

2021 OCCASIONAL PAPER

---

**ECONOMIC LIBERTARIANISM  
VERSUS  
CATHOLIC SOCIAL TEACHING**

---

*Developed from the Preface to a book titled  
THE "POISONED SPRING" OF ECONOMIC LIBERTARIANISM"  
written by Angus Sibley and published in 2011 by Pax Romana / Cmica-usa*

**JOE HOLLAND, PH.D.**

*office@joe-holland.net - [www.joe-holland.net](http://www.joe-holland.net)*



**PACEM IN TERRIS CENTER  
FOR THE STUDY OF CATHOLIC SOCIAL TEACHING**

---

*A Project of Pax Romana / Catholic Movement for Intellectual & Cultural Affairs - USA*

PAX ROMANA / CMICA-USA  
1717 k St. NW, Suite 600, Washington DC 20006  
[office@paceminterris.net](mailto:office@paceminterris.net) | <https://paceminterris.net>

**T**he right ordering of economic life cannot be left to a free competition of forces. For from this source, as from a **poisoned spring**, have originated and spread all the errors of individualist economic teaching. Destroying through forgetfulness or ignorance the social and moral character of economic life, it held that economic life must be considered and treated as altogether free from and independent of public authority, because in the market, i.e., in the free struggle of competitors, it would have a principle of self direction which governs it much more perfectly than would the intervention of any created intellect.

But free competition, while justified and certainly useful provided it is kept within certain limits, clearly cannot direct economic life – a truth which the outcome of the application in practice of the tenets of this evil individualistic spirit has more than sufficiently demonstrated. Therefore, it is most necessary that economic life be again subjected to and governed by a true and effective directing principle ... Hence ... it is most necessary ... to establish a juridical and social order which will, as it were, give form and shape to all economic life.

Pope Pius XI

QUADRAGESIMO ANNO

1931 Papal Encyclical, Par. 88, bold emphasis added.

**F**OR SOME TIME, I HAVE BEEN CONCERNED about the appearance of Catholic apologists for libertarian economics, and all the more concerned about Catholic intellectuals who even claim support from Catholic Social Teaching for this dangerous ideological perspective. As a philosopher and theologian who has long been a careful student of the Church's rich tradition of social ethics, I knew that such a claim could not be upheld. Because of strong philosophical and theological reasons, Catholic Social Teaching represents the very antithesis of Libertarianism.

### Libertarian Philosophy of Individualism

The first and most fundamental clash between the libertarian and Catholic visions is that, while Libertarianism sees the human person as an *autonomous individual*, Catholic Social Teaching – on both philosophical and theological grounds – understands the human person as, *by nature, social*, including in economic life.

The libertarian doctrine of the autonomous individual finds its primary intellectual roots in the atomistic philosophy of the modern European Enlightenment. For example, when the Austrian school's Friedrich von Hayek (1899-1902) appealed to "Western Civilization" to justify Libertarianism, it was to this modern source that he referred, and not to the classical Western tradition.

The mainstream of the Modern European Enlightenment's Philosophy did indeed argue that the human person is without natural organic bonds to others. Further, the Modern European Enlightenment's doctrine of individual autonomy had earlier theological roots in Modernity's Protestant Reformation, particularly its Calvinist expression. It portrayed Christian conversion and salvation as radically individualistic and voluntarist. (Exploring those religious roots, however, would be too much for this brief paper).

The Modern European Enlightenment's individualism had ancient roots in the Greek philosophers who never became central to the Western philosophical tradition until the Modern Era. They were Democritus of Abdera (460–370 BCE) and Epicurus (341-270 BCE), an Athenian who settled on the Greek island of Samos. We have little writing from Democritus but much from Epicurus, so he is the more famous. Drawing on Democritus, Epicurus taught a doctrine of cosmic Materialism, rejected religion, denied life after death, and portrayed all of reality as made up of blindly driven "atoms." He used Greek word *atomos*

to define the ultimately smallest "uncuttable" particles of matter, which he saw as blindly colliding with each other within a great cosmic "void."

Epicurean Philosophy carried over into classical Roman civilization, In Roman Epicureanism, the philosopher-poet Lucretius (c.99-c.55 BCE), an in-law of Cicero, authored a book-length poem titled *DE RERUM NATURA* (On the Nature of Things). It lyrically explained Epicurus' teachings about atomistic Materialism. But Roman Epicureanism remained a secondary tradition overshadowed by Platonism and Aristotelean-rooted Stoicism.

However, during the European Renaissance, early-modern Western scientists (then called "natural philosophers") enthusiastically adopted the Epicurean worldview from Renaissance translations of Lucretius' famous work. Initially, these natural philosophers combined Epicurean Materialism in science with a Deist theology. But, over time, the theological side fell to the wayside. Epicurus' atomist Materialism began to triumph across an increasingly secular Western Modernity.

Also, modern European Enlightenment philosophers applied modern "scientific" atomism, with its doctrinal roots in Democritus, Epicurus, and Lucretius, to their modern individualistic (atomized) interpretations of human nature and human society. Thus were born the modern Social Sciences, including the modern 'science' of Economics.

For his materialistic ethics, Epicurus had respectively reduced good and evil to sensations of pleasure and pain. So he and his followers sought withdrawal from politics to privately maximize pleasure (not in gross fashion, but only in subtle ways) and especially to minimize pain. In the 19<sup>th</sup> Century, Epicurus calculus of pleasure and pain became the philosophical foundation for the modern ethics of Utilitarianism (but this time without withdrawal from political life).

For the modern paradigm, the human correlative of autonomous atoms colliding with each other became autonomous individuals pursuing their separate "interests" within society. Within that atomistic framework, modern 'scientific' economics became the study of how humans competitively pursue their "interests" through the material processes of extraction, production, distribution, and consumption.

But the modern 'scientific' economists forgot about Nature's additional dimension of *reproduction*. And so the modern "scientific" paradigm for economics in both free-market

Capitalism (atoms in competition) and state-dominated Socialism (massified atoms) models would lead in our times to global ecological devastation.

Again, in the autonomous libertarian perspective, economics, politics, and culture get reduced to individual choices of autonomous wills, based on an individual's "interests," which are arbitrary expressions of will. Further, for Libertarianism, the only form of social structure becomes voluntary contracts made by such autonomous individuals. (Philosophical defenders of that theory, seeing marriage only as a contract, have never been able to explain how small pre-rational children can then make valid familial contracts.)

### Social Nature of the Human Person

By contrast, Catholic Social Teaching draws on far different philosophical and theological views of the human person. Philosophically, the Catholic tradition has followed the position of Aristotle that the human person is *naturally social*, and that human society constitutes an organic development of the family. According to this philosophical perspective, each larger social form beyond family – the village, the city-state, the nation-state, and now global society -- has its respective social logic. The Greek tradition from Aristotle deepened even further with the Roman Stoics, who claimed that all humans belong to a single global social-ecological community named "Cosmopolis."

This naturally social understanding of the human phenomenon continued in classical European Catholic legal traditions and later found greater strength with the Catholic Medieval Aristotelian renaissance led by Thomas Aquinas. It then flowed into the seeds of human rights and international law developed by the early-modern Catholic philosophical and theological school of Salamanca in Spain. Ultimately, it found mature modern expression in Modern Catholic Social Teaching, which began with Pope Leo XIII elected in 1878.

Theologically, the Bible is our greatest theological witness to the social nature of the human person and the social responsibilities of the organic human social bond. A biblically negative expression of this biblical doctrine occurs with the murderer Cain's notorious cry in Genesis 4:9: *Am I my brother's keeper?* A biblically positive expression occurs in the LORD's liberation of the enslaved "children of Israel" (a family metaphor) from their oppression by the rulers of the Egyptian Empire – not as individuals but as a social

community. Thus, in Exodus 3:7-8, the LORD announces: *I have witnessed the affliction of my people in Egypt ... Therefore, I have come down to rescue them.*

Lastly, the COMPENDIUM OF THE SOCIAL DOCTRINE OF THE CHURCH, the most current authoritative expression of the Catholic social magisterium, clearly confirms this understanding of the human person when it boldly states: *The human person is essentially a social being.*<sup>1</sup>

This doctrine of the social nature of the human person, of course, fits in with our everyday experience of family. The human being is born of the biological mixing of the DNA of a mother and father. The parents are in turn genetically indebted to their families of origin, including all prior generations of their families, all the way back to our human family's common evolutionary origin in Africa and beyond that to all biological evolution.

So, the new-born child enters the world within the micro-society of the family, which is the first source of its social care, and the child is genetically part of a vast ecological network of extended family, which ultimately reaches to the entire human family and even deeper into the ancient roots of the planetary biosphere.

However, in the extreme and tragic case of an abandoned baby who is not constantly touched in love (the real example of an "autonomous individual"), we sadly discover the pathological situation of the "non-bonded child." In such cases, unless there is an extensive therapeutic intervention, the child fails to develop an ethical conscience and typically, albeit tragically, grows up to a life of crime.

Thus, since we humans are by nature social, Libertarianism is grounded on a fundamental and dangerous philosophical error about the nature of the human person. The words of Austrian economist Friedrich von Hayek strikingly express this error. He claims that, in the free market, we rightly and properly *gain from not treating one another as neighbors.*<sup>2</sup>

### Individualism in Utilitarian Ethics

We can see how dangerous this error becomes in its modern correlative form of philosophical ethics, namely *Utilitarianism*. Utilitarian ethics is not normally thought of as

---

<sup>1</sup> Pontifical Council for Justice and Peace, COMPENDIUM OF THE SOCIAL DOCTRINE OF THE CHURCH (Città del Vaticano : Libreria Editrice Vaticana, 2004), Par. 149.

<sup>2</sup> Friedrich von Hayek, THE FATAL CONCEIT (London: Routledge, 1988), p. 13.

libertarian because of its altruistic orientation. But it remains rooted in and still manifests the same philosophical error. Utilitarians claim that society is only a collection of autonomous individuals making voluntaristic individual choices, with the only social bonds being those of voluntarily chosen contracts. Like Epicurus, the utilitarian school of philosophical ethics accepts the doctrine that good and evil are reducible to feelings of pleasure and pain. But Utilitarianism then seeks ethically and legally to direct those choices in a magnanimous societal direction.

Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873), the sequential creators of modern utilitarian ethics, pointed Epicureanism toward altruistic legal reforms for society. Bentham initially sought mathematically to calculate whatever would bring the greatest pleasure and the least pain to the greatest number of individuals and to guide reforming legislation by that principle. Mill, following Epicurus, later added a hierarchy of higher and lower pleasures, with the former receiving more weight.

In their utilitarian views, the individual's psychological experiences of pleasure and pain become neurological guides for the autonomous individual's volitional "interests," with their social expression found in individual electoral choices and market choices. Further, returning to Epicurus' withdrawal from politics, some contemporary economic libertarians have argued that market choices are the only fundamental ones, rather than political choices – as in "one dollar, one vote."

Again, utilitarian ethics, because of its underlying atomistic-materialist Philosophy, must ultimately reject any other ethical norms beyond a quantitative calculus of individuals' pleasure and pain. In such a reductionist approach, utilitarian ethics of necessity becomes relativistic (determined by majority choices).

A fundamental problem with such a view is that humans are not the only animals who experience pleasure and pain. Ultimately, therefore, Utilitarianism undermines the philosophical doctrine of universal human rights. Even the United Nations Universal Declaration of Human Rights, which is not grounded in such a utilitarian calculus, must eventually yield to Utilitarianism's reductionist and relativist ethics.

Thus, Peter Singer (born 1946), probably the world's leading utilitarian philosopher, has argued that any notion of a special universal "dignity of human life" is simply nonsense. Following that logic, he has called for the killing of disabled children. Praising what he

calls *selective medical infanticide*, Singer writes (apparently with approval) that *killing unwanted infants ... has been a normal practice in most societies throughout human history*.<sup>3</sup> Might such rejections of human rights be on the future horizon of a libertarian society?

### Negative Social Contract State Versus Positive Common Good State

Theories of autonomous individuals and utilitarian ethics also ground the libertarian understanding of politics. Libertarians see autonomous individuals as constructing human relationships only through legal contract, be it the business contract, the contract of marriage, or the state's social contract. Further, by reducing the state to a social contract, libertarians understand government as only an artificial institution created by autonomous individuals.

Here we may again return to the Modern Protestant Reformation, particularly Calvinism, for a theological background to libertarian theory. According to Calvin, the state was necessary only because of original sin. Theologically, this was a step backward from Thomas Aquinas to Augustine, reflecting the view of many Reformers that medieval theology was a misguided diversion from the earlier Theology of Augustine.

Without sin, Calvin and Augustine claimed, there would be no need for the state, since God created the state to restrain evils flowing from original sin. Such a state could not positively pursue the common good because, as a post-fall institution, the state was designed by God only to restrain sinful evil. Should it seek something more, they further claimed, it would become blasphemous and idolatrous.

Libertarianism wishes to minimize government and to restrict it to the negative function of protecting individuals from harm. But Catholic Social Teaching certainly understands government as having the negative role of restraining evil, but it also understands the state as positively charged with protecting the common good. Like Aristotle, Catholic Social Teaching sees the state as a natural social institution primarily directed to promoting the common good.

---

<sup>3</sup> Peter Singer, *RETHINKING LIFE AND DEATH: THE COLLAPSE OF OUR TRADITIONAL ETHICS* (New York: St. Martin's Press, 1994), pp. 1-4 & 128-131.



For Catholic theology, even had there been no original sin, the state would still be necessary and positive. That is because it sees all expressions of humanity's social nature – again, at every level from the local to the global – as requiring the principle of governance, which (when just) becomes human participation in the divine governance of the cosmos.

This is why, when today facing "globalization" of economic markets, Catholic Social Teaching insists on the political need for both international law and international governance of economic life. For that reason, the Holy See ("Vatican") strongly supports the United Nations, even while calling for its improvement through institutional reform.

Of course, there can be problems with governments at every level. But the authentic Catholic response to such problems is fundamentally different from the libertarian one. While libertarians instinctively call for minimizing government and (for some) even eliminating government, Catholic Social Teaching always calls for reforming government. For the Catholic tradition, the answer to bad government is not eliminating its positive functions but improving them. Its alternative to bad government is not less or no government, but good or better government. Again, Catholic Social Teaching sees the most basic purpose of government as promoting and serving the common good of all.

Similarly, in the sterile debate over whether the state or the market should lead, the Catholic argument is for cooperation between the two. In this cooperation, it argues that the primary positive role of government is to ensure the common good, including the economic common good, which the market alone cannot achieve. Conversely, the state alone cannot achieve the common good since the state's function is to ensure order and justice in the market and not to replace the market.

### **Contentious Issues: Property, Unions, and Subsidiarity**

In light of the above, we see a great difference between the Catholic and libertarian positions on the question of *property* and, in a related manner, on the question of *labor unions*, both of which relate to the principle of *subsidiarity*.

#### ***Property***

In the libertarian tradition, the ownership of private property is seen as the primary "interest" which the state is called upon to defend for supposedly autonomous property-

owning individuals. Indeed, for many libertarians, the principle of private property seems to be a moral absolute, a matter of individual interest inextricably linked to the identity of the autonomous self.

Thus, the late American libertarian philosopher Robert Nozick (1938–2002) argued that every individual has an absolute right to whatever assets he or she acquires lawfully. So, if the state imposes extra taxes on rich persons, it infringes those persons' fundamental rights.<sup>4</sup> Likewise, the late American libertarian economist Milton Friedman (1912–2006) asserted that *there is a fundamental conflict between the ideal of 'fair shares' and the ideal of personal liberty*.<sup>5</sup>

In the Catholic tradition, by contrast, property is not completely "private," though the tradition does support individual property as a valuable social development. For Catholic Social Teaching, the fundamental principle here is "the universal destination of goods," which means that the Creator, who is the "owner" of all creation, has destined the goods of creation for all.<sup>6</sup> In so far as individual property serves this principle (which is a variant of the principle of the common good), then individual property is legitimate.

But when individual property becomes too concentrated in a small minority in a manner that does not serve the common good, then individual property can become illegitimate, and the state needs to support better use of such property for the common good. Another way of expressing this principle has been to say that private property carries a "social mortgage."

Explaining this social mortgage and its root in the "universal destination of goods," the COMPENDIUM highlights the Catholic principle of the "preferential option for the poor."

*The principle of the universal destination of goods requires that the poor, the marginalized and in all cases those whose living conditions interfere with their proper growth should be the focus of particular concern. To this end, the preferential option for the poor should be reaffirmed in all its force.*<sup>7</sup>

---

<sup>4</sup> Nozick, ANARCHY, STATE AND UTOPIA (New York: Basic Books, 1974), chap. 7, *passim*.

<sup>5</sup> Milton & Rose Friedman, FREE TO CHOOSE (San Diego: Harcourt, 1980), chap. 5.

<sup>6</sup> COMPENDIUM, Pars. 171 ff.

<sup>7</sup> COMPENDIUM, Par. 182

Further, because libertarians are frequently hostile to the ecological movement, we need to recall that the "universal destination of goods" also means that the goods of creation are given by the Creator for the ecological well-being of all of creation, and not just for the human "utility" of consumerism.

Again, we turn to the COMPENDIUM'S criticism of the modern era as having a reductionist, mechanistic, and utilitarian attitude that leads to undermining the integrity of the natural world:

*The tendency toward an "ill-considered" exploitation of the resources of creation is the result of a long historical and cultural process. The modern era ... has even reached the point of threatening the environment's hospitable aspect: the environment as 'resource' risks threatening the environment as 'home'... This reductionist conception views the natural world in mechanistic terms and sees development in terms of consumerism ... A correct understanding of the environment prevents the utilitarian reduction of Nature to a mere object to be manipulated and exploited.<sup>8</sup>*

We may compare this with the attitude of Carl Menger (1840-1921), founder of the Austrian school of Economics. He condemned restraints on competition on the ground that such restraints prevent production and consumption from reaching maximum levels.

### *Unions*

Similarly, libertarians are generally hostile to democratic labor unions. At best, they typically reduce the issue to one of individual choice. But in Catholic Social Teaching, unions represent what are called "mediating institutions;" they are not reducible simply to matters of personal choice but stand as social institutions essential for the common good of industrial societies. Their absence in capitalist or socialist societies leaves workers at the mercy of concentrated corporate power or concentrated state power, or still worse a combination of the two.

We could say then that democratic unions as mediating institutions represent the principle of subsidiarity in the economic sphere. Just as in the political sphere subsidiarity defends the principle of the *priority of the family* against unjust intrusions by the state, so here

---

<sup>8</sup> COMPENDIUM, Pars. 461-463.

in the economic sphere subsidiarity defends what Catholic Social Teaching calls the principle of *an intrinsic priority of labor over capital*.<sup>9</sup>

For this reason, the COMPENDIUM defends workers' *right to assemble and form associations*, and it describes unions both as *an indispensable element of social life* and as *promoters of the struggle for social justice*.<sup>10</sup> Further, in the light of *ever more rapid processes of economic and financial globalization*, the COMPENDIUM calls for *unions to engage in renewal ... to act in new ways ... pursuing 'new forms of solidarity' ... [that entail] greater responsibilities*.<sup>11</sup> Lastly, never seeing labor and capital as philosophical enemies, it praises *the [cooperative] relationship between labor and capital [found] when workers participate in ownership, management, and profits*.<sup>12</sup>

Nonetheless, there are situations where unions can become evil, just as families can become evil, just as businesses can become evil, and just as governments can become evil. But the truly Catholic response is not to reject the principle of unionism, any more than to reject the principle of family, or of business, or of government. Rather, the truly Catholic response would be to seek reform of the institution, that is, to attempt to transform bad unionism into good unionism.

### *Subsidiarity*

Finally, some Catholic libertarians appeal to Catholic Social Teaching's principle of "subsidiarity" as an argument against government. The principle of subsidiarity, which in Catholic Social Teaching usually applies to politics, means that nothing should be done at a higher level that could be done at a lower level. It also means that it is the function of the higher level – the state in the political arena – to help, that is "subsidize," the lower level to handle the function in question.<sup>13</sup>

One example of a libertarian misunderstanding of this principle argues that the government should not provide social insurance for care of the needy elderly but should leave it to their families. Yet subsidiarity does not mean that the government should abandon

---

<sup>9</sup> Ibid., Pars. 214 & 277.

<sup>10</sup> Ibid., Par. 301, 305, & 306.

<sup>11</sup> Ibid., Par. 309.

<sup>12</sup> Ibid., Par. 281.

<sup>13</sup> Ibid., Pars. 185-188.

financial support for such care, but rather that the state should financially help (subsidize) families themselves to care for their needy elderly; the state should not treat the latter simply as autonomous individuals, condemned to "stand on their own feet" even when they cannot.

I might suggest here that such "pro-family" aid would in many cases probably be well directed to home-care by relatives, which could normally prove less expensive than the cost of nursing homes, be they owned by government or by business corporations. Of course, nursing homes would still be necessary, for there would certainly be needy elderly persons whose care is beyond the ability of a typical family or who no longer have family members to care for them. In such cases, the principle of subsidiarity would not apply, and the state should quite legitimately ensure their care.

### Conclusion

After signaling the stark contrast between Libertarianism and Catholic Social Teaching, I recommend that readers seeking to learn more about this contrast take up and read the splendid text of Angus Sibley's book. *THE POISONED SPRING OF ECONOMIC LIBERTARIANISM* (Pacem in Terris Press, 20). Through this book, he has done a great service to the rich tradition of Catholic Social Teaching, and to the human family which it humbly serves.