Joseph Ratzinger: Market Economy and Ethics Study Guide

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Outline

A. CHURCH AND ECONOMY: RESPONSIBILITY FOR THE FUTURE OF THE WORLD ECONOMY
   1. Economic Inequality Between Northern and Southern Hemispheres
      a. Increasing misery in the world
      b. Need for moral impulses as well as new ideas
   2. Question of What the Church and the Economy Should Have to Do with Each Other
      a. First Tension: Classical Economic Theory: Adam Smith's idea that the market is incompatible with ethics
         1) Post-Vatican II Objection: Autonomy of Specialized Realms Must Be Respected
            a) Adam Smith
            b) Efficiency vs. Morality
         2) Limitations of This Theory
            a) First presupposition: determinism
            b) Second presupposition: the supposed goodness of the natural laws of the market
         3) Peter Koslowski’s qualifier: the market is also determined by men
         4) Role of spiritual powers in the market [cf. James Madison on conscience as the most sacred property]
      b. Second Tension: The Free Play of the Market Is Endangered by the Inherent Inequality of Various Individual Economic Zones
         1) Development projects have failed
         2) Market Economy Has Been Condemned as Institutionalized Sin and Injustice [cf. liberation theologians and evangelical left]
         3) Contrasting Presuppositions
   3. Marxist World
      a. The Marxist Centrally Administered Economy is a Radical Antithesis to the Market Economy
         1) "Salvation is expected because there is no private control of the means of production," etc.
      b. Deeper Common Philosophical Assumptions It Shares with Capitalism
         1) Determinism (Werner Sombart’s thesis): Ethics is thus reduced to the philosophy of history, which is reduced to strategy (a utilitarian thesis). Imperative: the laws of historical progress should not be resisted.
         2) Renunciation of ethics as an independent entity; religion is seen as an obstacle to progress
         3) Marxist eschatology: The Church must be overcome; it contributes nothing positive of its own
      c. Apotheosis of the central administration
   4. Protestant Ethic Thesis
      a. Theodore Roosevelt and Nelson Rockefeller Wished to Replace Catholics with Protestants in Latin America
      a. Max Weber: inner connection between capitalism and Calvinism
      b. Liberal capitalism is not the salvation of the world
      c. What is needed: self-criticism within the Christian confessions
5. Conclusion
   a. Need for fruitful dialogue
   b. Need for a maximum of ethical discipline and a maximum of religious strength
   c. Both **moralism** and **scientism** must be overcome

Review

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<th>classical economic theory</th>
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