

# A FREE AND FRATERNAL ECONOMY

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THE FRANCISCAN PERSPECTIVE

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MARTÍN CARBAJO NÚÑEZ



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English

## **A FREE AND FRATERNAL ECONOMY**

### **The Franciscan Perspective**

*By Martín Carbajo Núñez*

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# Abbreviations

## **Biblical books**

1Sam	1 Samuel
1Cor	1 Corinthians
2Cor	2 Corinthians
2Thess	2 Thessalonians
Col	Colossians
Deut	Deuteronomy
Eph	Ephesians
Ex	Exodus
Gal	Galatians
Gn	Genesis
Is	Isaiah
Jer	Jeremiah
Jn	John
Lk	Luke
Mk	Mark
Mt	Matthew
Num	Numbers
Rm	Romans
Ps	Psalms
Sir	Sirach

## **Magisterium sources**

AA	SECOND VATICAN COUNCIL, Decree <i>Apostolicam actuositatem</i>
----	----------------------------------------------------------------

AL	FRANCIS, Exhortation <i>Amoris letitia</i>
APar	PAUL VI, Letter <i>Alma parens</i>
CA	JOHN PAUL II, Encyclical <i>Centesimus annus</i>
CSDC	PCJP, Compendium of the Social Doctrine of the Church
CEI	Italian Bishops' Conference
CFL	JOHN PAUL II, Exhortation <i>Christifideles laici</i>
CCC	Catechism of the Catholic Church
COD	Conciliorum Oecumenicorum Decreta
CV	BENEDICT XVI, Encyclical <i>Caritas in veritate</i>
DC	BENEDICT XVI, Encyclical <i>Deus caritas est</i>
CST	Catholic Social Teaching
DV	SECOND VATICAN COUNCIL, Constitution <i>Dei Verbum</i>
DZ	DENZINGER, Enchiridion symbolorum
EA	JOHN PAUL II, Exhortation <i>Ecclesia in America</i>
ECS	PCCS, Ethics in communications
EG	FRANCIS, Exhortation <i>Evangelii gaudium</i>
ES	PAUL VI, Encyclical <i>Ecclesiam suam</i>
EV	JOHN PAUL II, Encyclical <i>Evangelium vitae</i>
FR	JOHN PAUL II, Encyclical <i>Fides et ratio</i>
GS	SECOND VATICAN COUNCIL, Constitution <i>Gaudium et spes</i>
LE	JOHN PAUL II, Encyclical <i>Laborem exercens</i>
LibC	CONGREGATION FOR THE DOCTRINE OF THE FAITH, Instruction <i>Libertatis conscientia</i>
LibP	LEO XIII, Encyclical <i>Libertas praestantissimum</i>
LS	FRANCIS, Encyclical <i>Laudato Si'</i>
MD	JOHN PAUL II, Letter <i>Mulieris dignitatem</i>
GCST	CONGREGATION FOR CATHOLIC EDUCATION, Guidelines for the Study and Teaching of the Church's Social Doctrine

PCCS	Pontifical Council for Social Communications
PCJP	Pontifical Council for Justice and Peace
PP	PAUL VI, Encyclical <i>Populorum progressio</i>
PT	JOHN XXIII, Encyclical <i>Pacem in terris</i>
QA	PIUS XI, Encyclical <i>Quadragesimo anno</i>
RH	JOHN PAUL II, Encyclical <i>Redemptor hominis</i>
RN	LEO XIII, Encyclical <i>Rerum novarum</i>
RP	JOHN PAUL II, Exhortation <i>Reconciliatio et paenitentia</i>
RSF	PCJP, Reform of the international financial system
SRS	JOHN PAUL II, Encyclical <i>Sollicitudo rei socialis</i>
SS	BENEDICT XVI, Encyclical <i>Spe salvi</i>
VS	JOHN PAUL II, Encyclical <i>Veritatis splendor</i>

### Writings of St. Francis

1LtF	The First letter to the faithful
2LtF	The Second letter to the faithful
Adm	The Admonitions
CtC	The Canticle of the creatures
LtAnt	A Letter a Brother Anthony of Padua
LtL	A Letter to Brother Leo
LtMin	A Letter to a minister
LtO	A Letter to the entire Order
ER	The Earlier Rule (Regula non bullata)
LR	The Later Rule (Regula bullata)
Test	The Testament

### Franciscan Sources and Authors

1C	CELANO, The Life of St. Francis
2C	CELANO, The Remembrance of the Desire of a Soul
L3C	The Legend of the Three Companions
AFH	Archivum Franciscanum Historicum
Ap	The Anonymous of Perugia

BF	Bullarium Franciscanum
2MP	The Mirror of Perfection. Larger version
LFI	The Little Flowers of Saint Francis
Hex.	BONAVENTURE, Collationes in Hexaëmeron
HO	JACQUES DE VITRY, Historia Occidentalis
LMj	BONAVENTURE, The Major Legend
Lp	The Assisi Compilation or The Legend of Perugia
Metaph	DUNS SCOTUS, Quaestiones super libros metaphysicorum Aristotelis
Oph.	DUNS SCOTUS, Opera philosophica
Ord.	DUNS SCOTUS, Ordinatio vel Opus Oxoniense
Quaracchi	BONAVENTURE, Opera omnia, Collegii St. Bonaventurae
Rep.	DUNS SCOTUS, Reportatio Parisiensis
Vat.	DUNS SCOTUS, Opera omnia, ed. Comm. Scotisticae
Vivès	DUNS SCOTUS, Opera omnia, ed. L. Vivès

### **Bibliographical and common**

a.	Articulus
AAS	Acta Apostolicae Sedis
VSA	Vatican Secret Archives
BAC	Biblioteca de Autores Cristianos
c.	Chapter
Cf.	Confer, see, compare
A/m.	Aforementioned
d.	Distinctio, distinctiones
ed.	Editor, publisher, coordinator, coordinators, editorial
EoC	Economy of Communion
Edb	Edizioni Dehoniane Bologna
EFR	Editrici Francescane
Ibid.	Ibidem
Id.	Idem, the same

InsJP2	Insegnamenti di Giovanni Paolo II (Teachings of John Paul II)
InsB16	Insegnamenti di Benedetto XVI (Teachings of Benedict XVI)
InsFco	Insegnamenti di Francesco (Teachings of Pope Francis)
Lev	Libreria Editrice Vaticana
n.	Number, numbers
OR	L'Osservatore Romano
p.	Pars, page, pages
PG	Migne, Patrologia Graeca
PL	Migne, Patrologia Latina
prol.	Prologus
q.	Quaestio, quaestiones
S.Th	THOMAS AQUINAS, Summa Theologiae
un.	Unicus, unica
UP	University Press; Presses université de
Univ.	University
Vol.	Volume, volumes



# Introduction

The globalized world has recently suffered a serious economic-financial crisis that has put several Western countries on the verge of bankruptcy. The crisis began to be felt in 2007, then exploded dramatically in September 2008, with the collapse of Lehman Brothers<sup>1</sup> and other financial institutions. Many analysts affirm that this is not just one more of the cyclical crises that are frequent in capitalism; instead, it is a real structural crisis<sup>2</sup> that has put into question the entire economic system and the anthropological foundations on which it has been built.<sup>3</sup>

As time has gone by, the voices of alarm have faded away and many politicians and economists now say that the crisis was not caused by the economic system as such, but by some imbalances that can be easily corrected.

The financial crisis of 2007-08 provided an opportunity to develop a new economy, more attentive to ethical principles, and new ways of regulating speculative financial practices and virtual wealth. But the response to the crisis did not include rethinking the outdated criteria which continue to rule the world. (LS 189)

Instead of “reviewing and reforming the entire system,” (LS 189) going beyond the technocratic paradigm, those politicians and

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1 Lehman Brothers was a U.S. banking company with more than 25,000 staff members around the world, which collapsed on Sept. 14, 2008.

2 P. DE GRAUWE, “The crisis as a paradigm shift,” in A. Hemerijck - B. Knapen - E. Van Doorne, ed., *After Shocks. Economic crisis and institutional choice*, Amsterdam UP, Amsterdam 2009, 75.

3 On the theoretical basis: P. LANGLEY, *World financial orders. A historical international political economy*, Routledge, London 2002. On the need to control financial flows: CEI, “Finanza internazionale e agire morale. Contributo alla riflessione,” Feb. 06, 2004, n. 2.4, in *La Società* 60/3 (2004) 457-459.

economists prefer to keep things much as they are, with only some minor adjustments, while keeping consumerism and greed as the engines of the economy. A greater attention by central banks on speculative bubbles would be enough to avoid excessive indebtedness. Besides, they propose to foster productivity through investing most of the capital in the efficient sectors. This would imply reducing welfare state benefits (pensions, health, education), lowering taxes, and stimulating private initiative.

In the pages that follow, the reader will find a study of the important contribution that the Franciscan friars made, during the thirteenth, fourteenth, and fifteenth centuries, to understand, accept, and humanize the incipient market economy. According to some authors, they were decisive in the emergence of the modern market economy, both at theoretical and practical levels.<sup>4</sup> The friars even founded financial institutions: the Mounts of Piety.

It may seem paradoxical that friars who had embraced the most radical poverty may have also made such a fundamental contribution to the humanization of the new economy. The key is to be found in their affectionate closeness to poor and simple people. Living among those who had not the necessary means to make their way in the new economy and suffered the exploitation of usurers, the followers of St. Francis try to help them with innovative solutions to stimulate individual initiative in the framework of the common good. They do not long nostalgically for past times, because they know that God is the Lord of history and nothing is foreign to his plan of salvation. Rather than denigrate, moralize or repeat ready-made formulas, the friars listen and try to help. Their poverty and minority free them from any kind of greed or group interests; their openness to the Highest Good helps them to trust in human's creative capacity and goodness. Instead of just giving alms or offering a punctual and paternalist social assistance, they face the root of the problems and invite all, rich and poor, to contribute to the solution. This is how Peter of John Olivi and other Franciscans laid the theoretical foundations of the new economy, while Bernardino de Feltre and many other preachers promoted the Mounts of Piety.<sup>5</sup>

4 L. BRUNI, *Il prezzo della gratuità*, Città Nuova, Rome 2006, 14.

5 J. RODRÍGUEZ CARBALLO, "Presentación," in M. Carbajo Núñez, *Crisis económica. Una propuesta franciscana*, BAC, Madrid 2013, xvii-xviii.



Those responses from yesterday can guide the search for solutions to the current crisis. It is not a question of looking back nostalgically to times gone by. Instead of returning to another age, we must properly orient the future, taking into account the many and valuable socioeconomic achievements of the last centuries. A better economy is not in the past, but in the future: it has to be built with everybody's creative collaboration and taking into account the valuable contributions of the past. Indeed, the values of prudence and justice, on which the modern economy is based, need the dynamic complement of the reciprocity/gratuitousness that has founded the charismatic economy of the followers of St. Francis.<sup>6</sup> This book offers indications on how to build a free and fraternal economy, founded on the Franciscan principles of freedom, gratuitousness, fraternity and common good.

The Franciscan intellectual tradition and charism continue to have a remarkable relevance today. The passage of time has not diminished the fascination that Francis and Clare have always awakened worldwide.<sup>7</sup> John Paul II recognized this fact in 1986, during the first inter-religious meeting at Assisi. Since then, a meeting of this kind is celebrated at Assisi every year, giving rise to the so-called "Spirit of Assisi." In 1986, the Pope said:

We are meeting in Assisi, where everything speaks of a singular prophet of peace known as Francis. He is loved not only by Christians, but also by many other believers and by people who, though far-removed from religion, identify with his ideals of justice, reconciliation and peace.<sup>8</sup>

The emphasis that St. Francis' followers have given to freedom, dialogue and fraternity, in all aspects of human life, including economics, is in tune with the yearnings and aspirations of contemporary people. In fact, Duns Scotus, "a teacher and guide

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6 L. BRUNI - A. SMERILLI, *Benedetta economia. Benedetto di Norcia e Francesco d'Assisi nella storia economica europea*, Città Nuova, Rome 2010, 3<sup>rd</sup> edition, 16.

7 BENEDICT XVI, "Letter on the occasion of the 'Year of St. Clare,'" Apr. 01, 2012, in *OR* (Apr. 01, 2012) 8.

8 JOHN PAUL II, "Address to the Representatives of the world religions - Assisi," Jan. 24, 2002, n. 2, in *InsJP2*, XXV/1 (2002) 102-106.

of the Franciscan School,"<sup>9</sup> was proposed by Pope Paul VI, in 1964, as a model of the spirit of dialogue that the Second Vatican Council had promoted and that the Pope himself had adopted as a relevant objective of his pontificate. (*ES* 27) Paul VI considered that Scotus' doctrine and personality are in line with the goal and spirit of ecumenical, interreligious and intercultural dialogue. He is also a model for the encounter with the contemporary world and with atheism:

In our times, however rich in human, technological and scientific resources [...] Bl. John Duns Scotus is present, not only with this subtle intellect and extraordinary capacity for insight into the mystery of God, but also with the persuasive force of holiness of life, which makes him for the Church and for all mankind a master of doctrine and life.<sup>10</sup> The teachings of Scotus may perhaps provide a Golden framework for this serious dialogue between the Catholic church and [...] the other Christian Communities." (*APar* 14) Besides, from "the valuable theological treasure of John Duns Scotus can provide formidable weapons in the struggle to disperse the black cloud of atheism which hangs darkly over our age. (*APar* 11)

John Paul II confirms the exemplarity of Scotus for "a serious dialogue in the search for unity"<sup>11</sup> and ratifies that he "is even today a pillar of Catholic theology, an original Teacher, full of ideas and incentives."<sup>12</sup>

After the Second Vatican Council, dialogue has been proposed as a fundamental attitude in the Catholic Church's encounter with the secularized world and with the faithful of other religions. Today this dialogical attitude continues to be an indispensable condition for peaceful coexistence in our complex global society, ever more related, connected, and interdependent. Bauman asserts that the present dilemma of humanity consists of "either talking together

---

9 BENEDICT XVI, "Apostolic Letter to Card. Joachim Meisner on the occasion of the 7th centenary of the death of blessed John Duns Scotus," Oct. 28, 2008, in *OR* (Dec. 24, 2008) 8.

10 JOHN PAUL II, "Approval of liturgical worship of blessed Duns Scotus and beatification of Dina Bélanger," Mar. 20, 1993, n. 4, in *InsIP2*, XVI/1 (1993) 708-713 (also in *OR*, Mar. 22-23, 1993).

11 JOHN PAUL II, "Approval of liturgical worship of blessed Duns Scotus," n. 4

12 JOHN PAUL II, "Address to the members of the Commission on Duns Scotus of the Order of the Friars Minor," Feb. 16, 2002, n. 2, in *OR* (Feb. 17, 2002) 4.

or dying together."<sup>13</sup> Human life and the sustainability of the entire ecosystem are at stake.

Having left behind the difficulties and hardships of the post-war period, during the 1960s there was a notable optimism about the human capacity to eradicate poverty and alleviate economic inequalities. It seemed clear that economic development would bring happiness and prosperity to all humanity and guarantee a future of peace. The problem of environment sustainability was not deemed urgent yet. Giving voice to the yearnings and hopes of that time, Paul VI stated prophetically that “the fulfillment of the whole man and of every man [...] is the new name for Peace.” (PP 42; 76)

In recent decades, however, the emphasis goes more on the risks posed by development and on the need to link progress to relational factors, such as reciprocity, fraternity and gratuitousness.<sup>14</sup> Already in 1974, Easterlin verified empirically that economic growth is not enough to ensure people’s happiness.<sup>15</sup>

Today, consumerism is promoted to guarantee a constant and indefinite growth of the GDP. This increase puts in danger the environmental sustainability, as already stated in the 1972 report “The Limits of Growth.”<sup>16</sup> Thus, it is necessary to review our lifestyle and the way we relate to people and the environment. The challenge is not limited to physical ecology, but extends also to human ecology. Consequently, the Franciscan perspective becomes more relevant, because it emphasizes the need to combine efficiency

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13 Z. BAUMAN, “Parlare insieme o morire insieme: dilemma di tutto il pianeta,” in CEI, *Parabole mediatiche. Fare cultura nel tempo della comunicazione*, Edb, Bologna, 2003, 23-34.

14 P.L. SACCO - S. ZAMAGNI, ed., *Teoria economica e relazioni interpersonali*, Il Mulino, Bologna 2006.

15 R.A. EASTERLIN, “Does economic growth improve the Human lot? Some empirical evidence,” in P.A. DAVID - M.W. REDER, ed., *Nations and households in economic growth*, Academic Press, New York 1974, 89-125. To express this kind of expectations Brickman and Campbell had coined the term “hedonic treadmill.” P. BRICKMAN – D.T. CAMPBELL, “Hedonic Relativism and Planning the Good Society,” in M.H. Appley, ed., *Adaptation-Level Theory: A Symposium*, Academic Press, New York 1971, 287-302.

16 D.H. MEADOWS et al., *Limits to Growth: A report for the Club of Rome’s project on the Predicament of Mankind*, Potomac Associates, New York 1992.

and solidarity, material and relational goods,<sup>17</sup> economic and social capital.<sup>18</sup> Even if, in a utopian situation, material poverty could be minimized, people still would need the social relationships that build the *communitas*.

The reader will find in this book an explanation on the current relevance of the Franciscan proposal for the economy, its reasons and contents. The first chapter focuses on the negative aspects that have caused the current economic and financial crisis. The market has been conceived as a fierce war of interests, in which everybody and everything are subordinated to efficiency and profit. There is no time to lose in ethical considerations or democratic deliberations. Thus, the market, which the State was supposed to regulate, in order to guarantee human labor, commercial exchanges and the free initiative of citizens, has lost its original functionality and has become an exclusive club where the "smartest" people play with the money of all following no other rules than their own. The lack of ethics and internal democracy has generated mistrust; the lack of relational goods has caused malaise and has weakened people's well-being.

The second chapter deals with Francis of Assisi's orientations on the life and activity of his friars. Rather than ignore the new economy, the first Franciscans try to put it at the service of fraternal relationships. They renounce material wealth, earn their livelihood by engaging in manual labor, share the life of "the poor and the powerless," (*ER* 9,2) and resort to almsgiving only if necessary. In doing so, they propose a type of economy that privileges relational goods over economic ones. In fact, the friars know that peace is not achieved by accumulating money, but rather by avoiding inequalities, exclusions and privileges. It is of no purpose to have many material goods if that leads to restlessness and no one can trust others.

The third chapter analyzes the Franciscans' theoretical and practical contribution in the economic field during the thirteenth, fourteenth and fifteenth centuries. Having assumed their founder's intuitions, the Franciscans affirm that the economy goes better when

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17 On the characteristics of the relational goods: L. BRUNI, *Le nuove virtù del mercato nell'era dei beni comuni*, Città Nuova, Rome 2012, 215-218; cfr. T. SCITOVSKY, *L'economia senza gioia*, Città Nuova, Rome 2007.

18 Social capital is "the network of relationships of trust, dependability, and respect for rules, all of which are indispensable for any form of civil coexistence." *CV* 32

it favors fraternal relationships; i.e. when economic goods are at the service of relational goods. They invite to combine the creative freedom and the logic of gift. Economic efficiency and progress should not be an end in themselves, but only means for human beings to develop their intrinsic sociability. In fact, when communication and mutual trust are lacking, the market is also paralyzed.

Taking into account the analysis done in the previous chapters, the fourth one studies more systematically the four main principles that should guide the economy, according to Franciscan intellectual tradition: freedom, gratuitousness, fraternity, and the common good.

The fifth chapter shows how yesterday's answers are still useful and suggestive today. The challenge consists in harmoniously integrating cooperation, expertise and competition, so that the economy can be simultaneously fair and efficient. The competitive tension must not be radicalized to the point of destroying the bonds that unite people and canceling the free and affectionate communication. On the other hand, solidarity should not favor a paternalist social assistance that leads to idleness and wastefulness.

Reflecting on the Franciscan tradition, we want to build a bridge between the past and the present. Therefore, the contributions of the friars often will be accompanied by references to Catholic Social Teaching. At the end of the fifth chapter, we will present some aspects of the Encyclical *Caritas in Veritate* that are in tune with the Franciscan intellectual tradition.

We will often use the concepts of gift and gratuitousness. It is important to indicate that gift is not necessary linked to gratuitousness, since it may respond to an obligation or to ritual motives. Even an apparently "cost-free" gift may actually respond to utilitarian or consumerist motives. Besides, gratuitousness is not a synonym with "zero cost," but rather it is associated with an infinite value: any monetary translation would devalue it. In fact, St. Francis asks his friars to see alms in this logic:

You ought to go begging more willingly and with more joyful hearts than someone who is offering a hundred silver pieces in exchanges for a single penny, since you are offering the love of God to those from whom you seek alms. Say to them: "Give alms to us for the love of the Lord God: compared to this, heaven and earth are nothing!" (*Lp* 51)

Gratuitousness is not a concrete entity, but rather the attitude or disposition of accepting and mutually respecting others as brothers, without any hint of dominion, plagiarism or abuse. It is not by chance that the Greek word *kharis* (grace, source of joy) has given rise to both the words *charism* and *gratuitousness* (Latin: *gratuitus, gratia*). Public happiness is only possible when everyone donates himself to build the community and when charismatic persons, like Francis of Assisi, help people to rediscover the potential of the love-agape in public life. Franciscan economics are an expression of this logic of gratuitousness that feeds fraternal relationships in the free and generous search for the common good

It is also necessary to distinguish clearly between a social market economy and capitalism. Both concepts defend the free participation and initiative of all in the market, but their approach is different. A social market economy defends that such participation must be not only free but also ethical, giving priority to the common good over individual gain. Productivity and efficiency are not the only objective and cannot be obtained at any cost, subordinating the worker's person and the community's relationships. Thus, social capital prevails over economic capital, relational goods over material goods. On the contrary, capitalism is based on a negative anthropology (*homo homini lupus*), favors ruthless competitive relationships and subordinates everything to the increase of material wealth.