

The Economic Personalism of John Paul II: Neither Right Nor Left

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Introduction

In a helpful essay in the inaugural issue of this journal,¹ Gregory Gronbacher describes economic personalism as “an attempt to analyze the moral ramifications of economic activity in light of a theological vision of the human person.”² This absolutely essential interplay is generally neglected in the dialogue over the ethics of economic life. As he phrases it, this exercise will require a careful interaction between two independent disciplines: “A true synthesis cannot afford to be reductionistic but must respect the genuine claims of both economics and moral theology.”³

The economic personalism that Gronbacher describes has been shaped by the work of Karol Wojtyła, Pope John Paul II, “economic personalism’s intellectual progenitor.”⁴ Both the power and the breadth of John Paul’s analysis of the Christian faith render his vision a highly attractive one. Economic personalism prizes the close relation between faith and economic activity and stresses the subjective character of human work and its place in human creativity. John Paul’s concern with human individuality and creativity leads Gronbacher to suggest three particular “free-market” schools of economics—the Chicago, Austrian, and Virginia Schools—as conversation partners for Christian personalism.

This article responds to Gronbacher by proposing to extend the conversation in four ways. The first will outline a number of elements that helpfully appear in both the work of John Paul II and Gronbacher’s survey. The second will identify three problems in the use of these schools of economics as conversation partners. The third will recount several elements in John Paul’s

personalism that are largely absent from Gronbacher's summary. The fourth will suggest further work to be taken up within economic personalism.

Elements In Both John Paul II and Gronbacher

Among the many attractive elements in John Paul's economic personalism as highlighted by Gronbacher is a clear awareness of the process of wealth creation.⁵ Thus, where Saint Augustine could address the wealthy of his day and point out that they had "found" their wealth here,⁶ John Paul understands the modern economic insight that wealth is largely created and not simply found in nature. Of course, in Augustine's day most wealth was agriculturally based and thus God-given natural elements—the soil, the rain, and the sun—were indeed primary causes of the wealth of large landowners. Wealth today, however, is far more dependent upon human creativity and hard work. As John Paul makes clear,

The moral causes of prosperity ... reside in a constellation of virtues: industriousness, competence, order, honesty, initiative, frugality, thrift, spirit of service, keeping one's word, daring—in short, love for work well done. No system or social structure can resolve, as if by magic, the problem of poverty outside of these virtues.⁷

It is quite appropriate that the role of incentives in economic production be evident. In addition, John Paul, for the first time in a papal encyclical, acknowledges the importance of entrepreneurship.⁸

The economic personalism of John Paul II has clarified the relation between the traditional Roman Catholic principle of subsidiarity and the free decisions of individuals in the marketplace. Just as respect for subsidiarity forbids a higher level of government from taking over decisions that can be made well at a lower level,⁹ so the national government has the responsibility for "safeguarding the prerequisites of a free economy."¹⁰ A huge range of economic matters can be properly and freely resolved among individuals and groups, who have the responsibility to live in accord with fundamental moral values and do their best to convince others to the same.¹¹ All of these features of John Paul's perspective emphasize the distance between his views and those on the political left, whether Christian or secular, as Gronbacher makes clear.

An additional strength of the Pope's economic personalism is that the Church itself has no particular economic system to present or to endorse.¹² There is much that the Pope has said about the character of an acceptable economic system, but the actual choice of concrete institutions is left to the democratic process. Thus, an interchange must occur between the fundamental principles of economic morality and contemporary secular debates about

economic life. It is exactly this sort of conversation in which Gronbacher engages when he proposes that economic personalism should turn to three particular schools of economic thought—the Austrian, Chicago, and Virginia Schools—for the requisite scientific insights. But in the process, Gronbacher fails to note the distance between John Paul and these economists on the right. Economic personalism must be analytically accurate regarding the problems as well as the promises of this dialogue.

Schools of Economics: The Choice of a Partner for Dialogue

Every adequate moral perspective on economic life must be in close conversation with economic science. The reason, of course, is that everyone possesses presumptions, whether conscious or not, about how the economy works. An intellectually responsible integration of ethics and economics will be quite explicit about such assumptions. Thus, Gronbacher is to be congratulated for his explicit articulation of which schools of economics to employ. However, his choice of three schools—Austrian, Chicago, and Virginia—is deficient in certain critical respects. Gronbacher helpfully articulates the strengths of these schools from the perspective of economic personalism. However, he seems to overlook their shortcomings, some of which threaten certain fundamental goals of personalism itself.

Ironically, there may be a similarity between Gronbacher's choice of schools on the right and the choice by liberation theologians of schools on the left. Many on the right have chided liberation theologians for a simplistic presumption that Marxian political economy is the proper version of economics for Christian theologians to employ. The suspicion is that these theologians were predisposed to the conclusions of Marxist economics—a condemnation of capitalism and an endorsement of revolutionary activity—and that this predisposition, rather than a more careful intellectual analysis of the strengths and weaknesses of all possible schools of economics, determined their choice. A similar question can be raised about Gronbacher's endorsement of these three schools of economics.

It should be stated at the outset, however, that Gronbacher's suggestion of these "free-market" schools is more of a proposal than an extended argument. Thus, the critique provided here should be taken as a part of a conversation rather than as a response to a definitive position. Similarly, as Gronbacher himself indicates, these three schools exhibit significant differences in theory and methods. There is a great deal of diversity among the representatives of these three schools, a fact that renders the following critique a tentative one.¹³ Presumably, Gronbacher himself would have to choose among alternatives

within the three schools in a more complete use of them within Christian personalism.

Nonetheless, it is the contention of this essay that fundamental convictions endorsed within these schools of economics conflict with the economic personalism that John Paul II proposes and that Grönbacher has self-consciously endorsed.

Methodological Individualism

Although not all economists of these three schools of thought would endorse methodological individualism, it is a fundamental premise of F. A. Hayek and many others in the Austrian School, and it is attractive to many proponents of the other two schools as well. Hayek has made a foundational claim for this methodological principle. What he intends by methodological individualism is that there is nothing to social reality other than the individual realities that make it up. Thus, when people speak about “the market” or “war” or “society,” they are simply using linguistic shorthand for the interaction of individuals in particular settings. These, Hayek argues, we “must not mistake for facts.”¹⁴ “Wholes” such as society “are never given to our observation but are without exception constructions of our mind.”¹⁵

For Hayek, the danger of such terms is that people tend to forget that they are simply abbreviated references and instead begin to think that there is some reality beyond the interaction of individuals. For example, people begin to speak of society’s “purposes” as if it could have any purpose other than those held by the individuals that make it up. He argues that it is “an erroneous anthropomorphic interpretation of society” to understand it as “an organization rather than as a spontaneous order.”¹⁶

Because of this methodological individualism, notions such as “social justice” and “the common good” are inherently deceptive from Hayek’s point of view.¹⁷ They pretend to indicate a reality larger than the meanings and values of the individuals who make up society.

... considerations of justice provide no justification for “correcting” the results of the market and ... justice, in the sense of treatment under the same rules, requires that each takes what a market provides in which every participant behaves fairly. There is only a justice of individual conduct but not a separate “social justice.”¹⁸

The inability to recognize the social reality of human life is what leads Hayek to reject any notion of social justice. He argues that “nobody distributes income in a market order ... and to speak, with respect to the former, of a just or unjust

distribution is therefore simple nonsense.”¹⁹ He becomes as strident on this issue of social justice as on any he ever addressed:

If political discussion is to become honest, it is necessary that people should recognize that the term is intellectually disreputable, the mark of demagoguery or cheap journalism which responsible thinkers ought to be ashamed to use because, once its vacuity is recognized, its use is dishonest.²⁰

Social justice is no more than an “atavism,” left over from a million years of tribal life.²¹

One needs only to articulate Hayek’s view here to be reminded of its fundamental discrepancies with the presumptions of John Paul’s economic personalism, as well as with the long history of Christian reflection on human nature. Although the notion of the common good certainly includes the good of individuals, it just as certainly encompasses more than this idea alone. Such convictions about moral realities beyond the individual are based in a view of the human person and of society that rejects the individualistic method Hayek employs. Even Gronbacher’s rejection of “an atomistic theoretical construct” would seem to obviate this fundamental premise of these three schools.²²

In his analysis of political life, John Paul argues that authentic democracy is possible only through a kind of “subjectivity” of society that comes with the creation of robust structures of participation in shared responsibility.²³ These include a wide variety of groups—from the Chamber of Commerce and labor unions to the local Parent Teacher Association and the Elks Club. John Paul’s personalism understands that such groups make possible the “true subjectivity of society”²⁴ and that this is the ultimate guarantee against the rise of totalitarianism, which can only thrive if society is reduced to individuals facing an all-powerful state.

Of course, Hayek himself also values such mediating institutions, but he interprets them as no more than the interaction of individuals attempting to accomplish their goals.²⁵ John Paul, on the other hand, understands them to be part of an organic whole, within which individuals, groups, and various levels of government each have their proper meaning, role, and ends, with each working to further the common good. The point here is that the economic personalism advocated by John Paul does not understand society as these three schools of economics do, namely, as the purely instrumental creation of individuals seeking goals.

Freedom As Self-Initiation

Gronbacher correctly identifies an “indefatigable defense of human

liberty, in particular, economic liberty” as characteristic of these three schools. Still, a personalist approach to the morality of economic life must analyze the character of the liberty that is being promoted.

It is impossible to say very much about human freedom that applies to every member of these three schools. Nevertheless, Milton Friedman, the best known voice of the Chicago School, speaks characteristically for the group when he asserts that the liberalism that he defends (the eighteenth-century version) emphasizes “freedom as the ultimate goal and the individual as the ultimate entity in society.”²⁶ As Hayek puts it, freedom is “the source of all values.”²⁷

Most economists within these schools exhibit a tendency toward—and many make an explicit commitment to—a libertarian view of freedom, a view that sees freedom as what we might call *self-initiation*. From this perspective, any choice that an individual makes will be a free choice if it is not coerced by another person. Thus, for example, while poverty is unfortunate, it is not a constraint on freedom since—if it is not the result of a violation of the rights of the poor—it is simply an outcome within the market that no person has caused. Poverty is like gravity, a fact of life that people have to work to overcome.

As a result of this concept of freedom as self-initiation, most libertarians allow for the possibility of a “free” choice of drug addiction or of voluntary slavery²⁸ if an individual conscientiously decides to make such a choice. From this perspective, it would be an unjust imposition of other people’s values upon the individual if society through government mechanisms were to forbid such choices by force of law.

Opposing those who would legislate against the excesses of selfishness and greed, Hayek argues,

The real question, therefore, is not whether man is, or ought to be, guided by selfish motives but whether we can allow him to be guided in his actions by those immediate consequences which he can know and care for or whether he ought to be made to do what seems appropriate for somebody else who was supposed to possess a fuller comprehension of the significance of these actions to society as a whole.²⁹

Obviously, Hayek here is unable to imagine any “guide” external to the individual that could act as a constraint on individual action without violating the individual’s freedom.

Quite differently, freedom within John Paul’s economic personalism is only authentic if it involves the choice to fulfill oneself in accord with God’s plan. A life enslaved to drugs or to some other addiction may be initiated by the person, but this does not make it “free.” Analogously, although free-market schools

of economic thought almost universally refuse to view indigence as a constraint on liberty, John Paul argues that severe poverty itself is a violation of freedom: "Dire poverty causes slavery; it is itself a lack of freedom. Increasing impoverishment undermines human dignity and stability."³⁰ This conviction is related, of course, to John Paul's notion of the "universal destination of goods," a principle violated when some live in extreme need. But to understand this idea we must first consider conflicting claims about private property.

The Character of Property Rights

By all definitions, these three free-market schools of economics take a very strong view of property rights. Once again, it is impossible to say anything that is precisely true of all members but the general trend is to take property rights as "inviolable," meaning "nearly absolute."³¹ For example, most members of these schools tend to side with the libertarian view in recent debates about the "takings" clause of the United States Constitution and its application to environmental legislation. Because the Constitution requires the government to reimburse citizens when it "takes" property from them, this argument extends the original concern of the colonialists against literal seizing of property to the arena of environmental legislation, where a change in environmental law at times reduces the economic value of the properties involved.

Another example of minimal obligations of property owners is found in Milton Friedman's famous assertion that the sole social responsibility of the business firm is to make a profit.³² John Paul's notions that factory owners have an obligation to provide jobs³³ or that people have "a right to work" are entirely foreign to these three schools of economic thought. These schools allow no room for the notion of economic rights, as this would entail an obligation that property owners give up some of their wealth to make such rights effective. As Hayek phrased it, "nobody is under obligation to supply us with a particular income unless he has specifically contracted to do so."³⁴ While some economists in these three schools allow for the charitable decision of a society to provide a minimal level of support to the very poor,³⁵ the discussion of assistance to the poor leads others to outright scorn. As James Buchanan of the Virginia School put it, our preachers and moralists

urge us to have compassion for and be charitable to the less fortunate, even to the extent of selling what we have accumulated and giving to the poor, to join the wretched of the earth in their claims against the productive, to cease the pursuit of economic value, to take the time to smell the flowers, to use the coercive powers of politics to protect the wilderness against economic exploitation....³⁶

In vivid contrast, John Paul II endorses “the right to work” and the “social mortgage” on all property. He cautions that we face “a serious problem of unequal distribution of the means of subsistence originally meant for everybody, and thus unequal distribution of the benefits deriving from them.”³⁷ He acknowledges that responsible environmental prevention may impose costs on citizens and property owners. A further investigation of the reasons behind the personalist rejection of these views of property will be investigated presently. The point of this section is simply to indicate that a reliance on these three free-market schools of economics brings with it a number of intellectual commitments that contradict fundamental principles of the personalism of John Paul II.

Elements of John Paul’s Personalism Absent from Gronbacher’s Summary

For all its strengths in identifying central elements in the thought of John Paul II, Gronbacher’s essay overlooks a number of fundamental convictions within the personalism that John Paul articulates. A brief exposition of some of those elements will be helpful.

The Universal Destination of Goods

In close accord with the history of Catholic social thought, John Paul consistently employs as a basis for his teaching on economics what he calls the “universal destination of goods.” This is “the characteristic principle of Christian social doctrine”³⁸ for it is founded in the Church’s doctrine of property, which itself is based in the doctrine of Creation. Put simply, God created the world in order to meet human needs and thus the fundamental character of the goods of the earth must include this directedness toward the meeting of human needs. Throughout the tradition, there has been an endorsement of the ownership of property by individuals with, perhaps, the most well-known defense being that of Thomas Aquinas.³⁹

Aquinas argued that there are two separate capacities of humans toward the material world. The first is to procure and dispense material things and in this regard, he argued, it is quite appropriate that we endorse private property. People are more likely to obtain (i.e., produce or purchase) objects if they become the owner, and they are more apt to take good care of privately owned items than if they are held in common. In addition, there is greater harmony if everyone knows who is responsible for decisions made regarding the use of objects. Of course, with private property, the owner decides.

Aquinas goes on, however, to limit this ownership. The second thing that

humans are capable of doing with respect to material goods is using them and, he says, this use must be common, not private. That is, the underlying nature of the material world is to meet human needs and thus, while the property owner may use goods to meet the needs of his family, if he has more than he needs while others have less than they need, the owner has an obligation to share the surplus.⁴⁰

It is interesting to note that Aquinas does not speak of the rights of those who do not have enough but rather of the obligations of those who have more than they need, an obligation rooted in the nature of the goods possessed. Although there are medieval scholars who spoke of "rights,"⁴¹ it was not until the modern period that rights language became pervasive. Still, it is important to note that the development of talk about rights is not completely new. The well-publicized "turn to the subject" that occurred in the modern world shifted the focus of moral attention to include not only the obligations of persons, such as to those who govern (in the political realm), or to those who own property (in the economic realm). Ethical attention is now also paid to those governed (who have claims in relation to government) and the poor who are unable to provide for themselves (who have claims in relation to the prosperous). Talk about the rights of citizens (political rights), or of those who cannot provide for their needs (economic rights), describes an ancient moral relationship from a new perspective.

In sum, those obligations of property owners that Aquinas considered with the idea of "common use" of privately owned goods, John Paul references in two ways, namely, as "the universal destination of goods" and as "economic rights."

It is helpful to recognize the broader moral context of John Paul's analysis of property. As others in the modern world, he is fully aware of the sociological insight that our social institutions are not permanent but mutable and that we should use our moral insight to construct institutions that will embody the fundamental values that we consider important. John Paul argues that we must destroy "structures of sin" and "replace them with more authentic forms of living in community."⁴²

It is for this reason that democracy is preferable to monarchy because it more fully respects the unique dignity of each human person as created in the image of God. Similarly, the institution of property is created so that it serves the fundamental goal of God in the creation of the world, namely, the meeting of human needs.

John Paul recognizes that the ordinary way that most people meet their needs is through ongoing work. They either produce directly the things they need or,

more frequently in the modern world, they earn a wage and purchase them. An institutionalized property system greatly assists in this ongoing process. Yet, this notion that social institutions must serve moral values entails the awareness that the ownership of factories and other means of production requires a corresponding responsibility to create work. As John Paul phrases it,

Ownership of the means of production is legitimate if it serves useful work. It becomes illegitimate, however, when it is not utilized or when it serves to impede the work of others, in an effort to gain a profit that is not the result of the overall expansion of work and wealth of society, but rather is the result of curbing them or of illicit exploitation, speculation or the breaking of solidarity among working people. Ownership of this kind has no justification, and represents an abuse in the sight of God and man.⁴³

This is a helpful extension beyond Thomas' simple assertion that those who have more than they need should share their goods with those who have less than they need. Unfortunately, there is no reference in Gronbacher's treatment of property⁴⁴ to the universal destination of goods, the obligations of property owners, or to economic rights—such as the right to work.⁴⁵

The Critique of "Radical" Capitalist Ideology

Happily, John Paul is far more appreciative of the advantages of markets than any of his predecessors, and Gronbacher is to be given credit for highlighting this fact in his essay. At the same time, however, it is equally clear that John Paul is critical of a "radical capitalist ideology" that ignores the problems of marginalization and exploitation in economic life and instead "blindly entrusts their solution to the free developments of market forces."⁴⁶ Of course, John Paul does not name names here, but it would seem that within the universe of all schools of economics, it is surely Gronbacher's three schools—Chicago, Austrian, and Virginia—that would represent the most extreme commitment to capitalism and markets out of a generalized conviction that they are the best means to resolve problems in human interaction. It would seem that Hayek's rejection of social justice and Friedman's restriction of the social responsibility of the business firm to making a profit are exactly the sort of "radical" capitalist ideology John Paul intends to criticize.

John Paul quite clearly attributes many economic difficulties, particularly those affecting the poor, to "the desire for profit" and "the thirst for power."⁴⁷ He warns us that "the human inadequacies of capitalism and the resulting dominion of things over people are far from disappearing."⁴⁸ These strong

convictions are entirely absent from Gronbacher's description of economic personalism.

Similarly, John Paul treats power as a critically important factor in economic life. He is fully aware of the capacity of sinful social institutions to structure human relations unjustly.⁴⁹ Following the lead of Leo XIII,⁵⁰ he warns that the free consent of the parties is not sufficient to guarantee the justice of a wage.⁵¹ The economists of the Chicago, Austrian, and Virginia Schools of economics tend to ignore power and instead presume that each voluntary market exchange is just because, for example, a worker who agrees to a low wage must be better off, or he would not have decided to take the wage.⁵²

John Paul, like Leo before him, argues that there is obviously a great discrepancy in power between the employer and the worker in a modern economic system and that the force of necessity (not a "free" choice) may lead a worker to accept an unjust wage—one that still leaves the needs of the worker unmet. This is a form of coercion that violates human freedom (another illustration of the difference in the concept of freedom among the three schools and John Paul). This is why John Paul argues that the state must guarantee a certain equality between the parties in economic relationships⁵³ through the construction of the "juridical framework" that would, among other things, establish minimum conditions for the workplace and the right of all workers to form labor unions. In this regard, John Paul refers to the national government as the "indirect employer," and reports that the necessary framework involved is "enormously extensive and complicated."⁵⁴ Perhaps Gronbacher intends to include all this in his explicit endorsement of a "juridical framework,"⁵⁵ but it would seem that his essay makes insufficient mention of both this role of the government in labor markets and of personalism's criticism of "radical" capitalist ideology.

The Character of Civil Society and Government

Central to John Paul's personalism is the conviction that human society must include a vast array of mediating groups, voluntary associations that operate both to attain the goals of their members and to serve the common good. As noted earlier, John Paul is aware that the best recipe for totalitarianism is to have no intermediate organizations between the family and the state. With a vibrant network of organizations making up society, John Paul argues that there can be a "true subjectivity of society,"⁵⁶ rendering society able to regulate itself in the interest of the common good. From this perspective then, the government—both national and local—is the most general expression of this

subjectivity of society. It is through government that society makes communal decisions in support of the principles of solidarity and subsidiarity.

Many economists in the three schools of economics identified by Gronbacher view government as naturally predatory. As James Buchanan has phrased it, “political attempts at correcting market breakdown also founder on the rocks of measurable economic self-interest of the participants. No person is motivated to undertake the costs of organizations that may be required to generate the ‘public good’ that corrective reform represents.”⁵⁷

John Paul, on the other hand, recognizes both the moral necessity and empirical potential for government as the real, though imperfect, voice of society (a notion that Hayek and Buchanan would ridicule).⁵⁸ There is clearly the danger of sinful influence that leads individual legislators and even whole political parties at times to predacious behavior, but this is not the necessary essence of government. Thus, John Paul has a far more positive vision of what government can and must accomplish within each nation and of the possibility for international law in developing a “framework of an international juridical order.”⁵⁹

Conclusion

This essay is a response to the insightful work of Gregory Gronbacher in describing economic personalism. Both his essay and the longer-term project of the Center for Economic Personalism are much needed and thus this response will, I hope, be taken as a respectful contribution to an ongoing dialogue.

I end with some challenges presented by John Paul himself that I hope the continued development of economic personalism will address. It would be a great service to many if authors in this journal were able to articulate more concretely the operational meaning of three of John Paul’s principles: the priority of labor over capital, the universal destination of goods, and the right to work. These themes recur frequently in the thought of John Paul II and are essential to the economic personalism he proposes. While trumpeted on the left, they are rarely endorsed—and often completely ignored—by those advocating freer markets.

There is much that needs to be done and there are strong prospects for the contributions that Christian personalism can make to these debates. Hopefully, this essay itself has made a contribution.

Notes

¹ Gregory M. A. Gronbacher, "The Need for Economic Personalism," *Journal of Markets & Morality* 1 (March 1998), 1–34.

² *Ibid.*, 1.

³ *Ibid.*, 2.

⁴ *Ibid.*, 27.

⁵ John Paul II, Encyclical Letter *Centesimus Annus* (May 15, 1991), no. 31.

⁶ Saint Augustine, Sermon 124, 5.5, *Patrologia Latina*, 38:686.

⁷ John Paul II, "Address to the U.N. Economic Commission for Latin America and the Caribbean," *Origins* 16 (April 16, 1987): 775.

⁸ John Paul does not employ the word *entrepreneur* but he identifies "the ability to foresee both the needs of others and the combinations of productive factors most adapted to satisfying those needs." *Centesimus Annus*, no. 32.

⁹ For the classic formulation of the principle of subsidiarity in Catholic social thought, see Pius IX, Encyclical Letter *Quadragesimo Anno* (May 15, 1931), no. 79.

¹⁰ *Centesimus Annus*, no. 15.

¹¹ Michael Novak has been, perhaps, the most consistent voice in arguing for this fundamental element of a responsible capitalist system. See *The Spirit of Democratic Capitalism* (New York: Simon & Schuster, 1982).

¹² See, for example, John Paul II, Encyclical Letter *Sollicitudo Rei Socialis* (December 15, 1987), no. 41; and *Centesimus Annus*, no. 43.

¹³ Gronbacher's interest seems to be in the political philosophy of these three economic schools. In this respect, they are similar. However, as he mentions in passing (11), there are deep fissures dividing these schools concerning the character and method of economic science. Most economists are familiar with the mainstream methodology of the Chicago School through Milton Friedman's famous essay "The Methodology of Positive Economics" (*Essays in Positive Economics*, Chicago: University of Chicago Press, 1953, 3–43). Absent from Gronbacher's essay is any reference to the fact that the Austrian economists have rejected this approach to economics. As Ludwig von Mises put it, "every proposition of ... positivist epistemology is wrong" (Ludwig von Mises, "Social Science and Natural Science," *Journal of Social Philosophy and Jurisprudence* 7 (April 1942): 241). See also the rejection of *scientism* by Friedrich A. Hayek ("Scientism and the Study of Society, Part I," *Economica* (August 1942): 268) and his defense of introspection, rejected by positivism ("The Facts of the Social Sciences," *Ethics* 54 (October 1943)). Interestingly, Frank Knight, a leader of the Chicago School one generation before Milton Friedman, also rejected empiricist methods. See Knight's "Fact and Metaphysics in Economic Psychology," *American Economic Review* 15 (June 1925): 246.

¹⁴ Hayek, "Scientism and the Study of Society," 286.

¹⁵ Friedrich A. Hayek, "Scientism and the Study of Society, Part II," *Economica* (February 1943): 43.

¹⁶ Friedrich A. Hayek, "Principles of a Liberal Social Order," in *Studies in Philosophy, Politics and Economics* (London: Routledge and Kegan Paul, 1967), 171.

¹⁷ For a critique of Israel Kirzner, one of the foremost living members of the Austrian School, on this same issue, see Horacio Rodríguez Penelas, "Análisis Crítico de la Obra de Israel M. Kirzner: 'Creatividad Capitalismo y Justicia Distributiva'," *Valores en la Sociedad Industrial* 15 (August 1997): 43–48.

¹⁸ Hayek, "Principles of a Liberal Social Order," 175.

¹⁹ *Ibid.*, 171.

²⁰ Friedrich A. Hayek, *Law, Legislation, and Liberty*, vol. 2, *The Mirage of Social Justice* (Chicago: University of Chicago Press, 1976), 87.

²¹ Friedrich A. Hayek, *New Studies in Philosophy, Politics, Economics, and the History of Ideas* (Chicago: University of Chicago Press, 1978), 59ff.

²² See Gronbacher, "The Need for Economic Personalism," 9. It is peculiar that in his list of shortcomings of rival modern concepts of human nature ("overly rationalistic, unduly collectivistic," and

so forth), Gronbacher fails to mention “overly individualistic.”

²³ *Centesimus Annus*, no. 46.

²⁴ *Sollicitudo Rei Socialis*, no. 15.

²⁵ Friedrich A. Hayek, “Individualism: True and False,” in *Individualism and Economic Order* (Chicago: University of Chicago Press, 1948), 16–17.

²⁶ Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), 5.

²⁷ Friedrich A. Hayek, “The Moral Element in Free Enterprise,” in *New Studies in Philosophy, Politics, Economics, and the History of Ideas* (Chicago: University of Chicago Press, 1978), 230.

²⁸ Robert Nozick asks explicitly whether a social and economic system acceptable to libertarians would allow an individual to sell himself into slavery. His answer is: “I believe that it would.” Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), 331.

²⁹ Hayek, “Individualism: True and False,” 14.

³⁰ “Address to the Business Community, Durango, Mexico,” *Origins* 20 (May 24, 1990): 17–21.

³¹ Milton Friedman has argued that the percentage tax on corporate income is equivalent to that percentage of ownership in each corporation. See Milton and Rose Friedman, *Free to Choose: A Personal Statement* (New York: Harcourt Brace Jovanovich, 1990), 67.

³² Friedman, *Capitalism and Freedom*, 8.

³³ *Centesimus Annus*, no. 43.

³⁴ Hayek, *The Mirage of Social Justice*, 94.

³⁵ *Ibid.*, 175.

³⁶ James M. Buchanan, *Ethics and Economic Progress* (Norman, Okla.: University of Oklahoma Press, 1994), 79.

³⁷ *Sollicitudo Rei Socialis*, no. 9.

³⁸ *Ibid.*, no. 42.

³⁹ Saint Thomas Aquinas, *Summa Theologiae*, II-II, q. 66.

⁴⁰ See, for example, Ambrose of Milan (173) or Clement of Alexandria (73), in Peter C. Phan, *Message of the Fathers of the Church*, vol. 20, *Social Thought* (Wilmington, Del.: Michael Glazier, 1984).

⁴¹ In a recent book, Brian Tierney, *The Idea of Natural Rights: Studies on Natural Rights, Natural Law and Church Law, 1150-1625* (Atlanta: Scholars Press, 1997) has altered the predominant view on the history of rights. Although Aquinas himself did not use rights language, both canonists and theologians within the medieval period explicitly did so, and thus provided the historical antecedent for modern moral conversations about human and natural rights.

⁴² *Centesimus Annus*, no. 38.

⁴³ *Ibid.*, no. 43.

⁴⁴ Gronbacher, “The Need for Economic Personalism,” 13.

⁴⁵ See, for example, John Paul II, Encyclical Letter *Laborem Exercens* (September 14, 1981), no. 18; and “Address to the Pontifical Academy of Social Sciences,” *Origins* (April 23, 1987): 795–97.

⁴⁶ *Centesimus Annus*, no. 42.

⁴⁷ *Sollicitudo Rei Socialis*, no. 38.

⁴⁸ *Centesimus Annus*, no. 33.

⁴⁹ *Sollicitudo Rei Socialis*, no. 36.

⁵⁰ Leo XIII, Encyclical Letter *Rerum Novarum* (May 15, 1891), no. 63.

⁵¹ *Centesimus Annus*, no. 8.

⁵² Gronbacher makes a parallel argument (p. 13) by pointing to the advantage of voluntary exchange in markets. The point here is that he makes no reference to the possibility that an imbalance of power in even a voluntary economic exchange can lead to injustice.

⁵³ *Centesimus Annus*, no. 15.

⁵⁴ *Laborem Exercens*, no. 17.

⁵⁵ Gronbacher, “The Need for Economic Personalism,” 14.

⁵⁶ *Sollicitudo Rei Socialis*, no. 15; *Centesimus Annus*, nos. 46, 49.

⁵⁷ James M. Buchanan, “Economics and its Scientific Neighbors,” in *What Should Economists Do?* (Indianapolis: Liberty Press, 1979), 210.

⁵⁸ *Centesimus Annus*, no. 11.

⁵⁹ *Sollicitudo Rei Socialis*, no. 42.