Pope-onomics: Francis’ keys to a better economy – and...

Pope Francis arrives to lead his Wednesday general audience in Saint Peter’s Square at the Vatican, September 2, 2015. REUTERS/Tony Gentile

During a long flight home from Paraguay to Rome in July, after a South American tour full of jeremiads against global capitalism’s ills, Pope Francis admitted to reporters what he really thinks about economics.

“I have a great allergy,” he said, “to economic things.”

He talked about his father, an accountant struggling to get by. The pope remembers him hunched over his ledgers, even at home on Sundays. Those numbers took his father away from their family and interfered with the Sabbath.

It may be surprising, then, that the “joy of the gospel” that Francis proclaimed as the theme of his papacy seems to have everything to do with the “dismal science.” But the kind of economics he reserves his highest praise for has
less to do with ledgers and figures than with the challenges of people sharing and governing their enterprises together. It's not an economics of the right or left, of Democrats or Republicans, but an economics of cooperation.

Pope Francis is greeted by a faithful during his visit to the Banado Norte neighborhood in Asuncion, Paraguay, July 12, 2015. REUTERS/Gregorio Borgia/Pool

People tend to focus most on Francis' laments — for "an economy of exclusion and inequality," an "economy that kills." He slams trickle-down theories and the unquestioning pursuit of free-market growth, as well as the crippling debt that prevents many poor peoples around the world from choosing their own destiny. He mourns the unlearned lessons of the 2008 financial crisis and the perseverance of "a financial system which rules rather than serves."

Perhaps he was thinking of his father’s ledgers when he wrote, “How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points?” Economics for its own sake, the pope worries, can obscure the human dignity that Catholic faith holds dear.

Economics is also a big reason that many people in the United States are anxious about the pope’s visit this week. Partisans of big business fear he will preach some kind of old-fashioned communism, while liberals worry he’ll get so caught up in U.S. culture wars that he’ll neglect to propose policies for mitigating climate change. Both camps might not notice the refreshing kind of democratic, cooperative economics the pope has called for.

Over and over, he has turned to grass-roots social movements, rather than economists, as his source of hope for change. While in Bolivia, he told a gathering of activists, “The future of humanity is in great measure in your own hands, through your ability to organize and carry out creative alternatives.” The future Francis hopes for is one that comes chiefly from the bottom up.
Economists can still play a role in the future he has in mind, but they may have to do their jobs differently. Key economic advisers to both Francis and his predecessor, Benedict XVI, come from the school of “civil economy,” which seeks to foster not just wealth, but also vibrant, values-driven, self-governing economies. This approach has roots in the ancient Christian insistence on the priority of the common good over short-term profits and private property.

A different kind of economics also means a different kind of business. In his recent encyclical, “Laudato Si’,” Francis recommends cooperative enterprise as a means of both humanizing technology and converting to renewable forms of energy. Co-op businesses are owned and controlled by the people who depend on them most, rather than designed to maximize profits for the founders or investors. Some, for example, are owned by their workers, others by their customers. Though they unite around values of democratic management and profit-sharing, co-ops come in many different forms.

“Truly, much can be done!” Francis exclaims.

Cooperative economics has a long history in Catholic tradition. Convents and monasteries have supported themselves for centuries through such enterprise. The first credit union in the United States, St. Mary’s Bank, was founded out of a Manchester, New Hampshire, church in 1908, and the Catholic Campaign for Human Development continues to support cooperative businesses across the country. The world’s largest worker-owned cooperative, the Mondragon group in the northern Basque County region of Spain, was founded by a priest in the 1950s. While the Cold War era seemed to offer only authoritarian communism and unbridled capitalism, many Catholics, and others, built cooperatives all over the world.
During the Progressive era in the early 20th century, agricultural cooperatives formed across the United States. The priest-economist John Ryan surveyed these efforts in his 1916 book *Distributive Justice* and concluded, “Co-operation is a golden mean between individualism and socialism. It includes all the good features and excludes all the evil features of both.”

More important, he wrote, cooperatives cultivate “a greater development of the altruistic spirit than is possible under any other economic system that has ever been tried or devised.”

For many people today, cooperatives belong to a forgotten tradition. But it’s now undergoing a revival in the United States. For two years, New York’s City Council has promoted worker co-ops as a means of job creation. In 2013, Jackson, Mississippi, elected a mayor whose platform included developing cooperative businesses to build city infrastructure. Efforts are even underway to develop cooperative online platforms — like an Uber that the drivers own, or a Facebook under the control of its users.

A democratic economy won’t emerge from the present order easily, and it runs against the American public’s cravings for instant gratification.

In a 2013 speech, Francis referred to his father again. He recalled something he’d been taught, while still a teenager, about the cooperative way of doing business: “It goes forward slowly,” his father said, “but it is sure.”