

Oeconomicae et pecuniariae quaestiones

Congregation for the Doctrine of the Faith

Dicastery For Promoting Integral Human Development

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Considerations for an Ethical Discernment Regarding Some Aspects of the Present Economic-Financial System

I. Introduction

1. Economic and financial issues draw our attention today as never before because of the growing influence of financial markets on the material well-being of most of humankind. What is needed, on the one hand, is an appropriate regulation of the dynamics of the markets and, on the other hand, a clear ethical foundation that assures a well-being realized through the quality of human relationships rather than merely through economic mechanisms that by themselves cannot attain it. This ethical foundation needs to inform a range of persons but especially those working in the fields of economy and finance. In this situation a synthesis of technical knowledge and human wisdom is essential. Without such a synthesis, every human activity tends to deteriorate. But where it exists, it can foster progress towards the integral and concrete well-being of the human person.

2. The integral development of every person, of every human community, and of all people, is the ultimate horizon of the common good that the Church, as the "universal sacrament of salvation,"^[1] seeks to advance. In the *fullness* of the good, which has its origin and consummation in God and is fully revealed in Jesus Christ, the head over all things (cf. Eph 1:10), lies the ultimate goal of every ecclesial activity. Such well-being flourishes as an anticipation of the Kingdom of God, which the Church is called to proclaim and establish in every sphere of human enterprise^[2], and is the special fruit of that charity which, as the bright path of ecclesial action, is expressed even in the social, civil and political realms. This love for society "makes itself felt in every action that seeks to build a better world. Love for society and commitment to the common good are eminent forms of a charity that affects not only relationships between individuals but also 'macro-relationships, social, economic and political ones'." That is why the Church sets before the world the ideal of a 'civilization of love'.^[3] Love for the integral good, inseparable from love for the truth, is the key to authentic development.

3. The Church pursues this aim with the certainty that in every culture, there are multiple areas of ethical agreement that express a common moral wisdom^[4] and form the objective order upon which the dignity of the person is founded. From the solid and indispensable basis of such an order arise the clear and common principles that establish the fundamental rights and duties of the human person without which the control and abuse of the most powerful would come to dominate the entire human scene. This ethical order, rooted in the wisdom of God the Creator, is therefore the indispensable foundation for building a worthy community of persons, regulated by truly just laws. This is all the more evident where human beings, despite striving wholeheartedly for the

good and the true, often succumb to vested interests, tyrannies, and iniquitous practices that cause grave suffering for all humanity, and especially for the weak and defenceless.

In order to liberate every realm of human activity from the moral disorder that so often afflicts it, the Church recognizes among her primary duties the responsibility to call everyone, with humble certainty, to clear ethical principles. The shared human reason, that ineffaceably characterizes every person, demands an enlightened discernment in this regard. Moreover, human rationality searches, in truth and justice, for the solid foundation that sustains its operation and maintains its sense of direction.^[5]

4. Therefore, the proper orientation of reason can never be absent from any area of human activity. It follows that there can be no area of human action that legitimately claims to be either outside of or impermeable to ethical principles based on liberty, truth, justice and solidarity.^[6] This is true for those areas in which the political and economic laws apply: "Today, with a view towards the common good, there is urgent need for politics and economics to enter into a frank dialogue in the service of life, especially human life."^[7]

Every human activity, in fact, is called to bear fruit, to use generously and equitably the gifts that God provides to all, and to nourish with lively confidence the seeds of goodness implanted in the whole of creation as a promise of abundance. The call to bear fruit is a continual invitation to human freedom, even if sin is always ready to undermine the original divine plan.

For this reason, God encounters man in Jesus Christ. Drawing us into the marvellous event of his Resurrection, he "redeems not only the individual person, but also the social relations existing between human persons"^[8] and works for a new order of social relationships founded on the truth and love, and supplying yeast for the transformation of history. In such a way, he anticipates in the course of time that Kingdom of Heaven which he has come to proclaim and inaugurate in his person.

5. Although global economic well-being appears to have increased in the second half of the twentieth century with an unprecedented magnitude and speed, at the same time inequalities proliferate between various countries and within them.^[9] Moreover, the number of people who live in conditions of extreme poverty continues to be enormous.

The recent financial crisis might have provided the occasion to develop a new economy, more attentive to ethical principles, and a new regulation of financial activities that would neutralise predatory and speculative tendencies and acknowledge the value of the actual economy. Although there have been many positive efforts at various levels which should be recognized and appreciated, there does not seem to be any inclination to rethink the obsolete criteria that continue to govern the world.^[10] On the contrary, the response seems at times like a return to the heights of myopic egoism, limited by an inadequate framework that, excluding the common good, also excludes from its horizons the concern to create and spread wealth, and to eliminate the inequality so pronounced today.

6. At stake is the authentic well-being of a majority of the men and women of our planet who are at risk of being "excluded and marginalized"^[11] from development and true well-being while a minority, indifferent to the condition of the majority, exploits and reserves for itself substantial resources and wealth. Therefore, it is time to initiate the recovery of what is authentically human, to expand the horizons of minds and hearts, to recognize faithfully the exigencies of the true and the good without which no social, political and economic system could avoid bankruptcy, failure, and, in the long term, collapse. Selfishness, in the end, does not pay while it makes everyone pay a high price; hence, if we want the real well-being of humanity, "*Money must serve, not rule!*"^[12]

For this reason, the competent and responsible agents have the duty to develop new forms of economy and of finance, with rules and regulations directed towards the enlargement of the common good and respect for human dignity along the lines indicated by the social teachings of the Church. With this document, the Congregation for the Doctrine of the Faith, whose competence extends to moral questions, in collaboration with the Dicastery for Promoting Integral Human Development, offers some fundamental considerations and clarifications in support of such development and in defence of human dignity.^[13] It is especially necessary to provide an ethical reflection on certain aspects of financial transactions which, when operating without the necessary anthropological and moral foundations, have not only produced manifest abuses and injustice, but also demonstrated a capacity to create systemic and worldwide economic crisis. This discernment is offered to all men and women of good will.

II. Fundamental Considerations

7. Some basic considerations are evident to all who seek to understand the historical situation in which we are now living. It is beyond the scope of this document to discuss the legitimate disagreements among their diverse theories and schools of thought (apart from the desire to contribute towards dialogue among them). Furthermore this document acknowledges that there do not exist universally valid economic formulas for every moment. Nevertheless, this document intends to offer an interpretation of the situation in which we find ourselves.

8. Every human reality and activity is something positive, if it is lived within the horizon of an adequate ethics that respects human dignity and is directed to the common good. This is valid for all institutions, for it is within them that human social life is born, and thus it is also true for markets at every level, including financial markets.

It must be noted that the systems that give life to the markets—before deploying the anonymous dynamics made possible by ever more sophisticated technologies—are in fact founded on relationships that involve the freedom of individual human beings. It is evident therefore that the economy, like every other sphere of human action, “needs ethics in order to function correctly — not any ethics whatsoever, but an ethics which is people-centred.” ^[14]

9. It is evident that without an appropriate vision of the human person, it is not possible to create an ethics, nor a practice, worthy of the dignity of the human person and the good that is truly common. In fact, however neutral and detached from every basic concept one may claim to be, every human action, even in the economic sphere, implies some conception of the human person and of the world, which reveals its value through both the effects and the developments it produces.

In this sense, our contemporary age has shown itself to have a limited vision of the human person, as the person is understood individualistically and predominantly as a consumer, whose profit consists above all in the optimization of his or her monetary income. The human person, however, actually possesses a uniquely relational nature and has a sense for the perennial search for gains and well-being that may be more comprehensive, and not reducible either to a logic of consumption or to the economic aspects of life.^[15]

The fundamentally relational nature of the human person^[16] is characterized essentially by a rationality that resists a reductionist view of one’s basic needs. In this regard, it is impossible to be silent in the face of today’s tendency to reify every exchange of “goods” as if it were no more than a mere exchange of “things.”

In reality, it is evident that in the transmission of goods among persons there is always something more than mere material goods at play, given the fact that the material goods are often vehicles of immaterial goods whose concrete presence or absence decisively determines the quality of these very economic relationships (for example, trust, equity, and cooperation). It is at this level that one can well understand that the logic of giving with nothing in return is not an alternative to, but rather is inseparable from and complementary to the exchange of equivalent goods.[17]

10. It is easy to note the advantages of a vision of the human person understood as constitutively inserted in a network of relationships that are in themselves a positive resource.[18] Every person is born within a familial environment, enjoying a set of pre-existing relationships without which life would be impossible. The human person develops through the stages of life thanks to pre-existing bonds that actualize one's being in the world as freedom continuously shared. These are the original bonds that define the human person as a relational being who lives in what Christian Revelation calls "communion".

This original nature of communion, while revealing in every human person a trace of the affinity with God who creates and calls one into a relationship with himself, is also that which naturally orients the person to the life of communion, the fundamental place for one's fulfillment. One's own recognition of this character, as an original and constitutive element of our human identity, allows us to look at others not primarily as potential competitors, but rather as possible allies, in the construction of the good that is authentic only if it is concerned about each and every person simultaneously.

Such relational anthropology helps the human person to recognize the validity of economic strategies that aim above all to promote the *global* quality of life that, before the indiscriminate expansion of profits, leads the way toward the integral well-being of the entire person and of every person. No profit is in fact legitimate when it falls short of the objective of the integral promotion of the human person, the universal destination of goods, and the preferential option for the poor.[19] These are three principles that imply and necessarily point to one another, with a view to the construction of a world that is more equitable and united.

For this reason, progress within an economic system cannot be measured only by quantitative and profit-driven standards, but also on the basis of the well-being that extends a good that is not simply material. Every economic system is legitimate if it thrives not merely through the quantitative development of exchange but rather by its capacity to promote the development of the entire person and of every person. Well-being and development both demand and support each other,[20] calling for sustainable policies and perspectives far beyond the short term.[21]

In this regard, it is particularly desirable that institutions such as universities and *business schools* both foresee and provide, as a fundamental and not merely supplementary element of their curricula of studies, a formational dimension that educates the students to understand economics and finance in the light of a vision of the totality of the human person and avoids a reductionism that sees only some dimensions of the person. An ethics is needed to design such formation. The social doctrine of the Church would be a considerable help in this connection.

11. Well-being must therefore be measured by criteria far more comprehensive than the Gross Domestic Product of a nation (GDP), and must take into account instead other standards, for example, safety and security, the growth of "human capital", the quality of human relationships and of work. Profit should be pursued but not "at any cost", nor as a totalizing objective for economic action.

The presence of humanistic standards and cultural expressions that value generosity turn out to be both useful and emblematic here. Thus the discovery and implementation of the true and just as good in themselves, become the norms for evaluation.[22] Profit and solidarity are no longer

antagonists. In fact, where egoism and vested interests prevail, it is difficult for the human person to grasp the fruitful interchange between profit and gift, as sin tends to tarnish and rupture this relationship. In a fully human perspective, there is actualized an interchange between profit and solidarity that, thanks to the freedom of the human person, unleashes a great potential for the markets.

An enduring call to acknowledge the human quality of generosity comes from the rule formulated by Jesus in the Gospel, called *the golden rule*, which invites us to do to others what we would like them to do for us (cf. Mt 7, 12; Lk 6, 31).

12. Economic activity cannot be sustained in the long run where freedom of initiative cannot thrive.[23] It is also obvious today that the freedom enjoyed by the economic stakeholders, if it is understood as absolute in itself, and removed from its intrinsic reference to the true and the good, creates centers of power that incline towards forms of oligarchy and in the end undermine the very efficiency of the economic system.[24]

From this point of view, it is easy to see how, with the growing and all-pervasive control of powerful parties and vast economic-financial networks, those deputed to exercise political power are often disoriented and rendered powerless by supranational agents and by the volatility of the capital they manage. Those entrusted with political authority find it difficult to fulfil to their original vocation as servants of the common good, and are even transformed into ancillary instruments of interests extraneous to the good.[25]

These factors make all the more imperative a renewed alliance between economic and political agents in order to promote everything that serves the complete development of every human person as well as the society at large and unites demands for solidarity with those of subsidiarity.[26]

13. In principle, all the endowments and means that the markets employ in order to strengthen their distributive capacity are morally permissible, provided they do not turn against the dignity of the person and are not indifferent to the common good.[27]

At the same time, it is clear that markets, as powerful propellers of the economy, are not capable of governing themselves.[28] In fact, the markets know neither how to make the assumptions that allow their smooth running (social coexistence, honesty, trust, safety and security, laws, and so on) nor how to correct those effects and forces that are harmful to human society (inequality, asymmetries, environmental damage, social insecurity, and fraud).

14. Moreover, besides the fact that most of its operators are singularly animated by good and right intentions, it is impossible to ignore the fact that the financial industry, because of its pervasiveness and its inevitable capacity to condition and, in a certain sense, to dominate the real economy today, is a place where selfishness and the abuse of power have an enormous potential to harm the community.

For this reason, it must be noted that in the economic-financial world there are conditions in which some methods, though not directly unacceptable from an ethical point of view, still constitute instances of *proximate immorality*, that is, occasions that readily generate the kind of abuse and deception that can damage less advantaged counterparts. For instance, to commercialize certain financial instruments is in itself licit, but in a asymmetrical situation it would be possible to take advantage of a lack of knowledge or of the contractual weakness of either counterpart. In itself this amounts to a violation of due relational propriety, which is already a grave violation from an ethical point of view.

The complexity of numerous financial products currently renders such asymmetry an inherent element of the system itself and puts the buyers in a position inferior to those who commercialize these products—a situation that from several aspects leads to the surmounting of the traditional principle of *caveat emptor*. This principle, on the basis of which the responsibility to assess the quality of the good acquired should rest above all with the buyer, in fact presupposes a parity in the capacity to safeguard the proper interests of the contractors. This actually does not exist in many cases both from the evident hierarchical relationship that comes to be established in certain types of contracts (for example, between the lender and the borrower) as well as in the complex structuring of numerous financial instruments.

15. Money in itself is a good instrument, as are many other things at the disposal of the human person, and is a means to order one's freedom and to expand one's possibilities. Nevertheless, the means can easily turn against the person. Likewise, the financial dimension of the business world, focusing business on the access of money through the gateway of the world of stock exchange, is as such something positive. Such a phenomenon, however, today risks accentuating bad financial practices concentrated primarily on speculative transactions of virtual wealth, as well as negotiations of high frequency trading, where the parties accumulate for themselves an excessive quantity of capital and remove the capital from circulation within the real economy.^[29]

What was sadly predicted a century ago has now come true today. Capital annuity can trap and supplant the income from work, which is often confined to the margins of the principal interests of the economic system. Consequently, work itself, together with its dignity, is increasingly at risk of losing its value as a "good" for the human person^[30] and becoming merely a means of exchange within asymmetrical social relations.

Precisely in this inversion of the order between means and ends, where work as a good becomes an "instrument," and money an "end", the reckless and amoral "culture of waste" finds a fertile ground. It has marginalized great masses of the world's population, deprived them of decent labor, and left them "without possibilities, without any means of escape": "It is no longer simply the phenomenon of exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society's underside, or those on the fringes or its disenfranchised, but rather they are no longer even a part of it. The excluded are not the "exploited" but the outcast, the "leftovers".^[31]

16. In this regard, we cannot but think of the irreplaceable social function of credit whose performance looms large to qualified and reliable financial intermediaries. In this sphere, it is clear that applying excessively high interest rates, really beyond the range of the borrowers of funds, represents a transaction not only ethically illegitimate, but also harmful to the health of the economic system. As always, such practices, along with usurious activities, have been recognized by human conscience as iniquitous and by the economic system as contrary to its good functioning.

Here financial activity exhibits its primary vocation of service to the real economy: it is called to create value with morally licit means, and to favour a dispersion of capital for the purpose of producing a principled circulation of wealth.^[32] For instance, very positive in this regard, and to be encouraged, are arrangements of cooperative credit, microcredit, as well as the public credit, in the service of families, businesses, the local economies, as well as credit to assist developing countries.

Especially in this context—where the positive potential of money can be best actualized—is it clear that it is morally illegitimate to expose to an undue risk the credit deriving from civil society by deploying it predominantly for speculative purposes.

17. What is morally unacceptable is not simply to profit, but rather to avail oneself of an inequality for one's own advantage, in order to create enormous profits that are damaging to others; or to exploit one's dominant position in order to profit by unjustly disadvantaging others, or to make oneself rich through harming and disrupting the collective common good.[33]

Such a practice is particularly deplorable from the moral point of view when the intention of profit by a few through the risk of speculation even in important funds of investment,[34] provokes artificial reduction of the prices of public debt securities, without regard to the negative impact or to the worsening of the economic situation of entire nations. This practice endangers not only the public efforts for rebalancing, but also the very economic stability of millions of families, and at the same time compels government authorities to intervene with substantial amounts of public money, even to the extent of artificially interfering in the proper functioning of political systems.

The speculative intention, often in today's economic-financial environment, risks supplanting all other principal intentions that ground human freedom. This factor is devouring the immense patrimony of values that renders our civil society a place of peaceful coexistence, encounter, solidarity, renewed reciprocity and of responsibility for the common good. In this context, words such as "efficiency", "competition", "leadership", and "merit" tend to occupy the entire space of our civil culture and assume a meaning that ends up in impoverishing the quality of exchanges, reducing them to mere numerical coefficients.

What is demanded is an initiative, above all, for the renewal of humanity in order to reopen the horizons towards that abundance of values which alone permits the human person to discover himself or herself, and to construct a society that is a hospitable and inclusive dwelling place with room for the weakest, and where wealth is used for the benefit of all—places where it is beautiful for human beings to live and easy for them to have hope.

III. Some Clarifications in Today's Context

18. In order to offer concrete and specific ethical bearings to all economic and financial agents, from whom there come more and more appeals in this regard, we now present some further clarifications, formulated with a view to opening the paths by which human beings can become truly human by promoting both human dignity and the common good.[35]

19. Thanks to globalization and digitalization, the markets can be compared to a giant organism through whose veins, like life giving sap, flow huge amounts of money. This analogy allows us to speak of the "health" of such an organism when its means and structures are functioning well, and the growth and diffusion of wealth go hand in hand. The health of a system depends on the health of every single action performed. In a healthy market system, it is easier to respect and promote the dignity of the human person and the common good.

Correspondingly, every time unreliable economic-financial instruments are introduced and diffused, they put the growth and the diffusion of the wealth into serious danger creating systemic problems and risks that amount to the "intoxication" of the organism.

We understand the demand, felt more and more today, that public authorities should provide a certification for every product generated by financial innovation, in order to preserve the health of the system and prevent negative collateral effects. To favor economic health and to avoid manipulation are an inescapable moral imperative for all the stakeholders engaged in the markets. Also this demand shows how urgent is a supranational co-ordination among diverse structures of local financial systems.[36]

20. Such well-being nourishes itself on a multiplicity and diversity of resources, which form a kind of economic and financial "biodiversity". This biodiversity represents an added value to the economic system and needs to be favored and safeguarded through adequate economic-financial policies, with the aim of assuring to the markets the presence of a plurality of persons and healthy instruments with a richness and diversity of characters. When it is positive, it is sustained and, on the contrary, by way of the negative, it hinders those who degrade the functionality of the system that produces and spreads wealth.

In this regard, it must be noted that the task of producing added value within the markets in a healthy way is realized by a unique function of *cooperation*. A loyal and intensive synergy of agents easily achieves that surplus of value towards which every economic achievement aims.[37]

When human beings recognize the fundamental solidarity that unites them with all of humanity, they realize that they cannot keep only for themselves the goods that they possess. When one habitually lives in solidarity, the goods that he or she possesses are used not only for one's own needs, but they multiply themselves, also producing unexpected fruits for others.[38] It is here that we clearly notice how sharing may not be "only the *distribution* but also the *multiplication* of goods, the creation of new bread, of new goods, of new Good with a capital "G".[39]

21. Experience and evidence over the last decades has demonstrated, on the one hand, how naive is the belief in a presumed self-sufficiency of the markets, independent of any ethics, and on the other hand, the compelling necessity of an appropriate regulation that at the same time unites the freedom and protection of every person and operates to create healthy and proper interactions, especially with regards to the more vulnerable. In this sense, political and economic-financial powers must remain distant and autonomous and at the same time directed, beyond all proximate harms, towards the realization of a good that is basically common, and not reserved only for a few privileged persons.[40]

Such regulation is made even more necessary in view of the fact that among the major reasons for the most recent economic crisis was the immoral behavior of agents in the financial world, where the supranational dimension of the economic system makes it easy to bypass the regulations established by individual countries. Moreover, the extreme volatility and mobility of capital investments in the financial world permit those who control them to operate smoothly beyond every norm that does not aim at an immediate profit, often blackmailing by a position of strength even legitimate political authority.

Hence, it is clear that the markets are in need of solid and strong bearings, macro-prudential rather than normative, more shared than uniform; there is also need of continuously updated regulations that can respond to market flux. Similar bearings must guarantee a serious control of the quality and reliability of every economic-financial product, especially of those more structured. In addition, when the velocity of the innovative processes produces excessive systemic risk, the economic operators must accept the obligations and limits that the common good demands, without attempting to bypass or diminish their purpose.

The current globalization of the financial system requires a stable, clear and effective coordination among various national regulatory authorities, with the possibility, and at times, the necessity of sharing binding decisions promptly when required, in the face of the threats to the common good. Such regulatory authorities must always remain independent and bound by the exigencies of equity and the public benefit. The understandable difficulties in this regard should not discourage the search for and imposition of concordant normative systems consolidated among different nations but with supranational scope.[41]

The regulations must favor a complete transparency regarding whatever is traded in order to eliminate every form of injustice and inequality, thus assuring the greatest possible equity in the exchange. Likewise, the asymmetrical concentration of information and power tends to strengthen the more stronger economic agents and thus to create hegemonies capable of unilaterally influencing not only the markets, but also political and regulatory systems. Moreover, where massive deregulation is practiced, the evident result is a regulatory and institutional vacuum that creates space not only for moral risk and embezzlement, but also for the rise of the irrational exuberance of the markets, followed first by speculative bubbles, and then by sudden, destructive collapse, and systemic crises.[42]

22. Systemic crisis can be more effectively avoided if there were a clear definition and separation among banking responsibilities for the management of credit, of the ordinary daily management of credit, of investment savings, and of mere *business*. [43] This is intended as much as possible to avoid situations of financial instability.

A healthy financial system also requires the maximum amount of information possible, so that every agent can protect his or her interests in full, and with complete freedom. It is in fact important to know if one's capital is used for speculative purposes, and also to know the degree of risk and the adequate price of the financial products to which one subscribes. Much more than the usual savings of the familiar type, it is a public good to protect and search for an adverse optimization of risk. The saving itself, when entrusted in the expert hands of financial advisers, needs to be administered well, and not just managed.

Among the morally questionable activities of financial advisers in the management of savings, the following are to be taken into account: an excessive movement of the investment portfolio commonly aimed at increasing the revenues deriving from the commission for the bank or other financial intermediary; a failure from a due impartiality in offering instruments of saving, which, compared with some banks, the product of others would suit better the needs of the clients; the scarcity of an adequate diligence or even a malicious negligence on the part of financial advisers regarding the protection of related interests to the portfolio of their clients; and the concession of financing on the part of the banking intermediary in a subordinate manner to the contextual subscription of other financial products issued by the same, but not convenient to the client.

23. Every business creates an important network of relations and in its unique way represents a true intermediate social body with a proper culture and practices. Such culture and practices, while determining the internal organization of the enterprise, influence also the social fabric in which it operates. At this level, the Church recalls the importance of the social responsibility of each venture, [44] wherein the *ad extra* is congruent with the *ad intra*.

In this sense, wherever mere profit is placed at the summit of the culture of a financial enterprise, and the actual demands of the common good are ignored, every ethical claim is really perceived as irrelevant. This is reported today as a fact and is very much widespread even in the prestigious business schools. Every ethical claim is actually perceived as irrelevant and juxtaposed to the entrepreneurial action. This is very much highlighted from the fact that, in the organizational logic, those who do not adjust to business *targets* of this type are penalized both at the retributive level and at the level of professional recognition. In these cases, the objective of mere profit easily creates a perverse and selective logic that often favours the advancement of business leaders who are capable, but greedy and unscrupulous, and whose relationship with others is prevalently driven by a selfish and personal gain.

In addition, such logic has often pushed *managements* to establish economic policies aimed not at increasing the economic health of the companies that they serve, but at the mere profits of the *shareholders*, damaging therefore the legitimate interests of those who are bearing all of the work and service benefiting the same company, as well as the consumers and the various local

communities (*stakeholders*). This is often incentivized by substantial remuneration in proportion to immediate results of management, but not likewise counterbalanced by equivalent penalization, in the case of failure of the objectives, though assuring greater profits to managers and shareholders in a short period, and thus ending up with forcing excessive risk, leaving the companies weak and impoverished of those economic energies that would have assured them adequate expectations for the future.

All of these factors easily create and diffuse a profoundly amoral culture—in which one often does not hesitate to commit a crime when the foreseen benefits exceed the expected penalty. Such behaviour gravely pollutes the health of every economic-social system. It endangers the functionality and seriously harms the effective realization of that common good, upon which is necessarily founded every form of social institution.

Exactly here, the natural circularity that exists between profit, a factor intrinsically necessary for every economic system, and social responsibility, an essential element for the survival of any form of civil coexistence, reveals its full fruitfulness and exposes the indissoluble connection, that sin tends to hide, between the ethics respectful of persons and the common good, and the actual functionality of every economic financial system. Such virtuous circularity is favoured, for example, by the pursuit of the reduction of the risk of conflict with the stakeholders in order to nurture greater inner motivation of the employees of a company. The creation of added value here, the primary objective of the economic financial system, must demonstrate, with all of its implications, its practicality inside a solidified ethical system founded on a sincere search for the common good. Only from the recognition, and from the realization, of the intrinsic connection that exists between economic reasoning and ethical reasoning, can a good indeed spring forth, that may benefit all of humanity.^[45] Therefore, in order to function well, the market needs anthropological and ethical prerequisites that it is neither capable of giving for itself, nor producing on its own.

24. If, on the one hand, credit-worthiness demands a prudent activity of selection for identifying the really worthy beneficiaries capable of innovation, protected from unhealthy collusions, then on the other hand, in order to withstand effectively the risks encountered, the banks must have a suitable management of assets, so that an eventual division of the losses may be limited to a greater extent and may fall above all on those actually responsible for losses.

Certainly, the delicate management of savings, besides appropriate legal regulation, calls for culturally adequate paradigms, together with the practice of careful revisiting, from an ethical perspective, the relationship between the bank and the customer, as well as a continuous defence of the legitimacy of all relevant transactions.

Along these lines, an interesting suggestion that should be tried out, is the institution of Ethical Committees within the banks, to support the Councils of Administration. This is done in so far as the banks are helped not only to protect their balance from the consequences of sufferings and losses, and towards an effective coherence between the collective mission and the financial practices, but also to adequately sustain the actual economy.

25. The creation of titles of credit is extremely risky. They operate under the guise of creating a fictitious value without proper quality control or a reliable assessment of credit, and can enrich those who arrange them, but easily creates insolvency to the detriment of those who then have to withdraw them. This is all the more so if the critical burden of these stocks are passed from the institute that issues them on to the market on which they are spread and diffused (for e.g. security of the *subprimemortgages*) This practice creates wide ranging harm, and potentially systemic difficulties. Such manipulation of the markets contradicts the necessary health of the economic-financial system, and is unacceptable from the point of view of the ethics respectful of the common good.

Every credit share must correspond to a potentially real value, and not merely to a presumed one that is difficult to verify. In this sense, a need for a public regulation, and an appraisal *super partes* of the work of the rating agencies of credit, becomes all the more urgent, with legal instruments that make it possible to sanction the distorted actions and to prevent the creation of a dangerous oligopoly on the part of a few. This is even more true in the presence of the system of credit brokerage, in which the responsibility of the credit granted is passed on from the original lender to those who assume them.

26. Some financial products, among which the so called "derivatives", are created for the purpose of guaranteeing an insurance on the inherent risks of certain operations often containing a gamble made on the basis of the presumed value attributed to those risks. At the foundation of such financial instruments lay contracts in which the parties are still able to reasonably evaluate the fundamental risk on which they want to insure.

However, in some types of derivatives (in the particular the so-called securitizations) it is noted that, starting with the original structures, and linked to identifiable financial investments, more and more complex structures were built (securitizations of securitizations) in which it is increasingly difficult, and after many of these transactions almost impossible, to stabilize in a reasonable and fair manner their fundamental value. This means that every passage in the trade of these shares, beyond the will of the parties, effects in fact a distortion of the actual value of the risk from that which the instrument must defend. All these have encouraged the rising of speculative bubbles, which have been the important contributive cause of the recent financial crisis.

It is obvious that the uncertainty surrounding these products, such as the steady decline of the transparency of that which is assured, still not appearing in the original operation, makes them continuously less acceptable from the perspective of ethics respectful of the truth and the common good, because it transforms them into a ticking time bomb ready sooner or later to explode, poisoning the health of the markets. It is noted that there is an ethical void which becomes more serious as these products are negotiated on the so-called markets with less regulation (over the counter) and are exposed more to the markets regulated by chance, if not by fraud, and thus take away vital life-lines and investments to the real economy.

A similar ethical assessment can be also applied for those uses of credit default swap (CDS: they are particular insurance contracts for the risk of bankruptcy) that permit gambling at the risk of the bankruptcy of a third party, even to those who haven't taken any such risk of credit earlier, and really to repeat such operations on the same event, which is absolutely not consented to by the normal pact or insurance.

The market of CDS, in the wake of the economic crisis of 2007, was imposing enough to represent almost the equivalent of the GDP of the entire world. The spread of such a kind of contract without proper limits has encouraged the growth of a finance of chance, and of gambling on the failure of others, which is unacceptable from the ethical point of view.

In fact, the process of acquiring these instruments, by those who do not have any risk of credit already in existence, creates a unique case in which persons start to nurture interests for the ruin of other economic entities, and can even resolve themselves to do so.

It is evident that such a possibility, if, on the one hand, shapes an event particularly deplorable from the moral perspective, because the one who acts does so in view of a kind of economic cannibalism, and, on the other hand, ends up undermining that necessary basic trust without which the economic system would end up blocking itself. In this case, also, we can notice how a negative event, from the ethical point of view, also harms the healthy functioning of the economic system.

Therefore, it must be noted, that when from such gambling can derive enormous damage for entire nations and millions of families, we are faced with extremely immoral actions, it seems necessary to extend deterrents, already present in some nations, for such types of operations, sanctioning the infractions with maximum severity.

27. A central point of the dynamism that rules the financial markets is the level of the taxation of interests relative to interbank loans (LIBOR), whose measurement acts as the guide for the rates of interest in the monetary market, as well as in the rate of the official exchange of the different currencies handled by the banks.

These are some of the important parameters which have significant effect on the entire economic-financial system as they influence daily the substantial transfer of money between parties that approve contracts actually based upon the measure of these rates. The manipulation of the measuring of these rates constitutes a severe ethical violation with wide ranging consequences.

The fact that this could have happened impunitively for many years shows how fragile and exposed to fraud is a financial system not sufficiently controlled by regulations, and lacking proportionate sanctions for the violations in which its stakeholders often encounter. In this environment, the establishment of real "networks" of connivance, among those persons who were instead predisposed for the correct fixing of those rates, form, by coincidence, a criminal association, particularly harmful for the common good, which inflicts a dangerous wound to the health of the economic system. It must be penalized with adequate punishments and be discouraged from repetition.

28. Today the principal agents that operate in the world of finance, especially the banks, must be endowed with internal organisms, which ensure a function of compliance, or of self-control of the legitimacy of the major steps in the decision-making process and of the major products offered by the company. However, it is necessary to point out that, at least until the very recent past, the practice of the economic-financial system is often significantly based on a purely "negative" judgment of the function of compliance, that is to say, on a merely formal respect of the limits established by the law. Unfortunately, from this arose also the frequency of a practice, elusive of normative controls, wherein actions were directed toward bypassing the normative principles in place without contradicting explicitly the norms themselves in order to escape sanctions.

In order to avoid this, it is therefore necessary that the judgement of *compliance* enter on the merit of various operations from "positive" perspective that seeks verify their effective correspondence with the principles that inform the current norms. According to many, the execution of the function in this manner would be facilitated if it helped the institution of Ethical Committees, operating along with the Councils of Administration, which may constitute a natural interlocutor made up of those who should guarantee, in the concrete functioning of the bank, the conformity of behaviour to the existing norms.

In this sense, it is important that within the company there would be some guidelines which allow the facilitation of a similar corresponding judgement, so that one can discern in fact, which ones, among the operations, may technically be achievable and practical from the ethical point of view (a question that arises, for instance, in a very relevant way for the practices of tax avoidance). In such a way, one may pass from a merely formal adherence to a substantial respect of the regulations.

Moreover, it is desirable that even in the normative regulatory system, the financial world may foresee a general clause that declares illegitimate, with consequent accountability of the assets, all the persons to whom these are attributable, and whose predominant aim may be predominantly to bypass the existing norms.

29. It is no longer possible to ignore certain phenomena in the world, such as the spreading of the collateral banking systems (*Shadow banking system*). These, although well understood within themselves, and also the types of intermediaries whose functioning does not immediately appear disapproved, in fact have led to the loss of control over the system on the part of various authorities of national securities. Hence, they have knowingly favored the use of the so-called creative financing in which the primary aim of the investment of the financial resources is above all speculative in character, if not predatory, and not a service to the actual economy. For instance, many agree that the existence of such "shadow" systems may be one of the contributing causes that advanced the development, and the global diffusion, of the recent economic-financial crisis started in the USA with *subprimemortgages* in the summer of 2007.

30. Such speculative intent, on which the world of *offshore* finance thrives, while offering also other legitimate services, through the widely diffused channels of tax avoidance, if not directly of evasion and the recycling of money deriving from crimes, contributes to an additional impoverishment of the normal system of production and of the distribution of goods and services. It is difficult to distinguish if many such situations give life to particular instances of proximate or immediate immorality. Certainly, it is by now evident that such realities, where they unjustly subtract vital nourishment from the real economy, can hardly find justification both from the ethical point of view and from the point of view of the global efficiency of the economic system itself.

On the contrary, there seems to be all the more evident a negligible degree of correlation between the unethical behaviors of the operators and the *existing bankruptcies* of the system in its complexity. It is now undeniable that ethical scarcity exacerbates the imperfections of the mechanisms of the market.[\[46\]](#)

In the second half of the last century, the *offshore* market of euro-dollars, the financial space of exchange outside every official normative framework, was born. The market expanded from an important European country to other countries of the world, paving way to a real alternative financial network to the official financial system and the jurisdictions that protect them.

It must be noted, in this regard, if the formal reason which is given to legitimize the presence of the *offshore* sites is that of permitting the institutional investors not to be subjected to a double taxation; firstly in the country of their residence and secondly in the countries where the funds are domiciled, in reality, these places, to a considerable extent, have become an opportunity for financial operations often *border line*, if not *beyond the pale*, both from the point of view of their lawfulness under the normative profile and from that of ethics, meaning an economic culture, healthy and free from the intentions of tax avoidance.

Today, more than the half of the commercial world is orchestrated by noteworthy persons that cut down their tax burden by moving the revenues from one site to another according to their convenience, transferring the profits into fiscal havens, and the costs into the countries of higher taxation. It appears clear that all these have removed decisive resources from the actual economy and contributed to the creation of economic systems founded on inequality. Furthermore, it is not possible to ignore the fact that those *offshore* sites, on more occasions, have become usual places of recycling dirty money, which is the fruit of illicit income (thefts, frauds, corruption, criminal associations, mafia, war booties etc.)

Thereby disguising the fact that the so-called *offshore* operations do take place in their official financial places, some States have consented to obtain profit even from crimes, thinking however of not being responsible as the crimes did not take place formally under their jurisdiction. This represents, from the moral point of view, an evident form of hypocrisy.

In a short period, such a market has become a place of major transition of capital, because its configuration represents an easy way for realizing different and essential forms of tax avoidance. Therefore, we understand that the *offshore* domestication of many important societies involved in the market is very much coveted and practiced.

31. Certainly, the tax system prepared by the various nations does not seem to be always equal. In this regard, it is relevant to keep in mind how such inequity often disadvantages the economically weaker persons and favors the more endowed, and is capable of influencing even the normative systems that regulate the same taxes. In fact, an imposition of the taxes, when it is equal, performs a fundamental function of equalization and redistribution of the wealth not only in favor of those who need appropriate subsidies, but it also supports the investments and the growth of the actual economy.

Tax avoidance on the part of primary stakeholders, those large financial intermediaries, who move in the market, indicate an unjust removal of resources from the actual economy, and this is damaging for the civil society as a whole.

Due to the non-transparency of those systems, it is difficult to establish with precision the amount of assets that are transacted in them. However, it was calculated that a minimum tax on the transactions accomplished *offshore* would be sufficient to resolve a large part of the problem of hunger in the world: why can't we undertake courageously the way of a similar initiative?

Furthermore, it has been established that the existence of *offshore* sites has encouraged also an enormous outflow of capital from many countries of low income, thus creating numerous political and economic crises, impeding them from finally undertaking the path of growth and a healthy development.

For this reason, it is worth mentioning that more often different international institutions have denounced these practices and many governments have rightly tried to limit the flow of the *offshore* financial bases. Many positive efforts have been undertaken in this regard, especially in the last decade. However, they could not successfully impose accords and norms adequately efficient until now. On the contrary, the normative frames proposed even by the international authoritative organizations in this regard have been often unapplied, or made ineffective, because of the notable influence that those bases are capable of exercising towards many political powers, thanks to the large amount of capital in their possession.

All this, while contributing grave damage to the good functionality of the actual economy, indicates a structure that, as it is formed today, seems to be totally unacceptable from the ethical point of view. Hence, it is necessary and urgent to prepare at the international level the suitable remedies to those unjust systems. Above all, practicing financial transparency at every level, (for example, the obligation of public accountability for the multinational companies of the respective activities and the taxes paid in each country in which they operate through their subsidiary groups) along with incisive sanctions, imposed on those countries that repeat the dishonest practices (tax evasion and avoidance, recycling of dirty money) mentioned above.

32. The *offshore* system has also ended up aggravating the public debt of the countries whose economies are less developed. It was in fact observed how the accumulated private wealth of some elites in the fiscal havens is almost equal to the public debt of the respective countries. This highlights how, in fact, at the origin of that debt there are often economic losses created by private persons and unloaded on the shoulders of the public system. Moreover, it is noted that important economic players tend to follow, often with the collusion of the politicians, a practice of division of the losses.

However, it is good to point out how often the public debt is also created by an incautious, if not fraudulent, management of the public administrative system. These debts, those financial losses that burden the various nations, pose today one of the major obstacles to good functioning and growth of the various national economies. Numerous national economies are in fact burdened by having to cope with the payment of interest, which derives from that debt, and must therefore dutifully undertake structural adjustments to suit this need.

In the face of all of this, on the one hand, the individual States are called to protect themselves with appropriate management of the public system through wise structural reforms, sensible allocation of expenses, and prudent investments. On the other hand, it is necessary at the international level to put every country in front of its unavoidable responsibility to allow and favor the reasonable exit routes from the spirals of debt, not placing it on the shoulders of the States, and therefore on that of their citizens, meaning upon millions of families carrying untenable financial burdens.

So also the effort is mediated politically, by way of a reasonable and concurred reduction of the public debt, especially of the kind held by persons of such economic solidity capable of offering it.^[47] Similar solutions are required both for the health of the international economic system in view of avoiding the contagion of a potentially systematic crisis, as well as for the pursuit of the common good of all people mutually.

33. All that we have been talking about so far is not only the work of an entity that operates out of our control, but that is also in the sphere of our responsibilities. This means that we have within our reach important instruments capable of contributing towards the solutions of many problems. For instance, the markets live thanks to the supply and demand of goods. In this regard, every one of us can influence in a decisive manner by giving shape to that demand.

It becomes therefore quite evident how important a critical and responsible exercise of consumption and savings actually is. Shopping, for example, a daily engagement with which we procure the necessities of living, is also a form of a choice that we exercise among the various products that the market offers. It is a choice through which we often opt, in an unconscious way, for goods, whose production possibly takes place through supply chains in which the violation of the most elementary human rights is normal or, thanks to the work of the companies, whose ethics in fact do not know any interest other than that of profit of their shareholders at any cost.

It is necessary to train ourselves to make the choice for those goods on whose shoulders lies a journey worthy from the ethical point of view, because also through the gesture, apparently banal, of consumption, we actually express an ethics and are called to take a stand in front of what is good or bad for the actual human person. Someone spoke of the proposal to "vote with your wallet". This is in reference to voting daily in the markets in favor of whatever helps the concrete well-being of all of us, and rejecting whatever harms it.^[48]

They must also have the same considerations towards the management of their savings, for instance, directing them towards those enterprises that operate with clear criteria inspired by an ethics respectful of the entire human person, and of every particular person, within the horizon of social responsibility.^[49] Furthermore, in general, each one is called to cultivate procedures of producing wealth that may be consistent with our relational nature and tend towards an integral development of the human person.

IV. Conclusion

34. In front of the massiveness and pervasiveness of today's economic-financial systems, we could be tempted to abandon ourselves to cynicism, and to think that with our poor forces we can do very little. In reality, every one of us can do so much, especially if one does not remain alone.

Numerous associations emerging from civil society represent in this sense a reservoir of consciousness, and social responsibility, of which we cannot do without. Today as never before we are all called, as sentinels, to watch over genuine life and to make ourselves catalysts of a new social behavior, shaping our actions to the search for the common good, and establishing it on the sound principles of solidarity and subsidiarity.

Every gesture of our liberty, even if it appears fragile and insignificant, if it is really directed towards the authentic good, rests on Him who is the good Lord of history and becomes part of a buoyancy that exceeds our poor forces, uniting indissolubly all the actions of good will in a web that unites heaven and earth, which is a true instrument of the humanization of each person, and the world as a whole. This is all that we need for living well and for nourishing a hope that may be at the height of our dignity as human persons.

The Church, Mother and Teacher, aware of having received in gift an undeserved deposit, offers to the men and women of all times the resources for a dependable hope. Mary, Mother of God made man for us, may take our hearts in hand and guide them in the wise building of that good that her Son Jesus, through his humanity made new by the Holy Spirit, has come to inaugurate for the salvation of the world.

The Sovereign Pontiff Francis, at the Audience granted to the undersigned Secretary of the Congregation for the Doctrine of the Faith, has approved these Considerations adopted in the Ordinary Session of this Dicastery and ordered its publication.

Rome, January 6, 2018, the Solemnity of the Epiphany of the Lord.

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- [1] Second Vatican Ecumenical Council, Dogmatic Constitution on the Church *Lumen gentium*, 48.
- [2] Cf. *ibid.*, 5.
- [3] Francis, Encyclical Letter *Laudato si'* (24 May 2015), 231: AAS 107 (2015), 937.
- [4] Cf. Benedict XVI, Encyclical Letter *Caritas in veritate* (29 June 2009), 59: AAS 101 (2009), 694.
- [5] Cf. John Paul II, Encyclical Letter *Fides et ratio* (14 September 1998), 98: AAS 91 (1999), 81.
- [6] Cf. International Theological Commission, *In Search of a Universal Ethic: A New Look at the Natural Law*, 87.
- [7] Francis, Encyclical Letter *Laudato si'*, 189: AAS 107 (2015), 922.
- [8] Id., Apostolic Exhortation *Evangelii gaudium* (24 November 2013), 178: AAS 105 (2013), 1094.
- [9] Cf. Pontifical Council for Justice and Peace, *Towards Reforming the International Financial and Monetary Systems in the Context of Global Public Authority*, 1: *L'Osservatore Romano* (24-25 October 2011), 6.
- [10] Cf. Francis, Encyclical Letter *Laudato si'*, 189: AAS 107 (2015), 922.
- [11] Id., Apostolic Exhortation *Evangelii gaudium*, 53: AAS 105 (2013), 1042.
- [12] *Ibid.*, 58: AAS 105 (2013), 1044.
- [13] Cf. Second Vatican Ecumenical Council, Declaration on Religious Freedom *Dignitatis humanae*, 14.
- [14] Benedict XVI, Encyclical Letter *Caritas in veritate* (29 June 2009), 45: AAS 101 (2009), 681.
- [15] *Ibid.*, 74: AAS 101 (2009), 705.
- [16] Cf. Francis, *Address to the European Parliament* (25 November 2014), Strasbourg: AAS 106 (2014), 997-998.
- [17] Cf. Benedict XVI, Encyclical Letter *Caritas in veritate*, 37: AAS 101 (2009), 672.
- [18] Cf. *ibid.*, 55: AAS 101 (2009), 690.
- [19] Cf. John Paul II, Encyclical Letter *Sollicitudo rei socialis* (30 December 1987), 42: AAS 80 (1988), 572.

[20] Cf. *Catechism of the Catholic Church*, 1908.

[21] Cf. Francis, Encyclical Letter *Laudato si'*, 13: AAS 107 (2015), 852; Apostolic Exhortation *Amoris laetitia* (19 March 2016), 44:AAS 108 (2016), 327.

[22] Cf. For example the motto, *Ora et Labora* that recalls the Rule of St. Benedict of Nursia, in its simplicity, indicates that prayer, especially liturgical, while opening for us a relationship with God who, in Jesus Christ and in his Spirit, reveals himself as the Good and True, also offers in this manner the appropriate form as well as the way to construct a better and truer world that is more human.

[23] Cf. John Paul II, Encyclical Letter *Centesimus annus* (1 May 1991), 17, 24, 42: AAS 83 (1991), 814, 821, 845.

[24] Cf. Pius XI, Encyclical Letter *Quadragesimo anno* (15 May 1931), 105: AAS 23 (1931), 210; PAUL VI, Encyclical Letter *Populorum progressio* (26 March 1967), 9: AAS 59 (1967), 261; Francis, Encyclical Letter *Laudato si'*, 203: AAS 107 (2015), 927.

[25] Cf. Francis, Encyclical Letter *Laudato si'*, 175. On the necessary connection between economy and politics cf. Benedict XVI, Encyclical Letter *Caritas in veritate*, 36: "Economic activity cannot solve all social problems through the simple application of *commercial logic*. This needs to be *directed towards the pursuit of the common good*, for which the political community in particular must also take responsibility. Therefore, it must be borne in mind that grave imbalances are produced when economic action, conceived merely as an engine for wealth creation, is detached from political action, conceived as a means for pursuing justice through redistribution."

[26] Cf. Benedict XVI, Encyclical Letter *Caritas in veritate*, 58: AAS 101 (2009), 693.

[27] Cf. Second Vatican Ecumenical Council, The Pastoral Constitution on the Church in the Modern World *Gaudium et spes*, 64.

[28] Cf. Pius XI, Encyclical Letter *Quadragesimo anno*, 89: AAS 23 (1931), 206; Benedict XVI, Encyclical Letter *Caritas in veritate*, 35: AAS 101 (2009), 670; Francis, Apostolic Exhortation *Evangelii gaudium*, 204: AAS 105 (2013), 1105.

[29] Cf. Francis, Encyclical Letter *Laudato si'*, 109: AAS 107 (2015), 891.

[30] Cf. John Paul II, Encyclical Letter *Laborem exercens* (14 September 1981), 9: AAS 73 (1981), 598.

[31] Francis, Apostolic Exhortation *Evangelii gaudium*, 53: AAS 105 (2013), 1042.

[32] Cf. Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church*, 369.

[33] Cf. Pius XI, Encyclical Letter *Quadragesimo anno*, 132: AAS 23 (1931), 219; Paul VI, Encyclical Letter *Populorum progressio*, 24: AAS 59 (1967), 269.

[34] Cf. *Catechism of the Catholic Church*, 2409.

[35] Cf. Paul VI, Encyclical Letter *Populorum progressio*, 13. Some important indications were already offered in this regard (cf. Pontifical Council for Justice and Peace, *Towards Reforming the International Financial and Monetary Systems in the Context of Global Public Authority*,

4: *L'Osservatore Romano*, 24-25 October 2011, 7). We now intend to proceed in the line of a similar discernment in order to encourage a positive development of the economic-financial system and to contribute towards the elimination of those unjust structures that limit potential benefits of them.

[36] Cf. Francis, Encyclical Letter *Laudato si'*, 198: AAS 107 (2015), 925.

[37] Cf. Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church*, 343.

[38] Cf. Benedict XVI, Encyclical Letter *Caritas in veritate*, 35: AAS 101 (2009), 670.

[39] Francis, *Address to Participants in the Meeting "Economy of Communion", Sponsored by the Focolare Movement* (4 February 2017): *L'Osservatore Romano* (5 February 2017), 8.

[40] Cf. John Paul II, Encyclical Letter *Sollicitudo rei socialis*, 28: AAS 80 (1988), 548.

[41] Cf. Benedict XVI, Encyclical Letter *Caritas in veritate*, 67: AAS 101 (2009), 700.

[42] Cf. Pontifical Council for Justice And Peace, *Towards Reforming the International Financial and Monetary Systems in the Context of Global Public Authority*, 1: *L'Osservatore Romano* (24-25 October 2011), 6.

[43] Cf. *ibid.*, 4: *L'Osservatore Romano* (24-25 October 2011), 7.

[44] Cf. Benedict XVI, Encyclical Letter *Caritas in veritate*, 45: AAS 101 (2009), 681; Francis, *Message for the Celebration of the 48th World Day of Peace* (1 January 2015), 5: AAS 107 (2015), 66.

[45] Cf. Benedict, Encyclical Letter *Caritas in veritate*, 36: AAS 101 (2009), 671.

[46] Cf. Francis, Encyclical Letter *Laudato si'*, 189: AAS 107 (2015), 922.

[47] Cf. Benedict XVI, *Address to the Diplomatic Corps accredited to the Holy See* (8 January 2007): *L'Osservatore Romano* (8-9 January 2007), 6-7.

[48] Cf. Id., Encyclical Letter *Caritas in veritate*, 66: AAS 101 (2009), 699.

[49] Cf. Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church*, 358.