Concerning New Things and Old: A Reading of *Centesimus Annus*

CHARLES R. STRAIN
DePaul University, Chicago, Illinois

*Centesimus Annus* was issued by Pope John Paul II on May 1, 1991, in commemoration of the one hundredth anniversary of Leo XIII’s social encyclical, *Rerum Novarum.* In the aftermath of the Persian Gulf War its publication caused only a minor blip on the media’s radar screens. That it registered at all was due to a number of statements affirming the role and value of a market system in generating wealth. “It would appear that on the level of individual nations and of international relations,” John Paul argued, “the free market is the most efficient instrument of utilizing resources and effectively responding to needs.”¹ The document reaffirmed the legitimacy of profit making and offered a positive appraisal of the virtues of managers and entrepreneurs (#32, 35). To some it seemed that John Paul in the light of the new situation (*rerum novarum*) represented by the collapse of communism in Eastern Europe had joined the cheering squad for capitalism.

I suggest that this is a serious misreading of the encyclical and that John Paul had quite different intentions in writing it, namely to indicate the creative continuity of one hundred years of Catholic social teaching, to affirm its intrinsic relationship to the church’s mission, and to extend the tradition by meeting the challenge of a new global situation as his predecessor had done in discussing “new things.” I will not stress what is obvious to any careful reader of the encyclical. I write rather to invite theologically and politically conservative, liberal, and radical Jews

¹John Paul II, “Centesimus Annus,” *Origins* 21 (May 16, 1991) #34. (Hereafter all reference to this document appear in parentheses in the text. References are to numbered paragraphs.)

and Christians to thrash out our differences and to find areas of agreement that might lead to shared causes in the struggle for social justice.² I am convinced that so long as we dig the trenches of orthodoxy and stake out the battlelines of orthopraxis we fail to serve those in our midst most in need of social transformation.

What I propose to do here is to lift up the principles and themes in *Centesimus Annus* that represent the common sense of Catholic teachings on issues of social justice, asking whether or not they might form a basis for building consensus. Second, I will treat two new situations that, while discussed in the encyclical, do not in my judgment receive adequate treatment.

I. WE HOLD THESE TRUTHS

As with Thomas Paine and the generation which founded the American republic, the “common sense” of Catholic social teachings is a communal sense.³ While it would hardly be
accurate to say that most Catholics hold these teachings firm or even know them, it is true that engaged Catholics, lay and clerical, scholars and activists, have slowly worked toward a distinctive understanding of the social order. The process has involved a dialectic between evolving principles and fallible efforts to read “the signs of the times.” At the core of this understanding is the search, beginning with Leo XIII, for a third way threaded carefully between laissez faire capitalism with its ethos of individualism and its disregard for the common good and state socialism with its mechanistic understanding of the person (#10-11, 13).

That *Centesimus Annus* maintains this course and does not succumb to capitalist triumphalism in the wake of the collapse of eastern European communism is most clear in its analysis of that collapse itself. John Paul acknowledges the inefficiencies of the socialist economic system, but they are not to be considered “simply as a technical problem but rather a consequence of the violation of the human rights to private initiative, to ownership of property and to freedom in the economic sector” (#24). There was nothing foreordained about the collapse of this system. John Paul particularly praises Solidarity in Poland for recovering the principles of Catholic social teachings, engaging in a nonviolent struggle for social justice, and escaping the “spiritual void” of state socialism. A moral commitment to the securing of human dignity set off the waves of protest that transformed eastern Europe (#23). To these peoples struggling to create a new social order, John Paul offers not the model of western achievements but Catholicism’s search for “an authentic theory and praxis of liberation.” To those in the west who have grown smug after these events he says pointedly: “The crisis of Marxism does not rid the world of situations of injustice and oppression which Marxism itself exploited and on which it fed” (#26).

1. A Layered Teaching

Five points, I suggest, characterize the common sense of this alternative theory and practice of liberation. The first point is the recognition that a social

---


situation, there is the need for detailed, interdisciplinary endeavors to create specific policy proposals for transforming existing social structures. At this third layer, judgments are even more subject to criticism and revision than at the other layers.

If John Paul means by saying that the church has “no models to present” that the religious body speaking with a unified and official voice ought not to be constructing public policy proposals as opposed to making firm moral judgments tied to its interpretations of the signs of the times, then I certainly agree. This would unduly override the autonomy of other spheres of society. But within religious communities there ought to be interdisciplinary development of a plurality of models that will then be subjected to mutual criticism. For the Common Good: Redirecting the Economy toward Community, the Environment and a Sustainable Future, the fruit of a collaboration between an economist, Herman Daly, and a theologian, John Cobb, is one example of the model formation that needs to be done.4

A shared sense of the layeredness of social teachings among Jews and Christians would be a defense against religious absolutism at the level of social practice. While Catholics know full well our own failures in this regard, I am particularly concerned that the current vogue of the concept of orthopraxis risks short-circuiting the internal dialectic among the various layers as well as foreclosing dialogue with those whose complex process of moral reasoning has led to different models.

2. The Kingdom of God as Judgment and Grace

This process for making relatively sound moral judgments is reinforced by Centesimus Annus’s understanding of the kingdom of God.

When people think they possess the secret of a perfect social organization..., politics then becomes a “secular religion” which operates under the illusion of creating paradise in this world. But no political society...can ever be confused with the kingdom of God. The Gospel parable of the weeds among the wheat...teaches that it is for God alone to separate the subjects of the kingdom from the subjects of the Evil One....By presuming to anticipate judgment here and now, man...sets himself against the patience of God. (#25)

The kingdom represents a transcendent power that is critical of every social order, that sheds a reorienting light upon them, and that enlivens with grace all efforts to create the common good (#25).

There are several points here that I hope Christians and Jews (although the latter may object to the specific theological terminology) can agree upon. Political freedom and economic well-being do not exhaust the human good. No society ever definitively escapes multiple forms of structured evil and injustice. Religious norms serve as a basis for liberating us from “ideological captivity” within any social order. On these points conservative, liberal, and radical Jews and Christians should be able to affirm a common cause and a shared vigilance.5 Catholics

---

4Herman E. Daly and John B. Cobb Jr., For the Common Good: Redirecting the Economy Toward Community, the Environment and a Sustainable Future (Boston: Beacon, 1989).

5Catholics
have often been accused of being too sanguine about the possibilities for social transformation. I do not find this to be the case in *Centesimus Annus*. It does, however, affirm the common sense of Catholic social teachings: grace empowers and transforms. We do not simply ward off evil; we share in God’s work of creating a just social order (#25).

To agree on theological grounds at this level of generality may seem to be of little consequence, but think about the range of models of historical change that in this perspective are found wanting: the “secular religion” of utopianism; apocalyptic predictions of descent into Armageddon; the myth of progress in its classic, enlightenment form; nostalgic calls to restore a sacred past; and, above all, an acidic cynicism about the historical process. Think also about the prevalence in our culture of just these models that we judge as inadequate to our experience and inappropriate to our religious callings.

3. Human Dignity and Basic Rights

The concept of the dignity of the human person is the gyroscope that has kept Catholic social teaching on course in its search for a third way. That concept is rooted in the biblical metaphor of human beings as made in the image of God. An edge is given to this theological understanding of the human person by interpreting its ethical entailments through the use of the concept of human rights. From Leo forward, Catholic social teachings have argued for a complex tension among potentially conflicting rights. Human rights exist within a moral system of checks and balances. So Leo juxtaposed the rights of workers, including the right to form associations, against the right to private ownership of property (#7).

As part of its steering a new course, the Catholic tradition has affirmed as inalienable not only civil rights but also claims to the means to secure one’s life; both are “basic rights.” “It is a strict duty of justice and truth not to allow fundamental needs to remain unsatisfied and not to allow those burdened by such needs to perish” (#34). Given *Centesimus Annus*’s commitment to the autonomy of the human person, the right to the satisfaction of fundamental human needs entails  

---


Over the last decade the numbers of Americans below the poverty line has not budged.
By the 1990s many jobs failed to provide a living wage. More than half of the 32.5 million Americans whose incomes fell under the official poverty line—and nearly two-thirds of all poor children—lived in households with at least one worker. The number of impoverished working Americans climbed by nearly 2 million, or 23 percent, between 1978 and 1987. Among fulltime, year-round workers, the number who were poor climbed even more sharply—by 43 percent.8

Trickle-down economics provided no trickle-down, while poor people tried unsuccessfully to meet their fundamental needs. “Rights,” as the political theorist Robert Dahl puts it, “are trump.”9 Not all trump cards carry the same value or win every trick. But to declare a right is to make a moral claim that cannot be evaded by appeals to our good intentions. Likewise, the utilitarian argument that capitalism is the best means to meet fundamental human needs—eventually—will not wash. Our society does not acknowledge the meeting of fundamental needs as a basic right for the simple reason that we do not yet have the moral will to do whatever is necessary to meet the claim.

What in our religious traditions allows us to view the needs of our neighbors as not a claim of the highest order and immediacy? What evidence could possibly allow us to say that these claims are actually being met within present social structures? The understanding of the kingdom of God that the encyclical presents, I suggested, creates a “sacred discontent” with every social order and detaches us from any economic system as the locus of ultimate commitment. In the case of basic rights, politically conservative, liberal, and radical Jews and Christians can begin with a shared criticism of our own preferred social schemes. Free enterprise, the welfare state, and state socialism in either their pure or mixed forms have each failed to meet the full range of fundamental human needs.

4. Solidarity and the Preferential Option for the Poor

One of the reasons that Centesimus Annus asserts the right to work is its sense that each person is called to make a contribution to the common good (#6). The document echoes one of the themes of the American bishops’ letter on the econ-


capital but scientific knowledge, technical and organizational skills.

The fact is that many people, perhaps the majority..., have no way of entering the network of knowledge and intercommunication which would enable them to see their qualities appreciated and utilized. Thus, if not actually exploited, they are to a great extent marginalized; economic development takes place over their heads. (#32-33)

The preferential option for the poor does not mean that God does not care for others nor that all models put forward by the alleged spokespersons for the poor represent the divine will. It does not mean that the state should be our first or only recourse in exercising this option (#11). It does mean that we are called to create through a variety of experiments “effective instruments of solidarity” that provide avenues for participation within both the workplace and the larger society (#16).

5. The Principle of Subsidiarity

A consistent theme of Catholic social teachings has been a rejection of social contract theories that juxtapose the individual to the state. They present neither empirically accurate nor normatively sound understandings of human community. Solidarity rather is expressed within a welter of “intermediary groups.” That power should be decentralized through the full range of these groups is the intent of the principle of subsidiarity. “A community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society” (#48). This principle represents an attack on what evangelical Protestants in particular call statism. John Paul criticizes an excessive development of a bureaucratic, welfare state as violating this principle. Yet he simultaneously insists on the role of the state in securing the common good in areas where the market and subsidiary communities are not effective. Protection of the environment is a case in point (#40). The issue is not, as some would have it, statism versus the free market, rather it is one of determining when state intervention is necessary to the common good and when it encroaches upon the functions of other spheres able and willing to make their appropriate and sufficient contributions.

*Centesimus Annus* presents the challenge of what could be called an expanded federalism. In my reading the principle of subsidiarity seeks to create checks and balances, a system of countervailing powers, within the social order as a whole and not merely within the political order. The strengthening of intermediate communi-

---

ties is the means to prevent individuals from being “suffocated between two poles represented by the state and the marketplace” (#49). Understood in this fashion, the principle represents the consistent application to all social institutions of the theory of limited power implicit in the encyclical’s understanding of the kingdom of God. It replaces a sentimental and utopian understanding of solidarity with a more realistic sense of both the possibilities and limits of group loyalties. It gives us a more complex understanding of the instrumentalities through which basic rights are to be secured than theories which rely only upon the judicial system.
Jewish and Christian communities, I suggest, which do not nourish a sacred discontent with the given forms of economic and social life have lost their salt. Those who do nourish this discontent must be engaged in some search for a new path among the existing forms of capitalism and state socialism. Is it too much to hope that some dialectical revision of these five points, forged in debate across ideological lines, might form the basis of a decidedly religious re-visioning of American society? If we were to hold these truths as self-evident, that is, as representing the present communal sense of religious groups bonded in dialogue, then, whatever our sharp differences on some matters, we might shift the balance from internecine warfare to a common struggle for social justice.

II. THE NEW SITUATION: GLOBAL LIMITS AND A GLOBAL ECONOMY

*Centesimus Annus* is aware of the growing threat to our global environment and its inner connection to the consumerist ethos of our economic system. Its treatment of this issue, however, is cursory (#37). As we have seen, it focuses on the issue of a post-industrial society and the growth of an international economy. Here the encyclical is more forceful. John Paul tackles issues of fair exchange and foreign debt and, applying the principle of subsidiarity, argues for the development of international agencies to regulate the global economy given the insufficiency of local or even national efforts (#32-34, 58). Yet a rhetorical appeal largely substitutes for the provision of a theoretical framework that interprets the new situation in light of moral principles.

Two works, previously cited—Daly and Cobb’s *For the Common Good* and Robert Reich’s *The Work of Nations*—are very helpful in developing such a framework. Although both books offer concrete models of a reformed economic system with attendant policy proposals (layer 3), they make their greatest contribution to the development of the second layer.10

The crux of Daly and Cobb’s argument is that economics has lost sight of the root meaning of the term *oikonomia*: the management of the household in a manner concerned for the long-term relationship of the household with the biosphere itself. *Oikonomia* is the work which “sustains the total web of life.”11 By advocating an unending pursuit of higher levels of economic growth, classical economics has functioned as if natural resources were unlimited and the impact of human work on the globe was an “externality” that could effectively be ignored. The ecological crisis that we face today derives primarily from the exploitation of the environ-

---

10Daly and Cobb, *Common Good*, 5-8; Reich, *Work*, 3-9.
abstractness represents this failure to determine what kinds of economic productivity sustain us within the communal webs that are our human ecosystem.

If we shift from a pursuit of greater GNP to an economic system that promotes human welfare by sustaining human community, a high degree of decentralization will be required. The national community will become a largely self-sufficient community of regional communities. “This does not preclude trade, but it does preclude dependence on trade.”13 While applying the principle of subsidiarity in a thoroughgoing way to the economic order, Daly and Cobb also manage to call into question the idea of national sovereignty. “The European Economic Community provides an interesting model. It is clearly not a sovereign supergovernment. Yet the nations that make it up have also restricted their ability to make autonomous decisions. If these nations would in addition move toward decentralization of economic and political power internally, the model would be excellent.”14

Robert Reich, to the contrary, sees the emergence of a global economy in which limits are utterly transgressed. He argues that the notion of a national economy is a “vestigial idea.” We have entered a brave new world of competition in which managers of multinational corporations broker ideas, people, and resources from many different locations across the globe. Because ownership, work, profits, and wages are distributed around the globe, the idea that we should support those corporations that happen to be called American is a form of mystification. Lee Iacocca’s Chrysler Corporation produces cars that contain more foreign parts than any of its Big Three competitors, and Chrysler itself owns 12 percent of Mitsubishi Motors. A sizable portion of our trade imbalance comes from American firms purchasing all or part of the products that carry their label from foreign producers.15 According to Reich, the sole factor that determines the economic health of a nation as opposed to that of increasingly autonomous multinational corporations is the knowledge and skills of its workers. “We meet...on an infinitely expanding terrain of human skills and knowledge. Human capital, unlike physical

12Ibid., 143, 145-46, 199.
13Ibid., 173.
14Ibid., 178-79.
15Reich, Work, 126, 134. See 3-8, 87-94, 171-72.

or financial capital, has no inherent bounds.”16 Sound policy proposals must focus on enhancing American competitiveness on this new terrain.

Yet Reich finds himself impaled on the horns of a dilemma. The same forces that propel us relentlessly toward a global economy fray the bonds that tie those who trade in their knowledge and their creative and technical skills to national and local communities. The ability to transfer manufacturing and services to any place on the planet creates a two-tiered economy. On the lower tier factory workers in America are pitted against low-wage workers in the Third World. As American workers lose their battles, they join the ranks of mostly low-skilled service workers, further depressing wages in this sector of the economy. Meanwhile local governments, trying to protect or secure jobs, are caught in bidding wars with one another. Even those who win, lose. The subsidies and tax breaks that they award to free-floating corporations erode the financial bases for funding schools and services that might allow individuals to escape permanent imprisonment on the lower tier.
Reich calls those of us on the upper tier the “New Secessionists.” With the extra money funneled to the upper one-fifth of American workers by the “tax reforms” of the 1980s, we have created our own homogeneous enclaves within, yet walled off from, American society. Secession takes the form of economically segregated communities, private or affluent suburban public schools, and private health clubs substituting for decaying public parks. The symbol of our secession is the private security guard—one of the fastest growing occupations in America. The symbol and the extent of the solidarity of this new group is the town meeting called to debate (and to reject) the building of low-income housing within its enclave. Reich’s only hope, if it can be called such, is that a sense of civic obligation remains among the new secessionists or, failing that, a recognition that no platoons of security guards can isolate us from the pervasive degradation of a two-tiered society.17

Although this schematic treatment hardly does justice to either book, I recommend both because, in many regards, each represents the antithesis of the other. From the vantage of Daly and Cobb’s clear grasp of limits and the fragility of natural and human ecosystems, and their conservative imperative to sustain the bases for biological and communal existence, Reich’s global economy is an evolutionary train wreck. From Reich’s perspective, however, on one of the epochal shifts in the nature of economic production, akin in its scope and degree of transformation to the intervention of agriculture or the industrial revolution, Daly and Cobb’s proposals seem hopelessly utopian. Where Daly and Cobb articulate a social vision largely in accord with the principles of Centesimus Annus, Reich dramatizes a new situation that defies their applicability.

These two visionary works cry out for synthesis. I know of no one who has already accomplished it. Yet it is clear to me that both communitarian visions, like that of Daly and Cobb, and appeals to civic virtue and national self-interest, like that of Reich, require the extension of the principle of federalism with its sense of limited and countervailing powers from the political realm to the economic order.

16Ibid., 312.

Otherwise the communitarian commitment to workplace democracy and the liberal call for national unity remain pious aspirations unleavened by the critical realism of a transformative theology of the kingdom of God. As I indicated above, an interpretation of the principle of subsidiarity in the light of this American theory of institutionalized checks and balances gives us a clue as to what the “effective instruments of solidarity” might be like and how they might function as advocates for and defenders of economic rights. At the level of the corporation such groups would range from unions to professional associations, to representatives of the local community, to public interest groups concerned with the environment, all sharing a voice with owners and managers in the formation of corporate policy. To avoid deadlock these groups would have to learn how to adjudicate their conflicting interests. At the international level, if I read Daly and Cobb’s interpretation correctly, the European Economic Community might evolve into such an effective instrument of solidarity. To be sure, as Daly and Cobb put it, “getting there, if it happens at all, will be a religious event.”18

The claims of the new situation compel me to conclude on a personal note. I am writing
this article in Japan where I am leading a foreign study program for DePaul University students. I
watch with dismay bordering on despair as a Japanese news program presents an extensive
segment on hate crimes in the U.S. directed against Asian Americans. From this distance, hate
crimes appear as the underside of an emerging economic cold war. The ideological
spokespersons for this new war crowd my homeland. As if our various theologies did not already
tell us as much, Daly, Cobb, and Reich make it absolutely clear that the problems we have
discussed do not originate here in Japan. They begin at home. If we cannot agree on anything
else, we might at least agree to denounce the false prophets who find evil always and only in
others.

Daly and Cobb, *Common Good*, 375.