

MORALITY AND MARKETS

Fr. Robert Sirico

“Freedom rightly understood is not a license to behave like spoiled adolescents but rather the noble birthright of creatures made in the image of God,” says Fr. Robert Sirico in his new book *Defending the Free Market: The Moral Case for a Free Economy*. “As long as we refuse to sell this birthright for a mess of materialist pottage, hope remains.”

Fr. Sirico, president of the Acton Institute, recently talked to *Catalyst* about how markets can be made moral, the Christian’s role in health care, and why consumerism is incompatible with capitalism.

What does it mean for a market to be “moral”?

FR. SIRICO: The human person is the center of the market so the morality of a market is rooted in the morality of the human person. The market itself is neither moral nor immoral, but it becomes a vehicle for the moral and economic expression of the acting human person, who has the free will to choose good or bad. A moral market is therefore a market in which humans are making moral economic choices.

What does theology have to do with economics?

At its most fundamental level, economics is not about money—it’s about human action. How we answer the big questions—Who am I? Why am I here? Where am I going? What is man?—has an enormous impact on every facet of our lives, including how we work and buy and sell, and how we believe such activities should be directed. Much more than numbers are at stake here: intrinsic human dignity, flourishing and rights hang in the balance. That is why our theological commitments, particularly how we understand man, influences how we think about economics.

But economists don't usually incorporate such theological commitments into their theories do they?

No, not directly. But their theological commitments are reflected in their anthropological presupposition, a view of man that I'd call *homo economicus*—economic man.

Homo economicus is the theoretical construct that appears frequently in the work of mainstream economists. Economic man is self-interested. His sole purpose in life is to maximize utility. He never stops calculating costs and benefits, and he's anxious to render these in monetary terms so they can be put on a balance sheet and bought or sold in a market. The results dictate the choices he makes in life.

While *homo economicus* serves a purpose in the economics literature, we need to be careful not to mistake this economic caricature for an accurate representation of man. In real life, people are motivated by much more than what economists describe as “maximizing utility”—especially where “utility” is understood in narrowly materialistic terms. What might be called “the economic truth of man” is true enough, but it is not the whole truth about who we are as human beings. That is why a theological understanding of man—a Christian anthropology—is necessary for developing a truly moral economy.

How would starting with a Christian understanding of man, rather than economic man, change our approach to economics?

Any man who was only economic man would be a lost soul, a physical being without transcendence. And any civilization whose markets and other institutions were filled by such economic men would soon enough be a lost civilization. Fortunately, this is not how human beings really are. We find ultimate fulfillment not in acquisition but in developing, sharing, and using our God-given creative capacities for good and giving of ourselves to others—for love.

While this is a Christian understanding of man, it's not just the pie-in-the-sky thinking of a Catholic priest. There is hard data to back it up. For instance, researchers have found that sudden, unearned wealth does not permanently alter one's level of happiness. What does tend to make people happier is earned success—in other words, the feeling of accomplishment that comes with a job well done, a job others find valuable.

Failing to understand that man is more than economic man leads to major errors in addressing social problems. If we treat only the symptoms of social ills—slapping more meddlesome regulation, government spending, or targeted tax cuts onto the surface of a problem without nourishing the wellsprings of human happiness—our solutions will fail. We need the more robust understanding of man that comes from the Christian tradition.

In your book you argue that the market can do a better job of taking care of people's material needs than can a government safety net. Can you explain what you mean?

One thing we know about markets from a wide array of economic studies is that the less taxed and regulated a society is, the more prosperous it is. We also know the material needs of people are best met in societies that are prosperous, both in terms of the abundance of economic opportunities available and the amount of superfluous wealth that can be used generously to support the needs of those unable to provide for themselves.

How would you respond to critics who claim that defending capitalism is defending "big business"?

Too often when people object to "capitalism" what they are really against is the effects of crony-capitalism—the close relationships between "big business" and "big government." I'm against this too.

Those who act from within the bureaucratic mentality are

looking to conserve or advance their sphere of power and so will favor their friends and political allies. When linked to business, this dynamic in effect politicizes economics so that the businessperson is no longer attempting to serve the consumer but is attempting to increase their political power. The result is that businesses hire lobbyists to approach politicians and their representatives to curry favor in order to do business. This is not a phenomenon of markets but of politics.

Many Christians are skeptical about capitalism because it seems to encourage consumerism. But in your book you argue that consumerism actually makes capitalism "impossible over the long term." What do you mean?

Many confuse a market economy with consumerism because they see a buy-buy-buy mentality as the outcome and goal of economic liberty. But consumerism is the muddled idea that only in having more can we be more. Consumerism is wrong not because material things are wrong. Consumerism is wrong because it worships what is beneath us.

Far from a synonym for capitalism, consumerism makes capitalism impossible over the long term, since it makes capital formation all but impossible. You can't have sustainable capitalism without capital and you can't have capital without savings. A consumer culture isn't a saving culture; it isn't a thrift culture. It's too fixated on buying the next toy to ever delay gratification, to ever save and invest for the future. If people are running around spending everything they've earned, you may have a consumerist society but you don't have a capitalist one.

Another common perception is that advocates of free enterprise are supporters of the greed and selfishness popularized by the atheist novelist Ayn Rand. Even GOP vice-presidential candidate Paul Ryan has expressed his admiration for Rand. What is the attraction of her philosophy and why, as you

mention in your book, is this problematic?

Since the 1940s Rand has had a strong appeal, especially to the young in search of heroes and idealism. Her idea of man is noble, and she is second to no one in defending freedom in the face of the totalitarian impulse, which she saw firsthand as she grew up in the newly formed Soviet Union. She also wrote passionately about man's creative capacity and entrepreneurial potential, and about the need for social conditions that protect man's freedom to be creative. These themes can be riveting and inspiring in Ayn Rand's novels—they inspired me when I was in my twenties. But her foundational belief in radical individualism—an autonomy that precludes social obligation and responsibility—is obviously problematic.

Fortunately, most of the people I know who read her when they are young outgrow her. I suspect that is true of Congressman Ryan too. When he talks about what he likes about Rand all his references are to what we might call the "Good Rand." Ryan is certainly not a "Randian." In fact, Ayn Rand would despise much of what Ryan believes in, such as his pro-life views and his Catholic faith. It would not take a great imagination to construct what Rand would say about Ryan.

Rand rejected the Christian view of man, which holds that society consists of unique, unrepeatable humans, each made in the Image of God in such a way that each contributes something to society that no other individual could. People complement each other through their varied strengths and weaknesses so that all may survive and flourish.

In your book you discuss the role the Church played in developing hospitals and the modern health care system. How has the role of Christianity in health care changed in recent decades?

The Christian, and specifically, the Catholic influence on health care has suffered as government has taken a larger

role. The establishment of Medicare and Medicaid in 1965 was perhaps the defining moment in the federal government's becoming a permanent player in the health market. Since then the government's participation has increased to the extent that there is virtually no truly free market for health care in the United States today. The effect has been that the role that Christian mercy once played has been replaced by anti-Christian values. By legalizing, condoning, and then subsidizing practices such as abortion and, increasingly, euthanasia, the federal government sends the message that these practices are morally permissible, and even a basic human right.

Consider the recent attacks on Catholic conscience by the Obama administration. The infamous HHS mandate that Catholic hospitals provide morally objectionable "services" such as contraception and abortion drugs is essentially a requirement that they give up their Catholic identity.

Unfortunately, the public has been slow to recognize this threat. Catholic health providers face the daunting challenge of convincing people the federal government is wrong in condoning and supporting such immoral actions. The Church will also have a difficult time continuing to provide the high quality health care that has emerged over the centuries, while attempting to avoid the federal government's backlash. The challenges that we face—and let us be clear, this involves Catholics and non-Catholics alike—and the social unrest they may cause, should highlight the importance of religious freedom and economic freedom for the preservation of a just and flourishing society.

[Back to Top](#)