



On The Margin

a newsletter of the Catholic Research Economists Discussion Organization

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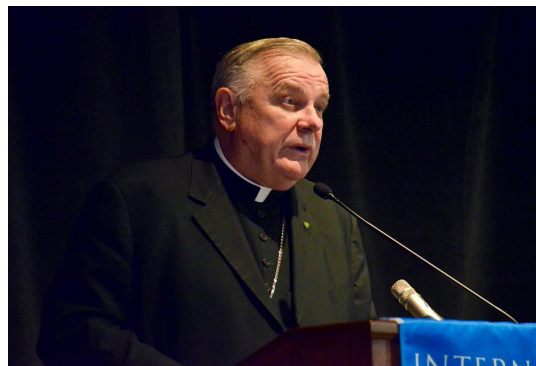
Valerie A. Ramey
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Conference Discusses Economics, Environment, & *Laudato si'*

On May 19-20, economists, bishops, and other scholars gathered for the 8th year in a row, in Chicago to discuss critical social and economic concerns. Building off of Pope Francis recent encyclical *Laudato si'*, this year's conference was entitled, "Caring for our Common Home: Economics, Environment, and Catholic Social Thought." The Lumen Christi Institute-sponsored conference was well attended, with many CREDO members participating as speakers and participants.

Archbishop Thomas Wenski of Miami gave the keynote address. Wenski was joined at the public event by CREDO economist, Chris Barrett (Cornell), as well as environmental economist Michael Greenstone (Chicago), theologian Mary Evelyn Tucker (Yale), and esteemed climate scientist Veerabhadran Ramanathan (UC-San Diego),



a member of Pope Francis' Council for the Pontifical Academy of Sciences. CREDO's Valerie Ramey moderated the event.

Wenski reflected on Pope Francis message in *Laudato si'*, explaining the intellectual and scriptural framework that the Pope starts from and the broad vision he offers. He noted that the Church's concern for the natural environment can be traced back to the book of Genesis, when Adam is called to "care for and cultivate" the earth, and citing Pope John Paul II and Benedict XVI, in particular.

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CREDO Holds Catholic Social Thought Seminar for Young Scholars

This May, CREDO introduced a seminar designed to introduce young economics and finance scholars to the principles of Catholic social thought. A mix of 15 Ph.D. students and junior faculty participated in the new seminar entitled, "Economics and Catholic Social Thought: A Primer". (Kevin Roshak, a finance professor at the University of Houston, reflects on the seminar on p. 7)

The seminar was generously sponsored by the Lumen Christi Institute and the
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Update from the President of CREDO

I apologize that the recent “Spring” issue is so belated. Unfortunately, we wanted to be able to cover the recent Lumen Christi conference and the Catholic social thought seminar for young economists, which were both in May. Unfortunately, family vacation time started in June, and one thing led to another.

Both the conference and seminar were quite interesting. I think the program at the Lumen Christi Institute’s conference was probably the best we’ve ever had. Valerie Ramey did a wonderful job in taking the reins once again.

This year’s conference had probably the most common ground among people of different disciplines. Bishops and theologians are concerned about environmental degradation, and scientists argue that the evidence for climate change is strong, and project bigger problems for the future. Economists overwhelmingly acknowledge that the environment is a public good, pollution is an externality, and laissez faire markets don’t always lead to good outcomes, but we also have a lot to add to the conversation in thinking about policies like cap-and-trade policies, carbon taxes, property rights, etc. I think the conference was a sign of real progress in these conversations, not so much because there is common agreement but because there was common language, and enough common ground for fruitful discussion.

It was encouraging to hear Bishop Pates showing an understanding of the issue of externalities and actual-

ly mentioning the word in his talk, and the discussion that ensued of whether the real issue is the inefficiency associated with the concept of an “externality” or the question of justice and injustice, if one person pollutes at the expense of another. These are not conversations that we could have when we started many years ago.

The only time I was truly at a loss was a discussion with a theologian over one of the lunches. (I usually find it the academics, or one or two academics, who are the brash and most outspoken, while it’s the bishops who are generally the humblest.) This theologian sneered the idea of *Imago Dei*, which is the idea starting that man is made in the image of God, able to reason and love and therefore be in communion with other people and God Himself. I suppose one might say that this view of man above all creation leads man to see our relationship with the rest of creation as one of only dominance rather than cooperation. But this theologian went further and said, “We share 96% of our DNA with chimpanzees,” as if to argue that there is nothing special about man. The absurdity and inconsistency of such a view is striking, however. The only reason for the conference is because (1) we believe climate change is a problem, and (2) the evidence suggests that it is man-made, and a result of industrialization, consumerism, etc., specifically human phenomena. If *Imago Dei* were wrong, we should have invited the chimpanzees to the conference too!

The first seminar for young econo-



Joseph Kaboski
David F. and Erin M. Seng Foundation Professor of Economics, University of Notre Dame

mists was also a success, although it was also a learning experience. Kevin Roshak, an assistant professor of finance at the University of Houston, who went to the Lumen Christi conferences as a grad student, has written a nice reflection on the seminar.

There are some pressing questions that face us in terms of these activities. We have funding secured that we could offer the student seminar on an annual basis or every other year. This would require a flow of 10-15 people interested in learning a bit more about Catholic social thought and how it might be relevant to an economist.

We face a similar question with the Lumen Christi Conferences. These conferences have been quite successful. (Indeed, I’ve been told by several people that they surpass even the Vatican conferences on the topics in terms of the quality of the scholars involved and the richness and openness of the discourse.) But there are discussions to move these to a bi-annual model, in order to ensure a high involvement of bishops.

If we go ahead with that, it would open up the possibility for a different type of meeting on off years.

The idea would be that this meeting would be less funded (relying on people paying their own way) but would be broadly open to all CREDO members. Indeed, the meeting could take place after the ASSAs, and could involve talks or presentations by members with perhaps a single Church leader in attendance as a headline speaker. Alternatively, we could move to simply try to add sessions within the ASSA program.

Lastly, this newsletter is short on economics. We typically have had someone summarize a bit of relevant research in everyday language, but we had difficulty identifying someone for this issue. It would be great to have suggestions on topics, authors, or – better yet – volunteers.

If you have ideas or opinions on any of these fronts, please let us know at contact@credo-economists.org.

I have one last but important request. My Notre Dame colleague, fellow CREDO member, and friend Tim Fuerst is fighting a very rare and serious form of stomach cancer. He was diagnosed during Easter week and has been given a very grim prognosis. Nonetheless, Tim is fighting hard with an aggressive chemotherapy regimen. Tim is not only a good economist, but he excels at the truly important things in life: a wonderful colleague and mentor, a devoted husband and father of four, a devout Catholic, and a very good and decent man. I can say with no exaggeration that Tim is among the

most admirable people I have ever met. I am sure others who know Tim would also agree. Tim remains ever positive, and I know that his greatest concerns are for his wife and kids.

I would like to ask you to please pray for Tim and his family. Given his prognosis, he needs a genuine miracle. Friends and family have been praying through the intercession of Blessed Basil Moreau, founder of the Holy Cross order that runs Notre Dame, who also needs a miracle (for canonization). Please pray for a miracle, and for peace for Tim and his family.



V. Ramanathan presents at the May 19 public symposium on “Economics, Environment, and Catholic Social Thought”

On the Encyclical Letter *Laudato si'* and the volumes edited by Pontifical Council (Energy, Justice and Peace – Land and Food).

Laudato si' comes at a time of re-thinking global development. The United Nations' Millennium Development Goals (MDGs, 2000-2015) have now run their course, achieving moderate success. With the Sustainable Development Goals (SDGs), the UN have established the development path for the next 15 years. Today, the world's people are facing complex and interrelated problems: long-term problems never resolved and mounting, such as arms traffic, slavery and addictions; the rise of new threats connected to biotechnologies, genetics, Internet and modern communication devices; competition for deep seas resources and the control of space; and old and new health threats that often catch us unaware and inadequately prepared. As Pope Francis explains in his Encyclical letter *Laudato si'*, everything is deeply interrelated. In the face of such threats, what can the Pontifical Council for Justice and Peace (PCJP) share concerning this complexity, this interrelatedness?

THE CARE FOR CREATIONS: ENERGY, LAND AND FOOD

In the recent past, the PCJP prepared two books - *Energy, Justice and Peace* (EJP, English version 2014) and *Land and Food* (LF, English version 2015), in which our Council helps analyze some important natural resources in the light of the Social teaching of the Church, proposing an ethical framework for radical

improvement in the management of those resources. The volumes also tackle the multiple issues which are related to natural resources, including economic and financial issues such as investment priorities and speculation; education and professional training; access to resources and their sustainable use; equitable and fair sharing of benefits; justice in its different aspects; democracy and governance; politics and inclusive management.

Both volumes start with a detailed interdisciplinary assessment of the situation. EJP underlines the inequalities in the distribution and *Laudato si'* comes at a time of rethinking global development. The United Nations' Millennium Development Goals (MDGs, 2000-2015) have now run their course, achieving moderate success. With the Sustainable Development Goals (SDGs), the UN have established the development path for the next 15 years. Today, the world's people are facing complex and interrelated problems: long-term problems never resolved and mounting, such as arms traffic, slavery and addictions; the rise of new threats connected to biotechnologies, genetics, Internet and modern communication devices; competition for deep seas resources and the control of space; and old and new health threats that often catch us unaware and inadequately prepared. As Pope Francis explains in his Encyclical letter *Laudato si'*,



Cardinal Peter K.A. Turkson
*President of the Pontifical
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as well as in the access to technology (cf. EJP pp. 35-47). LF assesses today's situations as to food, agriculture and land management: the right to food remains lacking; agrarian reform has failed in numerous states; the internationalization and financialization of agricultural and food-stuff markets negatively affect food prices; unwise human activities deteriorate the environment and production conditions; in certain cases, the use of arable lands is neo-colonial in character (cf. LF, nos. 11-48).

INADEQUATE POLICIES, INADEQUATE CULTURAL MODELS

Both books focus on the consistent culpability of governments because of their inadequate policies at the national level, their corrupt administration, and/or their weak support for effective multilateral governance. Pope Francis in *Laudato si'* says: "Politics (...) have been slow to react in a way commensurate with the urgency of the challenges facing our world" (LS, no.165).

Both books also emphasize the need for appropriate cultural and economic models. What happens in the world is not the result of chance, conjuncture, of bad luck: it follows from man-made models understandings (or misunderstandings) of the world that are spreading. These misunderstandings become ideologies and they become integrated into our political, economic, social, educative and ethical systems, in our behavior, with some predictable consequences. Pope Francis explains that no solu-

tion to crises can be proposed if we don't understand their roots, which are clearly human (cf. LS, chap. 3). Absolutized consumerism is deceptively presented as the means to achieve happiness, as the good of the person. The unbridled search for new short life cycle products that devour energy and soon become obsolete appears to be never-ending. The options of continuing to reserve the lifestyle of the richest consumer societies for a small elite, or of boasting them as an example of ideal progress for all, are unrealistic and unacceptable. (cf. EJP, pp. 76-78). This "waste" model is strongly promoted by media and by aggressive marketing which sometimes became a vector of neocolonialism. "(C)ommunities that seek to rise from poverty to a reasonable standard of living are persuaded to seek this progress by satisfying wants that have been created artificially. The result of this is that they waste their resources and neglect their real needs and genuine development falls behind" (LF, no. 57).

Let me suggest that the analysis of this prevailing model is the part of our two books which has the strongest resonance with *Laudato si'*!

We are all grateful to Pope Francis for his deep analysis on the globalization of this ideology and system, which he refers to as the technocratic paradigm. "Men and women have

Pope Francis explains that no solution to crises can be found if we don't understand their root, which are clearly human

constantly intervened in nature, but for a long time this meant being in tune with and respecting the possibilities offered by the things themselves. ... Now, by contrast, we are the ones to lay our hands on things, attempting to extract everything possible from them while frequently ignoring or forgetting the reality in front of us" (LS, no. 106). This "paradigm also tends to dominate economic and political life. The economy accepts every advance in technology with a view to profit (...) Some circles maintain that current economics and technology will solve all environmental problems (...) They are less concerned with certain economic theories ... than with their actual operation in the functioning of the economy. They may not affirm such theories with words, but nonetheless support them with their deeds by showing no interest in more balanced levels of production, a better distribution of wealth, concern for the environment and the rights of future generations" (LS, no. 109).

A CONVERSION OF HUMAN HEARTS FOR A NEW PARADIGM

"What is the goal of our work and all our efforts? What need does the earth have of us? It is no longer enough, then, simply to state that we should be concerned for future

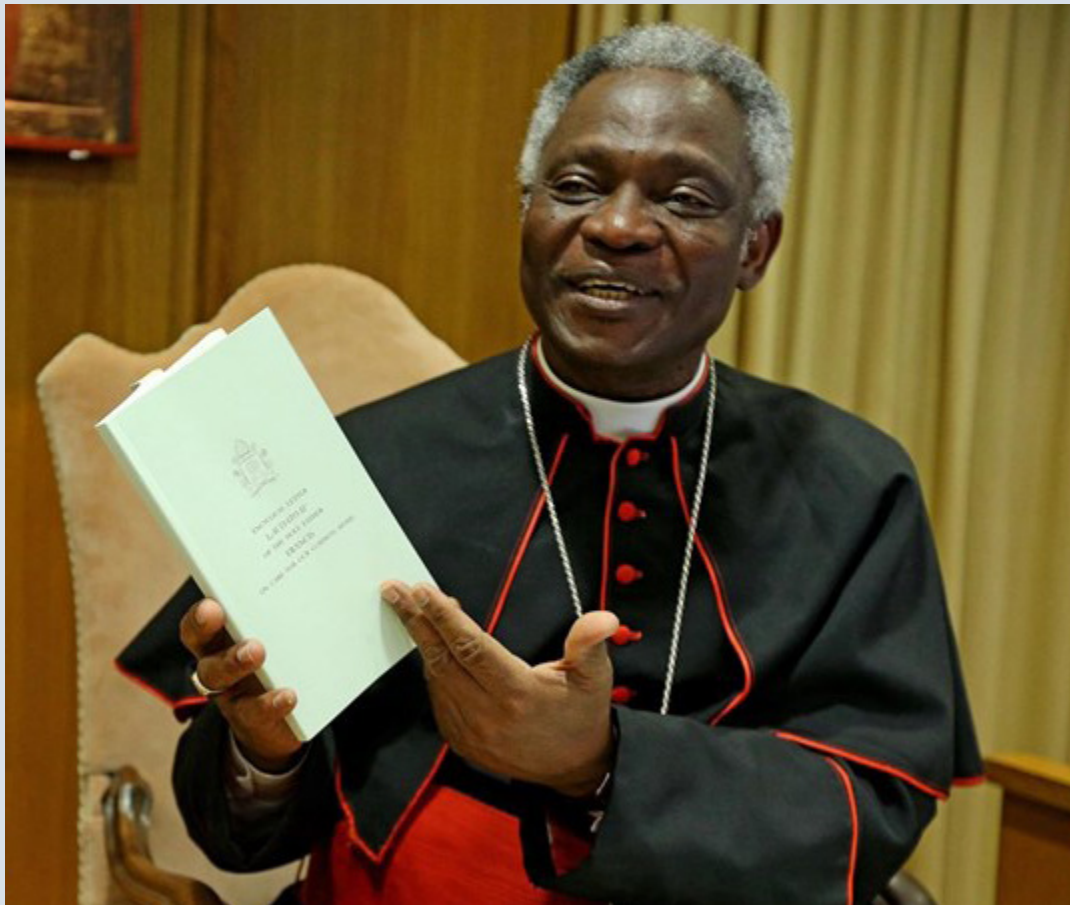
generations. We need to see that what is at stake is our own dignity” (LS, no. 160).

The Holy Father and the Pontifical Council have called for a new energy paradigm to master the development challenge and the sustainable management of creation. This also calls for a new paradigm to address interrelated challenges, rejecting non-consensual short-term solutions, rejecting opportunism, “green-washing” (claiming to be “green” through advertising while doing little to care for creation), “faith-washing” (using faith motivations in an instrumental way), and the pursuit of profit for profit’s sake. (cf. EJP, pp. 83 and 84).

CAN WE USE THE SDGS PROCESS TO PROMOTE HUMAN PROGRESS AND DEVELOPMENT, CHANGING “A PARADIGM THAT KILLS”(CF. *EVANGELII GAUDIUM* §53)?

This short text is not suitable for an analysis of the SDGs, not even a superficial review or comment of them. Taken separately or as a whole, the SDGs can be questioned, debated, and criticized from different stances. This is not the point. We should take for granted that the for the coming 15 years SDGs will define, at least to a certain extent, what is

development and what is not, what deserves funding and what not. Let each contribute “according to his or her own culture, experience, involvements and talents” (LS, no. 14). The Church and the faithful can play a huge role in the debate over specification and implementation of the SDGs. Let us contribute both by concrete action and also by systematic reflection rooted in the permanent, evolving wisdom of Catholic Social Teaching.



Cardinal Turkon with a copy of Laudato si'

Reflection on CREDO's "Economics and Catholic Social Thought: A Primer" Seminar

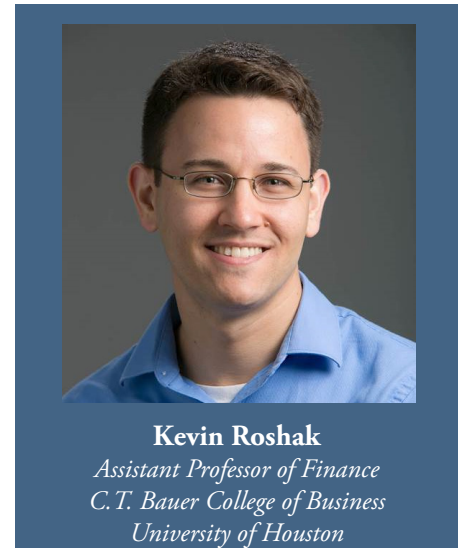
Kevin Roshak

Public policy is a shared interest of economists and Church leaders. Bishops care for the flourishing of their flock, and economists have the technical tools to evaluate policy. Past issues of this newsletter have highlighted discussions between the groups about the minimum wage, SNAP, inequality, marriage, and more. But each group brings their own language and presuppositions, which can make cooperation awkward. After attending the three-day "Economics and Catholic Social Thought: A Primer" seminar, co-sponsored by CREDO (with the Lumen Christi Institute and the Notre Dame Center for Ethics and Culture), I think CREDO is taking an important step on the part of economists to further bridge the divide. As I reflect on the seminar, it seems to me that economists interested in policy can learn from one of the greatest lawgivers in history: Moses.

Eventually Moses would lead the Jewish people out of slavery and deliver the Torah, but his first attempts at statesmanship proved disastrous. Young Moses was brash, killed an Egyptian, and was sneered at by his kinsmen ("Who has appointed you ruler and judge over us?"). Moses had to leave Egypt in exile, becoming a shepherd and "stranger in a foreign land" before he was prepared to see the burning bush and receive his commission. Economists can follow a similar path in discerning policy.

Brashness is a familiar temptation of mine, particularly when Church officials discuss economic policy. Economies are complicated equilibria that we spend years in graduate school studying and modelling and testing with rigor and precision—what do shepherds know of such things? CREDO's seminar is a useful antidote to such chutzpa. We read and discussed foundational Church documents on Catholic Social Teaching, as well as original work by the instructors (Profs. Hirschfeld, Yuengert, Fernandez-Villaverde, Kaboski and Cremers). It became immediately clear that the Church's anthropology of man is far grander than Mas-Colell, Whinston and Green's. Mary Hirschfeld, for example, covered Chapter 3 of the Compendium of the Social Doctrine of the Church, which illuminates the created human person as the "Imago Dei" and draws out the implications for human dignity, social relations, the tragedy of sin, man's dual nature as a material and spiritual being, and the relationship between freedom and natural law. Needless to say, there are more things in human nature than are dreamt of in our economics!

But like Moses' exile in Midian, Catholic Social Thought (CST) can feel like foreign land to an economist. Many of the Church's in-



By reflecting on CST, we can better understand the limits of our own discipline

sights on human nature seem orthogonal to canonical economics. For example, the principle of subsidiarity, as Andrew Yuengert wrote about in these pages last year, at first looks very familiar to economists as "basically decentralization." But Andrew explains that the principle is rooted in relationships, not efficiency. As members of a community, we have rights and responsibilities to each other. Violations of subsidiarity, in the words of St. John Paul II, "[deprive the local] society of its responsibility." This is a strange notion for economics—who wouldn't want to be deprived of a liability?

Catholic economists are lucky to have two paradigms for thinking about policy. CREDO's seminar gave junior faculty and PhD students access to church teaching—the seminar was a bootcamp in CST taught by economists for economists. By reflecting on CST, we can better understand the limits of our own discipline. Hopefully this project will lead to better research and policy. For example, Martijn

Cremers presented an empirical paper that connected aspects of finance and CST: what economists call “commitment problems” can look like weak relationships and distrust in CST.

Obviously the Promised Land is still far off. Sometimes CST feels like a collection of principles (solidarity, subsidiarity, dignity, the common good, etc) without a framework to apply them where the rubber meets the road in our fallen world. On the one hand, we

I found the seminar to be very thought-provoking, challenging, and ambitious

should not ask for too much of CST but follow Aristotle’s advice to only “look for precision in each class of things just so far as the nature of

the subject matter admits.” On the other hand, policy decisions require a concrete ordering of goods. The minimum wage debate illustrates the problem—people have a right to a living wage, but they also have the right to participate in the economy, so a binding minimum wage trades

one good for another if it reduces employment. It seems like progress requires: 1) a more explicit ordering

of goods from CST, and 2) a policy evaluation to determine if the policy gets the ordering of goods right.

I found the seminar to be very thought-provoking, challenging, and ambitious, and I am grateful that it provided me an opening into CST. My reflection contains only a small portion of the material covered. I look forward to following similar efforts in the future.



Disagreeing with the Pope: Conscience & Catholic Social Doctrine

Andrew M. Yuengert

“The Church does not presume to settle scientific questions or to replace politics.”

– Pope Francis, *Laudato Si'*, para. 188.

“The strategy of buying and selling ‘carbon credits’ can lead to a new form of speculation which would not help reduce the emission of polluting gases worldwide.... it may simply become a ploy which permits maintaining the excessive consumption of some countries and sectors.”

– Pope Francis, *Laudato Si'*, para. 171.

2w“With regard to climate change, the advances have been regrettably few. Reducing greenhouse gases requires honesty, courage and responsibility, above all on the part of those countries which are more powerful and pollute the most. International negotiations cannot make significant progress due to positions taken by countries which place their national interests above the global common good. Those who will have to suffer the consequences of what we are trying to hide will not forget this failure of conscience and responsibility.”

– Pope Francis, *Laudato Si'*, para. 169.

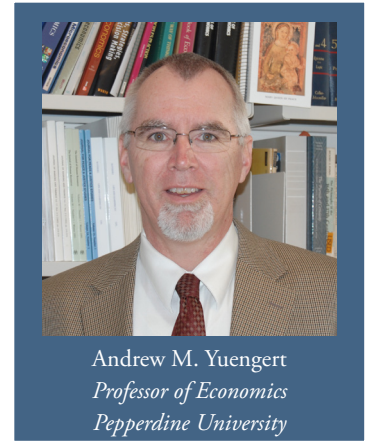
Every social encyclical has a statement like the first statement above, asserting that the Church “does not presume” to utter the last word on science or politics. Every social

encyclical also includes statements like the second and third, confident claims in favor of or against particular policies, and questions about the morals and motives of policy makers. This combination of modesty about politics and clear advocacy and critique of particular policies can be found in the statements and activities of bishops as well, who in the U.S. lobby for [a clear legislative agenda](#).

you will at some point find yourself on the opposite side of a political issue with some Church leader

Even if you applaud the current Pope’s climate initiatives, you will at some point find yourself on the opposite side of a political issue with some Church leader. How should a Catholic economist approach these inevitable disagreements?

A well-trained economist (secular or not) will respond to any policy proposal by first asking whether it is based on a correct characterization of the problem: are we accurately measuring the right things? Do we understand the causal relationships in the data? Do alternative approaches shed more light on the problem? A second response is to ask about feasibility: will the proposed policy effectively address the problem, and at what cost? Are there alternative policies which can achieve the desired effect at lower cost?



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Pepperdine University

This response takes as given a sharp division of labor between the formulation of values and economic analysis. The bishops promote a set of moral principles for a good and just social order (human dignity, the common good, solidarity, subsidiarity, option for the poor, etc.). It is the job of economists to evaluate the effectiveness of policy proposals. When a Pope or a bishop attributes bad motives or weak moral commitments to those who suggest defensible policy alternatives, these moral appeals may seem like ad hominem attacks, fallacious rhetorical distractions from the hard work of policy evaluation.

This characterization of papal and episcopal political advocacy is defensible and understandable on its own secular terms, but for a Catholic economist it is incomplete. In the secular perspective, bishops are no more than influential citizens whose particular value commitments are not relevant to policy evaluation. If they happen to be on your side in a political fight, then their influence may be strategically useful in promoting your reform program, but their value claims are no more consequential than anyone else’s. For a Catholic economist, who belongs to a worldwide Church whose

mission includes social reform, the politically outspoken bishop or Pope is also a spiritual shepherd. The secular perspective is inadequate as a framework for a Catholic economist's response, in two ways. First, the division of labor between bishop and lay economist is not as sharp as claimed: moral commitments and judgments of application are more difficult to separate in practice than they are in theory. Consequently, the bishops' commitment to moral principles will often lead them to question the way laypersons seek to apply those principles, and to propose political applications themselves. Second, within the context of the Church, when a bishop or Pope calls into question the moral commitments of those who disagree with him, it is not necessarily an *ad hominem* argument; it may be a call to an examination of conscience, and ought to be taken as such by lay Catholics, including Catholic economists.

THE NATURE OF (PRACTICAL) POLITICAL JUDGMENTS

If a bishop (or anyone else) is truly committed to a moral principle, he must act to realize that principle in the world. No one can be committed *in the abstract* to moral principles like human dignity, happiness, or friendship. Moral principles become real, and capable of enriching our lives, only when they take form in behaviors, character, and institutions.

Consequently, the separation between the promotion of

principles ('values') and the evaluation of measures to secure those principles cannot be watertight. Questions of whether you are committed to a principle and of how it is realized can never be completely separated. In exercising his teaching office, a bishop or Pope must offer examples of Catholic social principles *in action*: this policy appears to instantiate the moral doctrine of the Church; this social condition appears to violate it. The Pope or bishop may misunderstand crucial issues of application, the feasibility of a proposal, or the severity of a social problem. If he is to teach the principles of Catholic social doctrine, however, he cannot help but take stands on matters of fact and application.

There is another reason that Popes and bishops must take stands on practical politics: human beings are sinful, and sin can distort both our morals and our reason. Lay Catholics may, through a lack of commitment to the principles of Catholic social doctrine or through mistaken practical judgments, commit themselves to morally misguided policies.

No one can be committed *in the abstract* to moral principles like human dignity, happiness, or friendship.

Consequently, we need an ongoing critique of our moral commitments and of how those commitments are expressed in our judgments and actions.

Political analysis and policy formulation are never purely technical or theoretical exercises. In philosophical terms, these activities (however technical) ultimately come under the exercise of 'practical wisdom' (prudence). Prac-

tical wisdom is the virtue by which we translate moral commitments into concrete action. It combines reasoned discernment of what human goods are desirable and feasible in a given situation, and judgments about the best options for realizing those goods.

Because human beings are fallen and sinful, our reasoning about practical matters can be distorted by our often unruly emotions. For this reason, policy deliberation is more than an abstract exercise in rationality. It brings into play our ability to manage our passions. Consequently, church leadership has a role to play in evaluating and supporting the judgments of the laity in politics and other practical matters.

Of course, bishops are also fallen, and so are also vulnerable to the effects of sin on their own practical judgments (this is why lay Catholics ought to talk back when they disagree on practical matters). The point is not to give the bishops a pass from criticism; it is to acknowledge that their teaching office by necessity leads them to some involvement in practical politics.

LAY CONSCIENCE AND DISAGREEMENTS WITH BISHOPS

How then should a Catholic economist assert her practical expertise and still respect the authority of her bishop? Catholic teaching on conscience challenges the layperson to examine her conscience, even as it respects her freedom to come to different practical conclusions.

Cardinal Ratzinger, in his lectures on conscience, identifies four sources of

morally relevant knowledge: objective reality, individual conscience, the traditions of the community, and the will of God.¹ The potential conflicts between these different sources of moral truth and the oneness of truth (the fact that truth cannot contradict itself), informs and shapes Catholic teaching on conscience: individual conscience must be respected, particularly in practical matters, but it is not infallible. Like any human faculty, conscience must be formed and nurtured. The formation of conscience, like the formation of character, is a community project—a project of the Church and her members, in which her teaching authority plays an important role.

According to the *Catechism* (paras. 1778-1780), through the action of conscience, human beings judge the “moral quality of an act;” this judgment involves perception of the ends (principles) of morality, the means (options for action), and renders final judgment on the act itself.² Conscience is closely related to practical wisdom, allowing us individually to perceive what is truly good for us, and to judge how best to achieve those goods. Its existence testifies to the created nature and dignity of the human person, and thus demands respect.³

When a Pope or bishop proposes a policy, his proposal has two parts: 1) an appeal for a deeper commitment to a moral principle. 2) a practical judgment that *this poli-*

Practical Wisdom is the virtue by which we translate moral commitments into the concrete action.

cy best promotes the principle.

When we disagree with the proposal, we tend to de-emphasize the first part; either we give ourselves a pass on the moral appeal (of course we all care about the poor, justice, and the environment), or we are uncomfortable with or resentful of the insinuation that we are morally imperfect. At the same time we focus on the second part, particularly on disputes over empirical claims and pragmatic politics (the proposal addresses a problem which is not as severe as it seems, will be ineffective, or is politically infeasible).

It goes without saying that economic and political critiques of episcopal proposals are often warranted and necessary. When Popes and bishops proclaim principles of the moral law, their teaching carries great authority. When they get into policy details, however, they are not immune to political passions and partisan conflict. They can be tempted to dismiss reasonable critiques and policy alternatives, adopting the common but toxic attitude that political opponents are morally suspect or stupidly blind to obvious facts. As a corrective to their own moral vulnerabilities, bishops need to hear good-will critiques from lay economists and others.

However badly bishops and Popes need to hear lay critiques of their practical proposals, lay Catholics should not hastily dismiss episcopal political statements or actions on purely technical, economic, or polit-

ical grounds. By doing so they risk overlooking the unmistakable moral appeals in those statements and actions. Benedict XVI describes the political involvement of the Church as an effort to “bring about openness of mind and will to the demands of the common good.”⁴ The U.S. Bishops, in their 1986 letter on the economy, did not ask for agreement with their proposed policies on employment, poverty, agriculture, and globalization, but for an examination of conscience by lay Catholics: “we want our statements on these matters to be given serious consideration by Catholics as they determine whether their own moral judgments are consistent with the Gospel and with Catholic social teaching.”⁵

Many of the most prominent cases of conflict between individual conscience and Church teaching are those in which the Church’s teaching is clear and exceptionless (contraception, adultery, in vitro fertilization). In cases like these, where the conflict cannot be resolved by appeal to circumstances, the layperson must still act in accord with his conscience, although the obligation to examine it closely is heavy. The moral danger is that the layperson will not examine his conscience, being content to pit his private moral judgment (an erroneous conscience) against apostolic teaching on faith and morals.

In matters of more practical disagreement with Church authority, the danger of poorly formed conscience still exists, but the danger is more difficult to discern, and consequently less easily confronted. A layperson who disagrees with his bishop on a practical matter can explain the disagreement in pragmatic,

character-neutral terms: the economic analysis of the bishop's proposal is flawed, his facts are mistaken, or his proposal is politically infeasible. The possibility that these objections are legitimate should make bishops duly modest and circumspect in their statements, not identifying too closely the practical particulars of their proposal with its motivating principles. Nevertheless, the legitimacy of the practical objections does not excuse the lay critic from an examination of conscience. He should subject his own motivations and character to the same scrutiny he applies to the bishop's practical judgments: "Am I taking seriously enough the moral stakes which motivate the bishops to act? Are my criticisms motivated by a desire to justify myself, my worldview, and to excuse myself from sacrifice and discomfort? Even if my criticisms are legitimate, am I sufficiently committed to addressing the problem? Or am I content to excuse myself from action by pointing out the practical shortcomings in the episcopal proposal?"

Examinations of conscience are painful, but they are crucial for the development of mature conscience, and for the effective sanctification of the social order, in which the exercise of practical wisdom informed by conscience is irreplaceable. The lay critic should not invoke the practical nature of the disagreement to avoid this examination. He is disagreeing not with just any fellow citizen, but with his spiritual shepherd, whose practical proposal is meant to spark

you owe it to yourself and to the Church to discern the moral appeal behind the policy.

moral reflection as well as effective action. The lay critic owes it to himself and to the Church to examine his motivations and commitments, apart from his support for or opposition to an episcopal proposal.

For their part, the bishops owe it to their flock, and to the Church, to speak in a way that respects legitimate differences in practical judgment among lay Catholics. When a bishop successfully engages Catholics who agree and disagree with his proposals, he can foster the sort of dialogue regularly called for

in Catholic social doctrine, what Cardinal Ratzinger called "this constant 'familial discussion' within the Church," which will "build up the community conscience—those who try to express their word in the teaching office, as well as those who wish to learn that word from within themselves."⁶ When, on the contrary, a bishop reflexively dismisses legitimate disagreement as evidence of a lack of moral commitment, his flock will be more likely to treat his political program as a private project conducted under the auspices of the Church's communal mission.

So when you come across a statement of economic fact or an economic proposal from a bishop or Pope which causes you to scratch your head in wonder, you owe it to yourself and to the Church to discern the moral appeal behind the policy. Moreover, when a bishop calls into question your moral commitments, do not dismiss his challenge out-of-hand. You are, after

all, an imperfect sinner, and your conscience only develops when it is challenged and examined. Examine your conscience, and examine your arguments. If both are sound, then respectfully disagree with your bishop. For his part, he owes it to the Church to listen. He also has a conscience, and responsibilities to the Body of Christ. But that is for another article, in a different newsletter.

1. Josef Cardinal Ratzinger, *On Conscience* (San Francisco: Ignatius Press, 2007), p. 56.
2. U.S. Catholic Conference, *Catechism of the Catholic Church*, paras. 1778-1780.
3. *Ibid.*, paras. 1781-1782.
4. Benedict XVI, Encyclical Letter *Deus Caritas Est* (25 December 2005), para. 28.
5. National Conference of Catholic Bishops, *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, DC: United States Catholic Conference, 1986), p. 33.
6. Josef Cardinal Ratzinger, *On Conscience*, p. 64.

Jesuit Economicists Release Document on the Global Economy

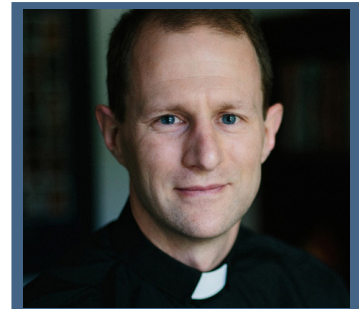
Matthew Carnes, S.J.

Since his election in 2013, Pope Francis has spoken extensively on economic matters, giving special focus to issues of poverty, inequality, and environmental sustainability. While his teaching largely reflects ideas present in the papal magisterium since Leo XIII, and strongly reinforced by Pope Saint John Paul II and Pope Emeritus Benedict XVI, his critique of the economic order has struck a new chord in the current moment, drawing particular attention – and criticism – from a number of audiences, including (and perhaps especially) economists. Given this reaction, leaders in the Pope’s religious order, the Society of Jesus (the Jesuits), called together a small international task force of Jesuits and lay people in 2014 to reflect on Francis’ teaching from a variety of academic perspectives – including four economists, a theologian, and a political science, and a philosopher. That task force chose to produce a statement – recently released as “Justice in the Global Economy: Building Sustainable and Inclusive Communities” – that seeks to help both economists and non-economists engage Pope Francis’ teaching, especially in terms of the some of the more complex economic issues he raises.

The document consists of four main sections. The first offers what it calls “signs of the times,” describing the task force’s snapshot assessment of the major developments in the world economy in recent decades. These include a remarkable rise in worldwide incomes and life expectancies, with a

concomitant decline in the share of the world’s population living below the World Bank’s poverty line. This “great escape” (as Angus Deaton has called it elsewhere), and the role of private sector actors and the incentives of markets in fostering growth, are hailed as promising harbingers of future change. Conversely, it also notes the persistent challenges that some actors – particularly those who continue to face poverty, as well as women and indigenous and minority populations, and those who bear the brunt of climate change – continue to face in today’s economy.

The second major section more closely examines a series of topics that the task force considered the “major challenges of today,” several of which were highlighted in Pope Francis’ pastoral exhortation, *Evangeli Gaudium*, and his encyclical *Laudato Si*. In each case, the task force draws on recent data and the academic experience of its members to provide context and additional reflection to Francis’ perspectives. In this vein, it discusses the rising inequality of incomes and wealth (and in some cases, political access) that have accompanied the growth process in recent decades, as well as the troubling persistence of poverty for hundreds of millions of people around the globe. In addition, it notes trends that received less attention in the Pope’s writ-



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ings – such as the enlarged (and constantly growing) role of financial markets, skill biased technological change, and outsourcing – cautiously showing how the additional dynamism these add to the economy can also result in volatility of income and dislocations for many citizens. Likewise, a link is proposed between these economic patterns and the rise of violence, social discord, and corruption in the developing world, as well as the increasingly concerning state of the global environment.

the common good differs fundamentally from a simply utilitarian tabulation of the sum of individual goods or utility

Based on this assessment of the major issues facing the world economy, the third section of the document articulates a “new vision” to address the current challenges of our day, drawing on the foregoing economic analysis and the Catholic concept of the common good. It defines this common good as “interconnected set of social values that are shared by all of a community’s members to at least the degree required by their common humanity. It is a good that simultaneously benefits the community and each of its members.” In this way, the

common good differs fundamentally from a simply utilitarian tabulation of the sum of individual goods or utility, and it likewise contrasts with the economic concept of public goods. In the achievement of this common good, social institutions – including the state, civil society, the private sector, and “global networks for justice” – have important roles to play, consistent with the concepts of subsidiarity and solidarity. Noting that some actors at the local level may not have the resources or power to achieve necessary flourishing of human beings, the document calls on the state, international community, and especially the Christian community to take leadership roles in addressing the economic and environmental challenges of our day.

Toward this goal, the task force tentatively offers a set of recommen-

dations in its final section. These are aimed at promoting “fairness and participation” at both the national and international levels, and they are undergirded with both economic reasoning and a spirituality of shared responsibility for the common good. Not all readers will agree with all the recommendations, but they are meant to serve as an example of how to think about our economic and faith commitments in an integrated way. This is seen most clearly in the articulation of recommendations to the Jesuit “Ignatian family” of schools, parishes, and ministries. These are called upon to better commit to an ongoing solidarity with the poor and marginalized, using the resources of academic institutions and prominent social ministries to educate professionals and engage political leaders on these critical topics.

In short, the document offers a model for engaging the economic opportunities and challenges of our day in a way that seeks to be true to the twin commitments of the social scientific discipline of economics and the Christian faith of those who practice the discipline. The authors hope it promotes increased dialogue, both by economists and non-economists, and they invite comments and reactions to keep the conversation – which Pope Francis has so forcefully engaged – moving forward.

The full document, “Justice in the Global Economy: Building Sustainable and Inclusive Communities,” can be accessed at the website of the Jesuits’ Social Justice and Ecology Secretariat, http://www.sjweb.info/documents/sjs/pj/docs_pdf/PJ_121_ENG.pdf.

*CST Seminar continued
from front page*

University of Notre Dame’s Center for Ethics and Culture. The seminar took place at the Notre Dame, and Martijn Cremers, finance professor at Notre Dame’s Mendoza School of Business, took the lead in organizing the three day event. “Our goal was to provide a primer on the main principles of Catholic Social Teaching, discuss how these relate to economics, and create an opportunity to socialize with others

interested in thinking about the integration of their faith with their research and teaching,” explained Cremers.

The seminar was led by Cremers, as well as CREDO members Jesus Fernandez-Villaverde (U. Penn), Mary Hirschfeld (Villanova), Joe Kaboski (Notre Dame), and Andy Yuengert (Pepperdine). The discussions ranged from the underpinnings of the Catholic view of man, the relationship between subsid-

arity and solidarity, and the history of natural law, to more clearly economic questions like whether we can reconcile just wages, market wages and research on minimum wages, or stakeholder vs. shareholder views of corporate governance.

Based on the success of this inaugural seminar, CREDO plans to continue the seminar on an annual or semi-annual basis.



Conference continued from front page

“Those who remain troubled by Pope Francis’ excursion into environmental waters must remember that other Popes waded in many years before.”

He also elaborated on Pope Francis’ concept of “integral ecology”, where he sees the ecological crisis as a part and symptom of a broader crisis of man’s broken relationships with not only nature, but other humans and God as well. Wenski explained that both anthropocentrism and biocentrism are dangers.

“We can’t fix one relationship in isolation,” he noted.

Wenski described *Laudato si’* as a hope-filled call for a renewal to meet this crisis, and one that we must address immediately.

“Even though the ‘science of climate change’ might have its detractors, prudence dictates that we cannot just wait for those who might yet drag their feet in the face of the evidence,” explained Wenski.

Taking a scientific tact, Ramanathan

elaborated more on the urgent need to remove “one trillion tons” of CO₂, but he also emphasized the inequalities in fossil fuel access between the wealthiest populations in the world and the poorest segments. He insisted that addressing the problem requires “a change in attitude toward nature and towards each other” and “moral leadership.”

Barrett, an agricultural and development economist, focused his remarks on the issue of food security, especially for the poor, in the face of environmental degradation. Projecting the demand for food will grow, with 90% of this growth in Africa and Asia, which he described as “a reason to celebrate”.

Barrett explained that much will have to come from new technologies, including GMOs, which many people resist. “The technocratic paradigm is necessary, but with a human face.”

Greenstone discussed three critical issues involving the environment: the scarcity of fossil fuels, the health hazards on people of local pollution, and the problem of global warming. He explained the issue that externalities play, and

elaborated on two solutions to these global challenges: getting prices right and investing in innovation. Tucker gave a historical overview of the environmental movement, and the role of academic theologians in this movement. Citing her recent book, she argued that human beings mistakenly view their lives as somehow separated from the rest of the universe. “This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us.”

The second day of the conference was a small group meeting that went into more depth with sessions on the current state of environmental degradation, Catholic social thought and the environment, and practical responses to the problem. It featured a second talk by Chris Barrett, as well as talks by economists Richard Carson (UC-San Diego), Geoffrey Heal (Columbia Business School), and Mark Jacobsen (UC-San Diego). In addition, Bishop Richard Pates of the Diocese of De Moines, and theologians David Cloutier (Mt. St. Mary’s) and Jame Schaefer (Marquette) gave talks.

“We can’t fix one relationship in isolation,” he noted.



Michael Greenstone (University of Chicago) and Mary Evelyn Tucker (Yale University) give presentations at the public symposium.

CONTRIBUTORS

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CARDINAL PETER KODWO APPIAH TURKSON is President of the Pontifical Council for Justice and Peace. He was born in Nsuta-Wassaw, Ghana, and attended seminary in Amisano and Pedu. He was ordained a priest for the Archdiocese of Cape Coast in 1975. For many years, he studied and taught and worked as a chaplain at several seminaries and universities, earning his license in Sacred Scripture at the Pontifical Biblical Institute, masters degrees in Theology and Divinity from St. Anthony-on-Hudson, Conv. Franciscan Seminary, New York, and then continued doctoral work in the Pontifical Biblical Institute before being installed as Archbishop of Cape Coast (Ghana) in 1993. As archbishop, he served as president of both the Ghana Catholic Bishops' Conference and the Regional Episcopal Conference of West Africa. In 2003, he was proclaimed Cardinal by Pope St. John Paul II, nominated President of the Pontifical Council for Justice and Peace in 2009 by Pope Benedict XVI, and was confirmed again to the office by Pope Francis in 2013. In 2013, he gave the keynote address at the Lumen Christi Institute annual conference, which CREDO helps organize.

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[Above] The April 20 symposium on “Caring for Our Common Home: Economics, Environment, and Catholic Social Thought” at the International House at the University of Chicago.