

Pope Urges Forming New World Economic Order to Work for the 'Common Good'

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By RACHEL DONADIO and LAURIE GOODSTEIN
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VATICAN CITY — Pope Benedict XVI on Tuesday called for a radical rethinking of the global economy, criticizing a growing divide between rich and poor and urging the establishment of a "true world political authority" to oversee the economy and work for the "common good."



Osservatore Romano, via Reuters

Pope Benedict XVI signing his encyclical "Charity in Truth" at the Vatican on Monday.

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[Obama](#) at the Vatican on Friday.

"It's not an encyclical done for the crisis," Cardinal Renato Martino, the president of the Vatican's Council for Justice and Peace, said at a news conference on Tuesday. Still, he added, "if the encyclical had come out before the crisis, you would have said it was prophetic."

In the encyclical, Benedict wrote that "financiers must rediscover the genuinely ethical foundation of their activity, so as not to abuse the sophisticated instruments which can serve to betray the interests of savers."

In many ways, the document is a puzzling cross between an anti-globalization tract and a government white paper, another signal that the Vatican does not comfortably fit into traditional political categories of right and left.

He criticized the current economic system, "where the pernicious effects of sin are evident," and urged financiers in particular to "rediscover the genuinely ethical foundation of their activity."

He also called for "greater social responsibility" on the part of business. "Once profit becomes the exclusive goal, if it is produced by improper means and without the common good as its ultimate end, it risks destroying wealth and creating poverty," Benedict wrote in his [new encyclical](#), which the [Vatican](#) released on Tuesday.

More than two years in the making, "Caritas in Veritate," or "Charity in Truth," is Benedict's third encyclical since he became pope in 2005. Filled with terms like "globalization," "market economy," "outsourcing," "labor unions" and "alternative energy," it is not surprising that the Italian media reported that the Vatican was having difficulty translating the 144-page document into Latin.

Reportedly delayed to take into consideration the financial crisis, it was released by the Vatican on the eve of the [Group of 8](#) industrialized nations summit meeting, which opens in Italy on Wednesday, and before Benedict is expected to receive [President](#)

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"There are paragraphs that sound like [Ayn Rand](#), next to paragraphs that sound like "The Grapes of Wrath." That's quite intentional," Vincent J. Miller, a theologian at the [University of Dayton](#), a Catholic institution in Ohio, said by telephone.

"He'll wax poetically about the virtuous capitalist, but then he'll give you this very clear analysis of the ways in which global capital and the shareholder system cause managers to focus on short-term good at the expense of the community, of workers, of the environment."

Indeed, sometimes Benedict sounds like an old-school European socialist, lamenting the decline of the social welfare state and praising the "importance" of labor unions to protect workers. Without stable work, he noted, people lose hope and tend not to get married and have children.

But he also wrote, "The so-called outsourcing of production can weaken the company's sense of responsibility towards the stakeholders — namely the workers, the suppliers, the consumers, the natural environment and broader society — in favor of the shareholders." And he argued that it was "erroneous to hold that the market economy has an inbuilt need for a quota of poverty and underdevelopment in order to function at its best."

Benedict also called for a reform of the [United Nations](#) so there could be a unified "global political body" that allowed the less powerful of the earth to have a voice, and he called on rich nations to help less fortunate ones.

"In the search for solutions to the current economic crisis, development aid for poor countries must be considered a valid means of creating wealth for all," he wrote.

John Sniegocki, a professor of Christian ethics at Xavier University in Cincinnati, said one of the most controversial elements of the encyclical, at least for some Americans, would be the call for international institutions to play a role in regulating the economy.

"One of the things he's saying is that the global economy is escaping the power of individual states to regulate it," Mr. Sniegocki said. He said the encyclical also contained elements "very critical" of how the [International Monetary Fund](#) and the [World Bank](#) "have required cuts in social spending in the third world."

[Michael Novak](#), a philosopher and theologian at the [American Enterprise Institute](#) in Washington, a conservative research organization, said he thought that the encyclical was stronger on principles than policy suggestions. He said he was particularly uncomfortable with the idea of a strong international institution to regulate the global economy.

"I like limited government. I would much prefer to have many limited governments than one overriding authority," Mr. Novak said by telephone.

Benedict, arguably the most environmentally conscious pope in history, wrote, "One of the greatest challenges facing the economy is to achieve the most efficient use — not abuse — of natural resources, based on a realization that the notion of 'efficiency' is not value-free."

Rachel Donadio reported from Vatican City, and Laurie Goodstein from New York.

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[Next Article in World \(17 of 32\)](#) »

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