that this ideology has heralded greater freedom – freedom of the markets, freedom of enterprise, freedom from the shackles of state, and so on. They might even suggest that overall wealth has increased and has trickled down to the poorest, improving their lot in life as a result. But in truth, neoliberalism has succeeded only in increasing inequality across the world, in strengthening the power of global systems and organizations, in exploiting labour and wakening workers’ rights, in justifying the plundering of the earth’s resources, and has increased the presence of tax havens for the ultra-rich. It has

¹ “The true cost of extreme wealth – a Letter to the Editor by economists, artists and politicians calls for new taxes on the rich”, <https://www.irishtimes.com/opinion/letters/2023/09/07/the-true-cost-of-extreme-wealth-a-letter-to-the-editor-by-economists-artists-and-politicians-including-bernie-sanders-thomas-piketty-and-brian-eno/>

² John Paul II, *Ecclesia in America*, (1999), no.56.

created what Pope Francis calls a “throw-away culture,” and has deadened us to the suffering and vulnerability of those around us.

As theologian Charles Camosy observes: “Our ... culture ... encourages us to use dehumanizing words and images to describe the poor and the stranger. People with their children fleeing violence are called ‘illegals.’ They are ‘swarms’ of ‘undesirables’ and ‘parasites’ [We] must call attention to language that reduces the dignity of marginalized populations to mere catchphrases. Otherwise we objectify the vulnerable and allow ourselves to discard them at will – often at the service of consumerist culture and often in the face of terrible violence.”³

The growing inequality that is a consequence of neoliberalism is a problem for us all, and here’s why.

➤ **Inequality and democracy:**

Inequality is undermining democratic institutions and creating the space for populist and far-right groups to gain ground. In her article entitled, “The Bad Guys are Winning,” journalist and historian Anne Applebaum argues that while the 20th century was seen as the “slow, uneven struggle, ending with the victory of liberal democracy over other ideologies – communism, fascism, virulent nationalism,” the 21st century has thus far been the story of the reverse.⁴ She believes many countries are witnessing a move back to more authoritarian rule, with serious implications for democratic processes of governance, the movement of peoples, ecological care, and economic justice. Why is this?

For Applebaum, it is clear why demagogues are succeeding. Whether one thinks of Putin in Russia, Orbán in Hungary, or perhaps in some organizations closer to home, a number of common characteristics emerge, she suggests. One is their appeal to a growing portion of the population who have felt left behind by democracy, globalization, and liberal capitalism. Another is their use of what Applebaum calls “the medium size lie,” namely when autocratic regimes encourage their supporters to accept some sort of alternative reality. A third characteristic is their appeal to nostalgia,⁵ a more complicated issue but one that most right-wing groups rely on. Those who are on the losing side of democracy, globalization, and capitalism often find themselves longing for a by-gone era when things were simpler and better.

We can think of this appeal to nostalgia in two ways: reflective nostalgia and restorative nostalgia.⁶ Reflective nostalgia is when we study the past, perhaps even mourn it. We look back fondly on a more certain time, when we shared a common identity and purpose. However, we do not necessarily want that time back again.

Restorative nostalgia, on the other hand, is not just about looking romantically at the past. Restorative nostalgics are what Applebaum calls “mythmakers.” They are not interested in learning from the past, or indeed examining it with a critical eye. Restorative nostalgics are dreaming of a past that never really existed, convinced that its restoration will magically make everything better again. When charismatic leaders come along, promising to restore the “glory days” of the past, it speaks to those who are suffering and who feel adrift in a rapidly changing world.

³ Charles Camosy, *Resisting Throwaway Culture: How a Consistent Life Ethic Can Unite a Fractured People*, (New York: New City Press, 2019), 188.

⁴ Applebaum, “The Bad Guys are Winning”, p20.

⁵ Applebaum, *Twilight of Democracy*, p. 47ff.

⁶ See Applebaum, *Twilight of Democracy*, chapter III.

As autocratic regimes gain support, it is clear that we need to re-think our public values and devise a new type of public discourse. We need to identify and address the inequalities that neoliberalism has heralded, for without doing so more and more people will turn to the false promises of populist groups for hope and for answers. This is why *Fratelli tutti* is such a vital contribution to today's discourse on socio-economic and political matters.

Even in the absence of the type of autocratic governance that Applebaum describes, inequality undermines democracy in other ways. Theologian Kate Ward examines the impact of inequality on political participation and comes to the following conclusion:

Today ... it is widely understood that extreme economic inequality threatens the well-being of societies and the individuals within them ... For example, inequality limits political voice. It correlates with serious social problems including crime, incarceration, drug abuse, poor health, and early death, and affects all members of society, not just the poorest, on these measures. Inequality harms social mobility, which has negative psychological and social impacts for unemployed people.⁷

Similarly, Catholic writer Alexander Stern echoes many of the concerns identified by Applebaum above. He says that we are in a "post-truth" moment, and that "the global economic order created by neoliberals has not merely dethroned democratic politics; it has established a new kind of political power."⁸ Thus, we need to take more seriously the ways in which neoliberalism affects democracy and social participation. Catholic Social Teaching has long-defended the right to participation and been a strong critic of totalitarian and autocratic regimes. Building on the work of his predecessors, Francis reiterates this position, and continues to defend the rights and dignity of the human person above the economic interests of the few.

➤ **Inequality and health:**

Considerable evidence shows how inequality diminishes health outcomes. Theologians such as Meghan Clark have argued for a "preference for equality" in healthcare. She examines the social and health costs of rising inequality in the United States, noting how economic and social inequality reduces life expectancy and increases the risk of serious illness in later life. In this way, inequality threatens the common good and the dignity of the person. Inequality heightens anxiety and stress, contributes to housing and employment disparities, and exacerbates poverty, racism and xenophobia. Clark concludes: "Greater equality can help us develop the public ethos and commitment to working together which we need if we are to solve the problems which threaten us all."⁹

Biology professor Philip Landrigan examines the connections between pollution, climate change, and global health.¹⁰ Landrigan tells us that pollution is currently the biggest environmental cause of disease, disability, and death in our world. In 2015 environmental pollution caused 9 million premature deaths, a figure which represents 16 percent of all deaths globally for that year.¹¹ And here too we see how inequality exacerbates the situation. Pollution and climate change, he tells us, disproportionately kill the poor and economically vulnerable. "The result of this inequitable pattern is that people in low-income and lower-middle-income countries suffer disproportionately from disease, disability, and premature death caused by pollution. Nearly 92 percent of all pollution deaths occur in these countries"¹²

⁷ Kate Ward, "Jesuit and Feminist Hospitality: Pope Francis' Virtue Response to Inequality", *Religions*, 2017, vol 8, 71, 2.

⁸ Alexander Stern, "How Not to Defend Liberalism: Embracing technocracy will only fuel the populist surge", *Commonweal*, September 12, 2023. <https://www.commonwealmagazine.org/liberalism-populism-packer-fukuyama-centrism-deneen>

⁹ Meghan Clark, "Preference for Equality: How economic disparity threatens our health", *America*, (October 29, 2012).

¹⁰ Philip Landrigan, "Pollution, Climate Change, and Global Public Health: Social Justice and the Common Good", in Philip Landrigan and Andrea Vicini SJ (eds.), *Ethical Challenges in Global Public Health*, (Origen: Wipf and Stock, 2021), 53.

¹¹ Ibid. 54.

¹² Ibid. 59.

Theologian Andrea Vicini, S.J. calls for a preferential option for the poor: “By stressing the preferential option for the poor, the common good aims at greater equality by requiring a resolute and effective commitment to reduce and, hopefully, eliminate the causes of unjust inequalities and to promote health at a global level.”¹³

➤ **Inequality and work:**

Our neoliberal friends might argue that as wealth increases so too does its distribution. Trickle-down economics argues that as overall wealth increases a larger amount eventually finds its way to the poor. However, evidence demonstrates that instead of the poor becoming less poor, inequality widens.

Philosopher Michael Sandel writes: “Mobility can no longer compensate for inequality. Any serious response to the gap between rich and poor must reckon directly with inequalities of power and wealth, rather than rest content with the project of helping people scramble up a ladder whose rungs grow farther and farther apart.”¹⁴

U.S. theologian Gerald Beyer offers some sobering statistics to support this point. Even though worker productivity has increased since the 1940s, the median wage for males in America is less than 30 years ago, adjusting for inflation. For females, the situation is worse. Women in America earn 77 cents for every dollar that their male counterparts earn, and so their median wage is even lower in real terms. Beyer tells us that American families work 500 more hours than they did in 1979, with obvious implications for family life and childcare. And, finally, the average CEO in the US today earns 300 times what the average worker earns.¹⁵

Popes from Leo XIII onwards defended the rights of workers and promoted the dignity of work in their social teaching. *Rerum novarum* is considered the first of the great social encyclicals and marked a crucial point in the Church’s public life. The earlier negativity of the *Syllabus of Errors*, for example, was being replaced by a more hopeful understanding of the role the Catholic Church might play in the world. *Rerum novarum* signalled the beginnings of a commitment by the magisterium to the poor and the defence of workers’ rights was now seen to be part of the business of the Church in the world. Later popes would build on Leo XIII’s teaching, adapting his principles to their changing socio-economic times.

Most recently, in *Fratelli tutti* Pope Francis tells us employment is one of the biggest issues of our day. People struggle to gain access to decent job opportunities, increasingly so in an era where technology is rapidly replacing the work of lower income people. Economic security is becoming less certain.

And yet the Catholic social tradition insists that work not only provides the financial resources necessary to attain housing, food, and education, but is also a way of expressing our talents and gifts. It is one of the ways we contribute to the larger social experiment. Pope Francis, therefore, claims that “there is ‘no poverty worse than that which takes away work and the dignity of work.’ Work gives us a sense of shared responsibility for the development of the world, and ultimately, for our life as a people.”¹⁶

¹³ Andrea Vicini SJ, “Global Public Health and the Promotion of the Common Good”, in *Ethical Challenges in Global Public Health*, 4.

¹⁴ Michael J. Sandel, *The Tyranny of Merit: What’s Become of the Common Good?* (Allen Lane, 2020), p.24.

¹⁵ Gerald J. Beyer, “Strange bedfellows: religious liberty and neoliberalism”, *National Catholic Reporter*, February 15, 2012. <https://www.ncronline.org/news/politics/strange-bedfellows-religious-liberty-and-neoliberalism>

¹⁶ Pope Francis, *Fratelli tutti*, (2020), n.162.

But growing inequality is affecting the way we think about work. Sandel explains that since the 1970s the lot of blue-collar workers in the United States has worsened, while shareholders and CEO's have benefited from the enormous financial rewards of globalization. This tells people that the work they do is "less valued by the market than the work of well-paid professionals, is a lesser contribution to the common good, and so less worthy of social recognition and esteem. It legitimates the lavish rewards the market bestows on the winners and the meagre pay it offers workers without a college degree."¹⁷

Sandel points to a crucial dimension of work that popes from Leo on have also emphasized, namely that work is an economic *and* a cultural activity. Work is one of the ways we contribute to the broader life of the community. It helps us forge an identity, gain social recognition, put down roots, and develop a sense of common purpose. Inequality, on the other hand, is destroying any sense of recognition, especially among the less well paid in society, and is accelerating a crisis in personal and social identity.

The consequences are often devastating. Sandel speaks of "deaths of despair" and how they are increasing in the U.S. Death rates across America are increasing due to a rise in suicides, drug overdoses, and alcohol-related diseases. These deaths of despair are most common in white adults of middle age, and the situation is so bad that today more Americans are dying each year from drug overdoses than died during the entire Vietnam War.¹⁸ What is happening here cannot be explained by income inequality alone. To put it another way, income inequality is fuelling feelings of loss, despair, and grief within large sections of the population. People are grieving for a way of life that is gone, they are experiencing nostalgia for the past, and are trying to come to terms with the very real suffering of the present.

What we find in the social tradition is a recognition of the significance of work and how it is connected to human dignity. Throughout the Church's social teaching we find a robust defence of the dignity of work. In *Laborem exercens*, for example, John Paul II distinguished between the objective and the subjective dimensions of work. The subjective dimension refers to the person carrying out the work, while the objective dimension refers to the work/objects/services that are performed or produced. For John Paul, as for Francis, the primary importance rests with the subjective dimension – the human person. There is a dignity to work, and that dignity is derived from the fact that it is a person who performs it.

Pope Francis and the Catholic social tradition:

Returning to the pontificate of Pope Francis, how does he add new freshness to the social doctrine of the Church when it comes to socio-economic matters? He firmly builds on what the tradition already provided, but shapes it afresh to properly respond to our urgent concerns today. In *Fratelli Tutti* Pope Francis rejects the notion of trickle-down economics. He argues that although some economic policies have enhanced growth generally, they have not promoted integral human development. Wealth has certainly increased for some, but inequality continues to widen globally, contributing to many social problems. Francis tells us that "new forms of poverty are emerging," saying: "Poverty must always be understood and gauged in the context of *the actual opportunities available* in each concrete historical period."¹⁹

Poverty implies much more than the absence of wealth; as we mentioned above, it denies opportunities to people, impacts negatively on their health outcomes, limits their agency, and makes access to services more difficult. Poverty erodes a person's sense of self-worth and undermines efforts aimed at fostering civic solidarity.

¹⁷ Sandel, *The Tyranny of Merit*, 198.

¹⁸ Sandel, *The Tyranny of Merit*, 200.

¹⁹ Francis, *Fratelli tutti*, n.21. Emphasis added.

Francis' language is bold and hard-hitting, and by demonstrating how many ethical concerns are interconnected he adds nuance to the social doctrine. For example, one cannot critique neoliberalism and not examine the ecological implications; one cannot critique the migrant crisis without also considering the climate crisis or the impact of extreme poverty and war on communities. And importantly, Pope Francis recognizes not only that these are not isolated issues, but that they are fuelled by a deep human crisis. Ways forward, therefore, must be more than practical or pragmatic; they must deal with deeper human realities of suffering, longing, identity, loss, grief and so on.

In brief, we can take 4 headings from *Evangelii Gaudium* that best sum-up Pope Francis' critique of neoliberalism.

1. No to the idolatry of money:

“One cause of this situation is found in our relationship with money, since we calmly accept its dominion over ourselves and our societies. The current financial crisis can make us overlook the fact that it originated *in a profound human crisis*: the denial of the primacy of the human person! We have created new idols ... The worldwide crisis affecting finance and the economy lays bare their *imbalances* and, above all, *their lack of real concern for human beings*; man is reduced to one of his needs alone: consumption.” (n.55) (emphasis added)

2. No to an economy that excludes:

“Just as the commandment ‘Thou shalt not kill’ sets a clear limit in order to safeguard the value of human life, today we also have to say ‘thou shalt not’ to an economy of exclusion and inequality. Such an economy kills. How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points? This is a case of exclusion. Can we continue to stand by when food is thrown away while people are starving? This is a case of inequality.” (EG n.53)

“Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape.” (n.53)

“Human beings are themselves considered consumer goods to be used and then discarded. We have created a ‘throw away’ culture which is now spreading. It is no longer simply about exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society's underside or its fringes or its disenfranchised – they are no longer even a part of it. The excluded are not the ‘exploited’ but the outcast, the ‘leftovers’.” (n.53)

3. No to an inequality that spawns violence:

“Today in many places we hear a call for greater security. But until exclusion and inequality in society and between peoples are reversed, it will be impossible to eliminate violence. The poor and the poorer peoples are accused of violence, yet without equal opportunities the different forms of aggression and conflict will find a fertile terrain for growth and eventually explode ... This is not the case simply because inequality provokes a violent reaction from those excluded from the system, but because the socioeconomic system is unjust at its root.” (n.59)

As Kate Ward explains, inequality harms the common good “when it excludes people from the basic needs of life; when it keeps them from meaningful work and from participation in society; and when it leads to

violence.”²⁰ Francis is here recalling the teaching of Paul VI (*Populorum progressio*) and John Paul II (*Sollicitudo rei socialis*), who recognised that integral human development was key to lasting peace and security. “Development is the new name for peace,” Pope Paul claimed, and later we find several economists such as Joseph Stiglitz and James Wolfenshon saying the same thing. Peace is more than the absence of violence – it is built upon the solid foundations of equitable and democratic development, that is inclusive and participatory.

4. No to a financial system that rules rather than serves:

Here Francis draws almost word for word from the great social encyclical of Pope John Paul II, *Laborem exercens*. John Paul saw the folly of communism and other totalitarian forms of governance, and his theological anthropology constantly affirmed the dignity of all human beings. The economy, therefore, ought to be at the service of the human person, in her totality; the person was not made to serve the economy. There must be a correct ordering of capital and labour, for without this one can justify a myriad of abuses in the name of economic growth.

What to do?

Given the flaws of neoliberalism, how do we map a way forward? Capitalism is here to stay, and popes have never called for the outright rejection of capitalism, for obvious reasons. They have, however, called for limited or controlled capitalism, allowing for legitimate state intervention in order to secure the common good.

But what we find today is that people are being left on the fringes because of sinful structures, including exclusionary economic structures. Inequality is not natural nor is it inevitable. It is caused by social, political and economic policies that prioritize the needs of the few over the many. Rather than reducing poverty, neoliberalism has enhanced inequality and forced millions to the periphery of society.

As far back as 1971 the Synod of Bishops stated that “the influence of the new industrial and technological order favors the concentration of wealth, power and decision-making in the hands of a small public or private controlling group. Economic injustice and lack of social participation keep people from attaining their basic human and civil rights.”²¹ The synod also noted how growing inequality leads to what we sometimes call “hyper-agency” among the wealthy. This is an idea used by Kate Ward in her book, *Wealth, Virtue, and Moral Luck*.²² It refers to how the wealthy have a greater say over political and social mechanisms, often using this agency to further their own interests. The less well off, and especially the poor, have little say over the political and financial structures and are less likely to be able to affect change as a result. It becomes a cycle whereby the poor have fewer opportunities (financial, educational, political) and less say over their lives, resulting in growing resentment across large sections of society who feel forgotten and irrelevant.

Inequality, and the hyper-agency it fuels, contradicts the very essence of the common good. As the Council Fathers reminded us in *Gaudium et spes*, “The obligations of justice and love are fulfilled only if each person” contributes “to the common good, according to his [or her] own abilities and the needs of others.” (GS n.30) This suggests that we each have something to contribute to society, and that through our civic participation we strengthen democratic institutions. Furthermore, contributing within our social groups affords us a sense of belonging and helps shape identity. What we today call “contributive justice” must be

²⁰ Ward, “Jesuit and Feminist Hospitality”, p.3.

²¹ Synod of Bishops, *Justice in the World*, (1971), n.7-8.

²² Kate Ward, *Wealth, Virtue, and Moral Luck: Christian Ethics in an Age of Inequality*, (Georgetown University Press, 2021), see chapter 5 in particular.

understood inclusively – it is something that all ought to be able to enjoy. To quote the 1971 Synod of Bishops once more, “Every people, as active and responsible members of human society, should be able to cooperate for the attainment of the common good.” (JW24)

It is no surprise, therefore, that Francis is critical of economic strategies that exclude so many, and he doubts that the market can ever sufficiently level the playing field for all people. He cannot be more clear when he states: “We can no longer trust in the unseen forces and the invisible hand of the market. Growth in justice requires more than economic growth, while presupposing such growth: it requires decisions, programmes, mechanisms and processes specifically geared to a better distribution of income, the creation of sources of employment and an integral promotion of the poor which goes beyond a simple welfare mentality.” (FT n.204)

And he lays down the challenge that faces us all. He says that “[We must work] to eliminate the structural causes of poverty and to promote the integral development of the poor, as well as small daily acts of solidarity in meeting the real needs which we encounter. The word ‘solidarity’ is a little worn and at times poorly understood, *but it refers to something more than a few sporadic acts of generosity*. It presumes the *creation of a new mindset* which thinks in terms of community and the priority of the life of all over the appropriation of goods by a few.” (FT n.188, emphasis added).

This is critically important. Pope Francis is not placing his hopes on pragmatic or technical solutions alone. He is calling us all to inner conversion, to become people of imagination able to see a better way of living together, and he urges us to acquire new attitudes and lifestyles. There is a profound human crisis driving many injustices today, and for that reason Francis tells us that society “needs to be *cured of a sickness* which is weakening and frustrating it, and which can only lead to new crises.” (FT n.202, emphasis added) And so, we need to foster the moral virtues that will enable us to become better citizens and neighbours. And we must begin the uncomfortable task of looking inward for answers rather than waiting for others to enact positive social change.