

# Property and Popery – is Pope Francis’s teaching on private property radical?

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## Abstract

The importance of private property has been controversial in Catholic social thought and teaching down the ages. The approach of the Catholic Church to the question of property rights has been discussed by a number of Austrian-school authors, though their focus has been on teaching documents from 1891 to 1931. During that period, and up to the mid-1960s, the modern teaching of the Catholic Church on the right to property tended to be extremely positive. Since that time, ambiguities have crept in, and Pope Francis in particular has given the impression of being lukewarm towards the right to property. We discuss whether Pope Francis’s position is radical within the tradition of Catholic social teaching and conclude that it is not especially so, though his emphasis is more negative than that of previous popes and his reasoning not always sound. It is also found that the Catholic Church has left undeveloped the link between private property, economic development and environmental outcomes despite the interest of the Church in poverty and environmental degradation. This, together with the lack of discussion of the exceptions to the general rule of support for private property, is a real omission in Catholic Church teaching.

**Keywords:** Catholic social teaching; property rights; Austrian economics; environment; development.

**JEL codes:** A12; B53; H13; H32; K11; P14; Z12

## 1. Introduction

A number of Austrian economists have taken an interest in Catholic social thought. This interest comes from two directions. Austrians who work at the intersection of public policy and moral theology often find the Austrian methodology, based on the understanding and study of human action, more conducive to the analysis of ethical issues than are positivist approaches to economics. In addition, Austrians with no particular connection to religious groupings have found some wisdom in the economic thinking of some Catholic schools of thought such as the late scholastics.

F. A. Hayek, in his Nobel Laureate lecture (Hayek 1974), for example, praised “the Spanish Schoolmen of the Sixteenth Century”. Grice-Hutchinson, whose PhD was supervised by Hayek, was a scholar of the School of Salamanca (see, for example, Grice-Hutchinson 1952). Other considered treatments of the late scholastics by Austrian school economists include those by Rothbard (1995, chapter 4), Chaufen (2003), De Soto (2008, chapter 3) and Alves and Moreira (2010). Indeed, De Soto

regards the late scholastics as important antecedents of modern Austrian economics. Though not normally regarded as a member of the Austrian school as such, it is also notable that Schumpeter (1954, 93) wrote as follows of the late scholastics: “It is within their systems of moral theology and law that economics gained definite if not separate existence, and it is they who come nearer than does any other group to having been the ‘founders’ of scientific economics.”

Interest amongst Austrian economists in Catholic social thought goes beyond consideration of the contributions of this group of 16<sup>th</sup> and 17<sup>th</sup> century thinkers. Rothbard (1960), Woods (2005), Alves et al (2022) and Woods (2002) all examine the early papal encyclicals<sup>1</sup> and later teaching of the Catholic Church. As discussed by Medearis (2013, page 14), Schumpeter also took an interest in Catholic social teaching, speaking favourably about *Quadragesimo anno*, one of the encyclicals discussed below in an address in 1945.

There has certainly been criticism of Catholic social thought and teaching from Austrian economists. Woods (2005, 2002) is critical of certain aspects of the teaching. Von Mises (1932 [1981, 226]) went as far as suggesting that Catholic Church teaching on private property was a new development contrary to the gospels. He argued that the Catholic Church had developed this teaching only to suppress new forms of socialism whilst desiring nothing other than “State Socialism of a particular colour”.<sup>2</sup> That perspective is rejected in this article.

However, whilst there has been substantial analysis of early Catholic social teaching by Austrian economists, including in relation to the role of private property, there has been very little systematic discussion of the evolution of that teaching from 1891 to the present day. This article analyses the development of Catholic social teaching on private property from 1891 to 2020. The latter part of this period, which has not been widely discussed, is important because of the Church’s emphasis on the environment and on the development of poorer countries in more recent teaching documents. Given these themes, it might be expected that support for the institution of private property, which was clearly evident in the early encyclicals, would have been elaborated and strengthened. This has not been the case. If anything, after the early 1960s, the tenor of Catholic social teaching on property has moved in the opposite direction. Perhaps this reflects a simultaneous more general leftward drift in Catholic social teaching

This is illustrated by Pope Francis’s most recent social encyclical, *Fratelli tutti*<sup>3</sup>, published in 2020. In a section entitled “Re-envisioning the Social Role of Property”, Pope Francis re-iterated the principle of the universal destination of goods and then wrote: “For my part, I would observe that ‘the Christian tradition has never recognized the right to private property as absolute or inviolable, and has stressed the social

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<sup>1</sup> An encyclical is, in effect, a public letter from the pope addressed to a group of people. Social encyclicals are a contribution to the development of the teaching of the Catholic Church on social, economic and political matters and their relationship to moral theology. The first social encyclical is normally regarded as *Rerum novarum* published in 1891.

<sup>2</sup> Hayek (1976) was also very critical of two Catholic social encyclicals in relation to their teaching on social justice. However, this is a complex debate: see Booth and Peterson (2020).

<sup>3</sup> Official teaching documents of the Catholic Church are introduced by name and then paragraph numbers are given for references and quotations.

purpose of all forms of private property” (120). Pope Francis then continued to describe the right to property as a secondary right, though he did, much later in the encyclical, make a positive comment about the right to private property.

This analysis by Pope Francis created a fierce reaction. Supporters of a free economy suggested that Pope Francis was wrong and that relegating property rights to secondary rights runs against basic economics and undermines the right to property altogether<sup>4</sup>. Others suggested that property rights are human rights and that their absence can lead to the total decay of society<sup>5</sup>. Phil Lawler, a Catholic journalist, contrasted Pope Francis’s statements on private property with those of Pope Leo XIII who stated that the right to private property was inviolable<sup>6</sup>. There were, of course, defences of Pope Francis’s position<sup>7</sup>. Given the Catholic Church’s traditional high regard for the institution of private property, a different approach could have been taken by Pope Francis which combined greater concern for under-developed countries and environmental problems with an exploration of how the institution of private property could help address these challenges.

The social teaching of the Catholic Church is to a degree provisional. It is based on enduring principles which are interpreted according to the signs of the times. However, the Church does not claim the same authority as she does for her moral and theological teaching. As Charles (1998, volume II, page 15) states:

the authority of the encyclicals extends to matters of moral principle and their implications only; in them it is binding on the conscience of members of the Church. The practical and other judgements the documents contain, touching on matters on which good men may rightly disagree concerning society, politics, economics, and historical judgements, are to be judged on the knowledge and arguments presented.

It is therefore appropriate that Pope Francis has called for dialogue<sup>8</sup>. This article contributes to that dialogue. The Catholic Church takes into account the views of many secular economists when developing its social teaching<sup>9</sup>: it is important that such dialogue takes place with a variety of economic schools.

The remainder of the article is structured as follows. It begins by briefly setting the context of Catholic social thought and teaching in relation to private property from patristic times to the late scholastics. This is important because social encyclicals come from a tradition of social thought based on scripture, tradition and natural law. The article then examines, in more detail, formal Catholic Church teaching on private property in four sections. The first examines *Rerum novarum* (published in 1891)<sup>10</sup>,

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<sup>4</sup> See: <https://fee.org/articles/the-pope-just-called-private-property-a-secondary-right-he-couldnt-be-more-wrong/>. The Foundation for Economic Education is a free-market think tank.

<sup>5</sup> For example, <https://reason.com/2020/10/16/the-pope-is-wrong-property-rights-are-human-rights/> Reason is also a free-market think tank.

<sup>6</sup> See: <https://www.catholicculture.org/commentary/popes-new-encyclical-ignores-previous-social-teaching/>

<sup>7</sup> See, for example: <https://wherepeteris.com/misreading-francis-on-private-property/>

<sup>8</sup> The word is used 23 times in Pope Francis’s encyclical on the environment: see, for example, paragraph 3.

<sup>9</sup> Jeffrey Sachs and Joseph Stiglitz being two such economists.

<sup>10</sup> *Rerum novarum*, is generally thought to be the beginning of the modern Catholic social teaching tradition. However, there are some trenchant defences of private property from Pius IX which also help us understand

*Quadragesimo anno* (1931) and *Centesimus annus* (1991). The 1931 encyclical reinforced and clarified aspects of *Rerum novarum*; *Centesimus annus* provided a review of *Rerum novarum* and explicitly updated it whilst drawing on the earlier text. This group of encyclicals enables us to distil some important themes and examine their evolution.

Secondly, we will examine the messages and speeches of Pope Pius XII together with Pope John XXIII's encyclical *Mater et magistra*. The documents of this period, in keeping with the continental post-war tradition, strongly support the principle of private property but also the more widespread distribution of property. There begins to be some ambiguity about the role of the state in this process of redistribution.

From the late 1960s, the key post-war documents excluding *Centesimus annus*, begin to make more explicit the qualifications of the right to property and this period is discussed in section 5. Finally we will look at the teaching of Pope Francis in the context of the historical development of Catholic social teaching on private property.

The article concludes that the position Pope Francis took in *Fratelli tutti* was certainly not an innovation in Catholic social teaching. However, Pope Francis seems especially keen to emphasise and draw attention to what he regards as the legitimate limits to private property by hinting strongly that he believes that there is a tension between private property and its social functions rather than private property being the method by which its social functions are realised. This has been stressed especially in relation to the environment. The article concludes that this is problematic. However, it is suggested that some of the specific questions that the Popes have raised regarding the institution of private property are legitimate, and they are reasonable questions with which Austrian economists or classical liberals should engage.

## **2. The right to property in the Catholic-Christian tradition**

A great deal has been written about the teaching and practice of the early and mediaeval Church in relation to private property. The purpose of this brief section is simply to set the scene for the discussion of Catholic social teaching from 1891.

Hoffner (1997, page 106-107), summarises the thinking of the early Church fathers succinctly. According to Hoffner, many early Christians, such as Gregory of Nyssa and John Chrysostom, suggested that, in paradise and before the fall, all people could live in a perfect communist society with all property is held in common. Following the fall, however, commonly held goods are only possible in families and communities with a strong common bond, such as monasteries: such situations do, of course, involve privately owned common property. In general, the early Church fathers justified private property on the basis of our fallen nature<sup>11</sup>. Nevertheless, Charles (1998, pages 42-

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the concerns of the times. For example, in *Nostis et nobiscum*, published in 1849: "The final goal shared by these teachings, whether of Communism or Socialism, even if approached differently, is to excite by continuous disturbances workers and others, especially those of the lower class, whom they have deceived by their lies and deluded by the promise of a happier condition. They are preparing them for plundering, stealing, and usurping first the Church's and then everyone's property."

<sup>11</sup> See, for example, Bergida (2019) for a discussion of St. Ambrose.

43 and 92-94) argues that the early church was favourable to the idea of private property as long as those who held property were generous to those who went without.

Chroust and Affeldt (1951) suggest that, whilst the early church had a more critical perspective on private property, there was more widespread acceptance by early medieval times:

The ecclesiastic conception of property rights was cogently expressed by William of Auxerre, who says that the motive which induces one to acquire property is the element that determines the good or badness of the act. If a man accumulates property from the mere desire of possession, he commits a mortal sin. If, however, he does so from the practical realization that the weakness and greed of human nature demand distinct and pronounced property rights, the abolishment of which would lead to a war of all against all—then he does a good act. (Chroust and Affeldt, 1951, page 176)

And this relates to the reasons given by St. Thomas Aquinas for private property (Charles, 1998, page 207). According to Aquinas, private property encourages people to work harder: people would shirk if they could not own property as a fruit of their work; private property helps ensure that all persons understand their responsibilities – there would be chaos if everybody were responsible for everything; and private property helps ensure peace if its ownership is divided and understood.

There was, however, an exception to the general rule of private property. In *Summa Theologica*, Aquinas argued that, when somebody is in desperate need, all things are common property and it was not objectionable to take the property of somebody who had plenty in such circumstances<sup>12</sup>.

Hirschfeld (2018, 164-167) makes an important point about Aquinas's second justification for private property. She argues that this is related to human finitude, including the limitations of our knowledge. In discussing how we would determine who would manage particular property and in what way, she points out: "We could contemplate such assignments being made by a central committee in a command economy, but Aquinas himself does not seem to contemplate that possibility, nor should he." She continues to explain that the combination of a proprietor's particular knowledge and the market's ability to co-ordinate economic activity has historically proven to be vastly more productive than alternatives. This explanation fits in neatly with Hoffner's suggestion that common property can only work in communities with a strong common bond. According to this way of thinking, private property is justified not just by the fall but by our nature.

The late scholastics followed Thomistic reasoning whilst linking it more clearly to economic concepts. In particular, as noted by Alves and Moreira (2010, 67), it was not only argued that, without private property, there would be no peace but, in addition, the fields would not be fruitfully cultivated.

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<sup>12</sup> The reference here is to one of the many online versions of *Summa Theologica* II II 66-67 at: <https://www.newadvent.org/summa/>

It is in the context of this background that we can consider the modern social teaching of the Catholic Church. There is no doubt that the idea of private property has real foundations in Christian practice and social thought. However, it can be argued that the early teaching documents of the Church emphasised the importance of private property to a much greater degree. Of course, this was at a time when the institution was under threat.

### **3. Private property in *Rerum novarum*, *Quadragesimo anno* and *Centesimus annus***

#### **3.1 Private property and *Rerum novarum***

*Rerum novarum* was written by Pope Leo XIII. The title means literally “Of new things” and it is subtitled “On the Rights and Duties of Capital and Labour”.<sup>13</sup>

There is no doubting the commitment to the institution of private property in *Rerum novarum*. The document begins in paragraph 4 by strongly criticising the socialist desire for the state to own all property. Paragraphs 5 and 6 then make a very strong claim for the natural right to property. Here, Pope Leo argues that, because property is accumulated out of savings from wages which the prudent family has put aside, to take away property is, in effect, to deprive the family of its wages which are now in another form. This is a strong statement: in the Catholic tradition, to deprive a worker of his wages is a sin worse than theft. The document states “every man has by nature the right to possess property as his own” (6) and moves on to make the case that, because of our ability to reason, unlike other animals, we should be able to have stable and permanent possession of land and property: that way, property can continue in productive use. Furthermore, if we do have stable and permanent possession, we can plan for our future welfare. In summary:

man not only should possess the fruits of the earth, but also the very soil, inasmuch as from the produce of the earth he has to lay by provision for the future. Man's needs do not die out, but forever recur; although satisfied today, they demand fresh supplies for tomorrow. Nature accordingly must have given to man a source that is stable and remaining always with him, from which he might look to draw continual supplies. (7)

This is a point that can be developed in relation to conservation and the environment (see sections 6 and 7). It is then stated explicitly that the Catholic Church’s teaching on the universal destination of goods<sup>14</sup> is not a bar to the ownership of property (8). The idea of the universal destination of goods does not mean that all people must be able to access all goods: private ownership is a practical way to apportion the goods of this world.

*Rerum novarum* connects private property with the natural order and with the nature of the human person. The principle of private property is described as having been

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<sup>13</sup> Catholic Church documents are referred to in this paper by their usual name. A list of the documents is given at the end of the reference list. The convention is to refer to text within their documents by paragraph numbers and not page numbers so that different translations and published versions remain consistent. Where numbers are given with reference to these documents, it is the paragraph numbers.

<sup>14</sup> That is the idea that the goods of this world are for the use of all people.

consecrated down the ages and “pre-eminently in conformity with human nature and as conducing in the most unmistakable manner to the peace and tranquillity of human existence” (11): here we see clear Thomistic influences. Pope Leo then invokes divine law and the Ten Commandments to justify private property.

It is also clear that Pope Leo XIII regards property rights as a pre-condition for raising the status of the poor: “The first and most fundamental principle, therefore, if one would undertake to alleviate the condition of the masses, must be the inviolability of private property.” (15) The word “inviolable” was then repeated in the encyclical and tied to the idea of property rights being “sacred” (46).

The emphasis is very clear. *Rerum novarum* concludes strongly that the state should not confiscate property but should uphold property rights. It also concludes that all have the right to property. Some argue that Pope Leo XIII went further than the justification of the right to property articulated by St. Thomas Aquinas by using words such as “inviolable” and “sacred”.<sup>15</sup> Coleman (1986, 171) regards *Rerum novarum* as “un-Thomist” and he suggests that the 1891 document is “corrected” in the following papal encyclical discussed below. Hadas (2021) takes a similar position as does Finn (2004, 444-448).

However, given that the encyclical was drafted by Fr. Matteo Liberatore, who dedicated his life to reviving Thomism within the Catholic Church (see Charles, 1998, 15), a material cleavage between St. Thomas and Pope Leo’s encyclical is unlikely. McKee (1991, 487-488) argues that the classification of the right to ownership as a natural right was a reasonable evolution of the Church’s teaching on property with the movement away from hierarchical societies governed by monarchies towards democracies where labour contracts were common.

Further consideration of the meaning of “natural right” can help shed more light on this question. As noted above, the right to property is generally justified by our fallen nature. However, Hirschfeld (2018) suggests that St. Thomas Aquinas makes the case that private property is necessary because of our finitude. Curran (1986), describes John A. Ryan’s classification of property as a “natural right of the third class”. By that he means that it is a right not directly necessary for the individual (such as the right to life), but it is a right indirectly necessary for the individual because it promotes the general social welfare given our human nature. Thus, the necessity of private property derives from our nature and it is therefore a natural right. Kennedy (2018 page 48) agrees, stating that property is a natural right arising from our status as human persons which is to be protected by the state: the right to property is not to be granted by the state at its discretion.

No popes have deviated from the principle of the universal destination of goods in Catholic teaching. How can this principle be reconciled with Pope Leo’s strong defence of private property? Generally the two principles are reconciled, including in the

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<sup>15</sup> Fortin (1992), especially pages 210 to 217, discusses the role of private property in the encyclical and, in particular, the use of the words “sacrosanct” and “inviolable” and whether these went further than traditional Catholic Church teaching. His discussion raises complex questions relating to the translation of the document and the precise meaning and historical provenance of words which are beyond the scope of this article.

encyclicals, by arguing that the legal institution of private property is a necessary condition for the universal destination of goods to be achieved in an orderly way given our human nature. However, the owners of property are also exhorted to put property to a wider social purpose through charity and the just treatment of workers. In this respect, the language used in paragraph 22 of *Rerum novarum* is very strong:

Whoever has received from the divine bounty a large share of temporal blessings, whether they be external and material, or gifts of the mind, has received them for the purpose of using them for the perfecting of his own nature, and, at the same time, that he may employ them, as the steward of God's providence, for the benefit of others.

This highlights a point that is important in interpreting Catholic social teaching. It is easy to comb social encyclicals for their public policy implications. However, a normative statement in a social encyclical is not necessarily suggesting that there should be action at the political level. The social teaching of the Catholic Church is intended to be an integrated treatment of social life which has morality and ethics, and not just politics, at its heart. Seen through this lens, it is not a contradiction to argue that private property should be protected by the state whilst it is still subordinate to the universal destination of goods which is to be achieved through social and ethical, rather than political, action. This is made clearer in *Quadragesimo anno*, as we will see below.

*Rerum novarum* did leave the door open to state redistribution of private property in “extreme cases” (22). As noted above, this follows Aquinas who stated that, in cases of extreme need, all property is common. It is very clear that Pope Leo intends “extreme” to be interpreted literally and not liberally.<sup>16</sup> Thus the legal institution of private property is complemented by the demand that those who have property use it generously and treat workers fairly. Shannon (2004, 141-143) reconciles the strong statements in favour of private property in *Rerum novarum* with the desire to promote wider social purposes in a similar way by introducing the idea of stewardship. Ownership, it is argued, is a natural right. However, stewardship is a natural obligation which, he argues, means that the state might be obliged to step in *in extremis* if obligations in stewardship are not met by private owners.

### **3.2 Forty years later**

*Quadragesimo anno*, published 40 years later, clarified some of the issues discussed above in relation to *Rerum novarum*. The 1931 encyclical suggested that there had been “malicious misinterpretations” of the earlier document (44). *Quadragesimo anno* stated that the right to private ownership was a right in commutative justice and therefore should be enforced by the state. However, the duty to use private property for a social purpose was a duty of other forms of justice related to the virtues and which were not the duty of the state to enforce (47). Furthermore, it was written that it was

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<sup>16</sup> There is some consistency here with Hayek's view, expressed in the mirage of social justice page 87. Hayek proposed that the state should ensure that all families have a minimum income. However, Pope Leo's emphasis on charity, the family and voluntary organisations in ensuring that all have sufficient is, perhaps, closer to Tebble (2009) who suggested that what Hayek described as “social justice” could be the responsibility of “individuals and voluntary associations of them”. It should be noted that, in Catholic social thought, what Hayek describes as “social justice” would be called “distributive justice” (see Booth and Peterson, 2020).



far from the truth to suggest that the right to property was nullified by the abuse of the right to property (47). The wider social purpose of property, the promotion of the common good and the bringing to reality of the universal destination of goods required the use of property by its owners to be guided by the virtues rather than enforced by the state.<sup>17</sup> In a further encyclical by Pope Pius XI, *Divini redemptoris*<sup>18</sup> this message was reinforced.

Nevertheless, *Quadragesimo anno* did argue that the state should ensure that private property and the promotion of the common good are brought into harmony. To this end, the government can define what might be described as the institutional framework for private ownership. But the state must not do this arbitrarily and the right to own property and pass it on through inheritance must remain intact (49). It was also noted (114) that the state might have to own certain kinds of property itself because, to leave them in private hands, would lead to the private owners becoming a dominating power.

*Quadragesimo anno* invokes natural law in support of private property:

This same doctrine We ourselves also taught above in declaring that the division of goods which results from private ownership was established by nature itself in order that created things may serve the needs of mankind in fixed and stable order. Lest one wander from the straight path of truth, this is something that must be continually kept in mind. (56)

This was followed immediately by a plea that the accumulation of property should become a possibility for all and an admonition of classes who treat others in such a way that the fruits of labour are not shared appropriately (57-59). This question of wider ownership of property is followed up in the post-war encyclicals (see section 4).

### **3.3 The centenary year encyclical of *Rerum novarum***

In 1991, the centenary year of *Rerum novarum*, Pope John Paul II published *Centesimus annus*. This encyclical celebrated and updated the themes of the earlier document. Pope John Paul II reiterated the right to private property whilst mentioning that property took a wider range of forms than in 1891 (6). He stressed that the reasons stated by Pope Leo for the validity of private ownership applied to all forms of property. John Paul II particularly stressed that it was necessary to re-affirm the right to property given the collapse of economies based on collective ownership and linked increasing poverty to hindrances to private ownership. This is a link which has not been made consistently in Catholic Church encyclicals about development as we discuss in the concluding section.

In the light of the events of 1989 and 1990, *Centesimus annus* praises Pope Leo's foresight in criticising socialism (12). In what can be described as an updated discussion of the errors of socialism, John Paul related the importance of private property to the legitimate autonomy of the free human person who should not be regarded simply as a "molecule within the social organism" (13). Within the encyclical

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<sup>17</sup> It is worth noting that Rothbard (1960) was severely critical of *Quadragesimo anno*, suggesting, with justification, that other aspects of it were not compatible with a free economy.

<sup>18</sup> Subtitled "On Atheistic Communism" and published in 1937.

there was a long section on the relationship between private property and the concept of the universal destination of goods. The right to private ownership was reiterated, but also extended to new forms of property such as human capital (30-43). Indeed, Hoffner (1997, page 107), in his commentary on the social encyclicals, stresses that the right to property extends to co-ownership, corporate ownership, securities and copyright – anything that can be “particularised”.

There are shades of Hayekian thinking in *Centesimus annus*. Pope John Paul II met Hayek in 1980 and then again at a later date. Novak (1993, 7) writes:

During the last months of his life...Hayek had the opportunity for a long conversation with Pope John Paul II. There are signs of Hayek's influence in certain portions of the Pope's encyclical of 1991...In sections 31 and 32 in particular 'The Hundredth Year' employs unmistakably Hayekian insights.

The moral obligation to use goods for the benefit of others was stressed by Pope John Paul II. Again, this is consistent with *Rerum novarum*, and, as in the earlier document, it was not suggested that it was generally for the state to enforce this obligation. Pope John Paul also linked private ownership to the operation of a business economy in which profits signalled that factors of production were being properly employed and in which another important source of wealth arose from those who had “the ability to foresee both the needs of others and the combinations of productive factors most adapted to satisfying those needs” (32).

Pope John Paul asked the rhetorical question whether capitalism should be the goal of former communist countries and countries in the third world. His answer was:

If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a "business economy", "market economy" or simply "free economy". (42)

The importance of an appropriate juridical framework for the market economy was pointed out. Furthermore, the encyclical restated the position of *Rerum novarum* on the legitimacy of state transfers to those who are destitute and who do not have means for their own survival. The state also needed certain collective goods in order to carry out its proper functions but, it was stressed, they “constitute the essential framework for the legitimate pursuit of personal goals on the part of each individual” (40). There is not enough context to understand exactly what was meant by the “juridical framework”, but it would generally be accepted by those who favour private property that appropriate court systems, policing and so on are necessary for a free economy to function.

The encyclical pointed out at length that the rejection of socialism and the acceptance of private property do not mean that the goods of this world should not be ordered to a social purpose. In addition, rejecting socialism and embracing private property and initiative did not mean rejecting social co-operation:

Man fulfils himself by using his intelligence and freedom. In so doing he utilizes the things of this world as objects and instruments and makes them his own. The foundation of the right to private initiative and ownership is to be found in this activity. By means of his work man commits himself, not only for his own sake but also for others and with others. Each person collaborates in the work of others and for their good...[H]e collaborates in the work of his fellow employees, as well as in the work of suppliers and in the customers' use of goods, in a progressively expanding chain of solidarity. (43)

Hittinger (1991, 955) suggests that there is a shift in emphasis in *Centesimus annus* as compared with earlier Catholic social teaching. The shift is from liberty over things (such as property) to liberty in activity (such as participating in markets). There is no doubt that this encyclical provides a richer view of markets as social institutions involving associations of persons and entrepreneurial activity than did previous teaching. When it comes to private property, however, there is little sign, however, of an inconsistency between the message of this social encyclical and those of 1891 and 1931. What is notable is the restatement of the idea that the social good and private property are not inherently in conflict.

#### **4. Private property, Pope Pius XII and *Mater et magistra***

In the post-war period, there was a series of encyclicals and other teaching documents from the Catholic Church which embraced, to a greater extent, the political settlement of the time in European countries. These culminated in documents from the late 1960s which were more interventionist in tone<sup>19</sup>. However, the wartime and post-war messages and radio broadcasts of Pope Pius XII and *Mater et magistra*, published by Pope John XXIII in 1961 are a distinct genre. They do not propose state planning of economic life or, indeed, redistribution of property on a large scale. They do, however, express a desire for the ownership of property to become a reality for all whilst also defining property more widely.

This interpretation of *Mater et magistra*, published in 1961, is contested. Mich (2004, 208-209) suggests that the document accepted the drift towards socialism much less critically than its predecessors and that this led to a weakening of the teaching on private property in later encyclicals. This drift was certainly evident in later encyclicals as we shall see below. However, the statements supporting private property in *Mater et magistra* itself are very strong and another interpretation is probably more consistent with the encyclical as a whole.

Mich's perspective takes insufficient account of political traditions in continental Europe which, in the post-war period, were simultaneously strongly anti-communist and in favour of only limited state ownership whilst, at the same time, accepting forms of social insurance and income redistribution<sup>20</sup> as long as there was substantial private civil society involvement in social insurance. At the same time, such philosophies strongly supported the principle of private property. Of course, substantial income

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<sup>19</sup> Indeed, the acceptance of what he regarded as socialist language as well as fashionable ideas on development aid, led Professor Peter Bauer to write a scathing attack on Pope Paul VI's letters (Bauer, 2000, chapter VIII).

<sup>20</sup> It is worth noted that Hayek (1961) accepted income redistribution by the state.

redistribution does weaken private property. Within such traditions, private monopoly was also strongly opposed and there was a general belief in widespread property and share ownership as well as worker involvement in the management of business.

These ideas of widespread ownership combined with the principle of private property are evident in the 1961 encyclical. Redistribution, or the dilution of shareholdings in order to give shares to workers, is one way to bring about wider ownership: this might be termed a “zero sum”, or even “negative sum” approach to widening ownership. On the other hand, more widespread ownership could be brought about by removing impediments to inclusion in markets which do not seriously undermine property rights and might even strengthen them. Such mechanisms might include the sale of state housing to tenants; the sale of shares in nationalised industries to workers and the general population; tax relief on shares granted to employees in lieu of pay; the removal of occupational licensing requirements; or, as discussed in Booth (2017a), the removal of restrictions on the building of houses which arise through land-use planning regulation.

These nuances and different possible interpretations of the encyclical are captured very effectively in the analysis by Campion (1963). *Mater et magistra* is compatible with a range of underlying political programmes. However, it is certainly incompatible with models of economic development that deny a role for private property or propose widespread nationalisation or the expropriation of corporate equity.

In *Mater et magistra*, Pope John XXIII refers to his predecessor, Pius XII, several times. Pope Pius did not produce any social encyclicals, but his speeches and radio messages are of great importance. The large number of occasions on which he referred to private property across a number of speeches and messages helps us understand the evolution of Catholic social teaching from the early 1940s to 1961.

In a radio message for Pentecost 1941<sup>21</sup>, Pius XII said: “nature itself has intimately linked private property with the existence of human society and its true civilization, and in an eminent degree with the existence and development of the family.” Pope Pius then stated that, whilst private property could be regulated by government, excessive interference would make the institution meaningless and this was not acceptable because it would be depriving the family of the freedom to pursue the purpose assigned to it by God. Several further messages, including the Radio Message to the Workers of Spain (March 11<sup>th</sup>, 1951), the 1942 Christmas Radio Message (24<sup>th</sup> December, 1942) and the Message to Italian Worker Representatives on Whit Sunday, 1943) made reference to the importance of the widespread ownership of property. This is clearly a key theme of wartime and early post-war papal teaching on private property.

Pope Pius’s messages are not without expressions of concern about the economic order of the time. In a message for the fifth anniversary of the outbreak of war (1<sup>st</sup> September, 1944), Pope Pius strongly defended private property as an “uncontested foundation” and then added: “The Christian conscience cannot admit as just a social order which either denies in principle or makes practically impossible or vain the natural right of property, both on consumer goods and on the means of production.”

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<sup>21</sup> [https://www.vatican.va/content/pius-xii/it/speeches/1941/documents/hf\\_p-xii\\_spe\\_19410601\\_radiomessage-pentecost.html](https://www.vatican.va/content/pius-xii/it/speeches/1941/documents/hf_p-xii_spe_19410601_radiomessage-pentecost.html)

Consistent with other messages, he then called for more widespread ownership, warning that, if this did not happen, the multitude would “throw themselves into the service of any party politician, slaves to anyone who somehow promises them bread and peace of mind.” He went further, however, strongly criticising situations where there was concentration of property and suggesting that small and medium size enterprises be “promoted”.

Dorr (1986) argues that Pope John XXIII wanted the owners of private property to be required by law to take their social responsibilities seriously and that this was a rupture from previous teaching. It is difficult to discern this from the encyclical. Indeed, there are statements on the principle of private property which were no weaker than those in the earlier encyclicals. For example:

private ownership of property, including that of productive goods, is a natural right which the State cannot suppress. But it naturally entails a social obligation as well. It is a right which must be exercised not only for one's own personal benefit but also for the benefit of others. (19)

Along with paragraph 43 of the same document, this seems to be consistent with *Quadragesimo anno*: the state should protect private property whilst social obligations to use property to help the less-well-off are largely moral obligations except in cases of extreme need. If this is not the interpretation, the phrase “a right which must be exercised” does not make sense: this is an exhortation to the owners of property and not to the state to undermine ownership.

Indeed, Pope John XXIII asks, rhetorically, whether, in the changed conditions of the day, the right to property was no longer relevant as some might suggest. He responds:

There is no reason for such a doubt to persist. The right of private ownership of goods, including productive goods, has permanent validity. It is part of the natural order, which teaches that the individual is prior to society and society must be ordered to the good of the individual.

Moreover, it would be quite useless to insist on free and personal initiative in the economic field, while at the same time withdrawing man's right to dispose freely of the means indispensable to the achievement of such initiative. (109)

The document related the right to property to incentives to work, but, also, to its importance in building a society free from oppression more generally. Paragraphs 105-112 would have been recognisable to modern-day proponents of private property as a key component of an institutional framework necessary for a thriving free society. For example, it was stated: “private ownership must be considered as a guarantee of the essential freedom of the individual, and at the same time an indispensable element in a true social order.” (111) Pope John XXIII continued:

In view of this it is strange that the innate character of a right which derives its force and validity from the fruitfulness of work should ever be called in question—a right which constitutes so efficacious a means of asserting one's personality and exercising responsibility in every field, and an element of

solidity and security for family life and of greater peace and prosperity in the State. (112)

It was also stated: "Further, history and experience testify that in those political regimes which do not recognize the rights of private ownership of goods, productive included, the exercise of freedom in almost every other direction is suppressed or stifled" (109). This is relevant to our discussion below.

The encyclical continued to discuss "The effective distribution of property" (113-115). However, it did not propose *redistribution* but the development of a political order which would allow property ownership to be widespread and workers to own shares in the businesses for which they work.

*Mater et magistra* defined private property widely, to include consumer goods and shares in businesses. Whilst not arguing that state ownership of property and businesses was always illegitimate, *Mater et magistra* stressed that:

The State and other agencies of public law must not extend their ownership beyond what is clearly required by considerations of the common good properly understood, and even then there must be safeguards. Otherwise private ownership could be reduced beyond measure, or, even worse, completely destroyed. (117).

A fair assessment of this period of Catholic social teaching is that it reflects the post-war realities of democracy and economic progress which led to more widespread ownership of different types of property. The Catholic Church was willing to accept a variety of ways by which more citizens would own property with the focus being on consensual approaches and moral responsibility of business and property owners. There is a modern feel to the encyclicals and messages, but there is not, as yet, an acceptance of the ideas of central planning and the promotion of economic development through income transfers that would come later. There is no clear weakening of the historical teaching of the Catholic Church on the right to property.

## **5. The post conciliar period**

### **5.1 The Second Vatican Council**

Pope John XXIII called the Second Vatican Council in 1959. The council began in 1962 and continued after his death until 1965. The documents of Vatican II are regarded as being of great importance to the Catholic Church. *Gaudium et spes* was one of those documents and was subtitled "The Pastoral Constitution of the Church in the Modern World".

*Gaudium et spes* (69-71) recalls the traditional teaching of the Church on the subject of property. It is noted that:

Private property or some ownership of external goods confers on everyone a sphere wholly necessary for the autonomy of the person and the family, and it should be regarded as an extension of human freedom. Lastly, since it adds incentives for carrying on one's function and charge, it constitutes one of the conditions for civil liberties. (71)

The importance of property being widely owned and non-physical forms of property are also mentioned. The document also recalls that we should put property to a social use. As with the earlier encyclicals, it focuses on generosity and the virtues rather than state redistribution as the means by which there should become a more equal distribution of property: “The Fathers and Doctors of the Church held this opinion, teaching that men are obliged to come to the relief of the poor” (69). As well as emphasising the long-standing teaching of the Church that the destitute have the right to procure what they need from others for their own survival, *Gaudium et spes* added that both individuals and governments should share earthly goods by supporting individuals and peoples with aid by which they may be able to develop themselves (69). In one sense, this anticipates the encyclical, *Populorum progressio*, published two years later, and is perhaps the first indication in Church teaching that the state should take the property of its people not only to support those within its boundaries who are in extreme need but also to aid the development of other peoples in other states.<sup>22</sup> However, there is ambiguity in this exhortation. Whilst mentioning the issue of aid for development, the intervention of government was justified by the need to feed the vast numbers “prostrate with hunger” in the world: in other words there was a “globalisation” of a pre-existing idea that the state could take the property of some to meet the needs of those who are destitute.

There is a reference in *Gaudium et spes* to customary forms of property ownership in less developed countries (69). It states that these should not be unduly disrupted nor be regarded as unchangeable. There does not appear to be any further mention of such forms of ownership in Catholic Church documents except for passing comments in some of Pope Francis’s letters. This is a pity because a study of privately held common property could have been instructive as the Catholic Church developed its teaching on the environment as well as more generally. There is much in common, for example, between the approach of Elinor Ostrom who studies such forms of property management and the underlying principles of Catholic social teaching which has largely been ignored in the latter (see Booth, 2017b).

Paragraph 71 explained further limits on private property. The state can own property for purposes that are required for its functioning and also ensure that people do not abuse their property to the detriment of the common good. The document suggested that the state could require that estates that had a monopolistic character could be broken up but, if this were done, equitable compensation was required. This opens up a debate on which even economic liberals might divide. If property ownership is highly monopolistic, especially in situations where estates have been acquired in a process of unjust colonisation, there are questions of just restitution that are genuinely complex.

Whilst this landmark Vatican II document raises interesting questions for debate, such as the question of monopolistic estates, it cannot be argued that it represents a cleavage with the tradition of Catholic social teaching on the question of private

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<sup>22</sup> *Mater et magistra* does exhort richer countries to help poorer countries but there is greater ambiguity about whether this should be via the people or the government.

property. On this issue, it is not a socialist document. The following social encyclical definitely represents a shift in emphasis however.

## **5.2 A clear change of emphasis**

*Populorum progressio* was written by Pope Paul VI and published in 1967. It focused on the development of poor countries and recommended a number of policy proposals favoured by interventionists. The encyclical seemed to embrace protectionism (58) and central planning (33) and called for taxpayer-funded foreign aid (47). It is this encyclical, in addition to an apostolic letter published by the same pope four years later, of which Bauer (2000, chapter VIII) was so critical.

The discussion of private property was brief. It re-iterated earlier teaching about the importance of giving away surplus wealth and private property having a social role. The question of whether the state should redistribute property from those who had plenty to those who were in need was dealt with more loosely than in previous encyclicals, leaving *Populorum progressio* open to a more interventionist interpretation.

The discussion of private property begins by laying down the duty of the rich to help the poor but then relates this to the conditional nature of the right to property implying that such redistribution could or should be the role of the state. This view is also implied by the exhortation later in the encyclical to governments of developed countries to tax their citizens to provide development aid to poorer countries: "Each man must examine his conscience, which sounds a new call in our present times...Is he prepared to pay higher taxes so that public authorities may expand their efforts in the work of development?" (47). Of course, responding in the affirmative requires that some people have property taken from them by the state against their will (the question of charity was dealt with separately in an adjacent sentence). The taking of property for the promotion of development is also rather different from the taking of property to provide food for somebody who is in extreme and urgent need.

*Populorum progressio* also suggested that expropriation of property could be justified where "certain landed estates" are unused, underused or extensive and thus impede the general prosperity (24). The document cites *Gaudium et spes* and the context again clearly relates to monopoly landowners and might include the beneficiaries of colonial rulers who obtained their estates unjustly. Unlike in *Gaudium et spes*, however, no mention was made of compensation in this encyclical and the word "expropriate" was used explicitly in both the Italian and English versions. Private property is also criticised where it is part of a system of "unbridled liberalism" as giving rise to a form of tyranny where it is regarded "as an absolute right, having no limits nor concomitant social obligations".

Without question, there is a change in tone in this document. It is unlike any previous teaching of the Catholic Church on private property in the modern era. But what is perhaps most surprising is that in all the conditions that the document proposed as being necessary for development, the institution of private property was not amongst them. And yet this was an encyclical devoted to the theme of the development of the world's poorest countries. This contrasts with *Mater et magistra* and is despite the



economic evidence of its importance and the fact that most under-developed nations at the time were Marxist, socialist or national socialist regimes of the type that were criticised in earlier encyclicals precisely for their hatred of private property.

Overall, there could not be greater contrast between the emphasis in the 1967 encyclical and that in *Rerum novarum*, in which property was proposed as a major part of the solution to the development problem<sup>23</sup>. Furthermore, in *Populorum progressio*, the exceptions to the rule of private property seemed to be stressed and widened and the realm of the state in controlling how property should be used, and even in expropriating property, were stressed much more strongly.

### 5.3 John Paul II and *Laborem exercens*: socialisation versus socialism

There have been a number of papal encyclicals on development published since 1967. The narrative surrounding development aid has not greatly changed. The importance of private property for development has only been rarely mentioned. The most extensive treatments of private property in the late 20<sup>th</sup> century were in *Centesimus annus* (already discussed in section 3) and *Laborem exercens* which was published on the 90<sup>th</sup> anniversary of *Rerum novarum*, in 1981.

In many ways, *Laborem exercens* updates *Rerum novarum* and the discussion of private property is sophisticated. In paragraph 14, socialism is once again rejected. It is argued that so-called “rigid capitalism” must be reformed because the right to property cannot be absolute. The solution for Pope John Paul II is to call for the “socialisation” of property. However, he makes clear that Marxist collectivism will not and socialism may not achieve that objective. It is also made clear that socialism and socialisation are not synonymous just as the social functions of property are not generally realised through state positive law. According to the encyclical, whilst the state might, under some circumstances, own some of the means of production, taking property out of private hands and putting it in the hands of the public authorities may lead it to be administered not for the good of everyone, but for the benefit of those who are managing the property: “claiming for itself a *monopoly of the administration and disposal* of the means of production and not refraining even from offending basic human rights” (14, emphasis in original).<sup>24</sup> Echoing earlier encyclicals, *Laborem exercens* extolled the advantages of wider property ownership, in particular, workers being “part-owners in the great workbench at which he is working with every one else” (14).

The message of John Paul II's 1981 encyclical has the merit of being clear and can open up a constructive discussion about how to translate the questions that are raised into practical policy and which methods might be and which might not be antithetical to a free economy. It restores a continuity with the encyclicals of 1891 and 1931 on this issue. In seeing this, it is important not to interpret normative statements in social encyclicals as a legislative agenda. The promotion of wider ownership and worker-

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<sup>23</sup> When *Rerum novarum* was written, it was written about nations which, at the time, were poor.

<sup>24</sup> There is some similarity here with an apostolic exhortation published at the end of the first year of Pope Francis's pontificate. In *Evangelii gaudium*, published in 2013, he appears to argue that, unless there is a change in attitude towards greater solidarity (as exercised through charity and the justice of individual actions) when it comes to the use of property, changing political structures would just lead to further corruption (199).

ownership can happen in a number of ways: it can be entirely voluntary; there can be tax relief on remuneration given in the form of shares; the state can remove obstacles to self-employment; private savings and pensions vehicles can be encouraged or impediments to their development, such as comprehensive state pension schemes, removed. The objective of wider ownership can be achieved through legislation (which can be prescriptive or permissive), through local government or through voluntary action and changes in culture. It is very clear that Catholic social teaching would welcome many of these approaches. Socialisation and wider ownership are definitely not synonymous with socialism in the tradition and *Laborem exercens* once again makes this clear.

Like *Mater et magistra* this encyclical reinforces previous teaching whilst updating it. But it does not cast doubt on the institution of private property in the way *Populorum progressio* did. Lamoureux (2004, page 394) states that the important insight of the encyclical is the “integral connection between the person’s self-realization and human labour”. This is true. It can also be added that the encyclical argues that the right to property should and can be an integral extension of that connection: the person, their labour and their property are all integrally connected – not along a line, but in a triangle.

## 6. Property and Pope Francis

The right to property was not mentioned in either of Pope Benedict XVI’s social encyclicals, *Caritas in veritate* (2009) or *Deus Caritas est* (2005)<sup>25</sup>. However, Pope Francis raises the question of the right to property in both of his social encyclicals. As has been discussed in the introduction, it is widely perceived that Pope Francis was trying to convey a negative impression of the importance of private property in his most recent encyclical *Fratelli tutti*.

Pope Francis’s first social encyclical, *Laudato si*, was published in 2015. It has been regarded by many as a landmark encyclical on the question of the environment. A negative impression of the role of private property is certainly apparent in that document. In paragraph 93 Pope Francis repeats the phrase “social mortgage” in relation to private property that had been used by Pope John Paul II. He also uses quotations from John Paul II regarding the social purpose of property and argues that the Church has not taught that the right to property is inviolable or absolute. Pope Francis backs this up with a quotation from *Centesimus annus*: “God gave the earth to the whole human race for the sustenance of all its members, *without excluding or favouring anyone*” (*Laudato si* 93, *Centesimus annus* 31) and notes that these are strong words.

The desire of Pope Francis to cast the right to property in a negative light is clear. However, although the quotations are taken from earlier social encyclicals, Pope Francis changes and sometimes reverses the original meaning. For example, in *Centesimus annus* 31, the last clause in the quotation immediately above was not in italics and the fact that emphasis was added was not noted in *Laudato si*. Furthermore,

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<sup>25</sup> Whether the 2005 encyclical should be classified as a “social encyclical” is debatable, but there is certainly some important analysis within it on matters of political and social matters and their relationship with charity.

John Paul II followed the statement in 31 with a strong justification of the compatibility of the universal destination of goods with the institution of private property.

It is also worth considering further the phrase “social mortgage”. This was used in a somewhat negative sense in an early address by John Paul II to the Mexican Indios in January 1979. But the slightly longer treatment in *Sollicitudo rei socialis*, an encyclical on development written by John Paul II and published in 1987, stated that the social mortgage on private property means that “it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods.” (79) The comment in this encyclical was linked to the perception of growing poverty and lack of human rights, including the lack of a right to economic initiative, amongst the poor. It follows a discussion of the “preferential option for the poor”. Although there is some reference to the responsibilities of leaders of nations, this point is clearly embedded in a discussion about charity, as Pope John Paul writes that we should: “embrace the immense multitudes of the hungry, the needy, the homeless, those without medical care and, above all, those without hope of a better future” and that to ignore them would be like the rich man ignoring Lazarus in Luke chapter 16. The concept of the social mortgage in this encyclical is not intended to be antithetical to that of private property.

It is difficult to read paragraph 93 of *Laudato si* without concluding that Pope Francis is trying to put a more negative emphasis on the institution of private property than his predecessors, sometimes whilst using the words of his predecessors and changing their implication considerably.

The question of property rights was also linked to environmental resources in *Laudato si*, an issue that is discussed at length in Booth (2017b). Pope Francis wrote: “The natural environment is a collective good, the patrimony of all humanity and the responsibility of everyone.” (95) The contrast with Aquinas’s justification for private property is interesting. Aquinas argued that “human affairs are more efficiently organised if each person has his own responsibility to discharge; there would be chaos if everybody cared for everything.” Work in the field of environmental economics has demonstrated the importance of private property for environmental conservation and it is a major omission on the part of the drafters of *Laudato si* that this was not addressed and that the justification for private property in Catholic social teaching was not extended to include its role in conservation of the natural environment (see Booth, 2017b).<sup>26</sup>

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<sup>26</sup> This is not the place to review the evidence. However, to provide some indication, it is notable that the top three countries for the protection of property rights in South and Central America are: Chile, Uruguay and Costa Rica and their rates of reforestation are 0.7%, 2.2% and 0.55% respectively. The bottom three are: Venezuela, Paraguay and Argentina and their rates of deforestation are 0.19%, 1.6% and 0.36%. It is surprising, given data like these and the wealth of work in economics on this subject that recent Catholic social teaching has paid no attention to the relationship between the protection of property rights and environmental outcomes. Of course, there are other factors such as corruption and the rule of law which are related both to deforestation and to the protection of property rights.

If there was a lack of enthusiasm for private property in *Laudato si*, this seems to turn to outright scepticism in *Fratelli tutti*. Ten paragraphs are devoted to “Re-envisioning the social role of property”.

In 118, the encyclical stressed the universal destination of goods. Pope Francis then exhorted the rich to give away their wealth, emphasising the teaching of the patristics that not to give from one’s riches when some are destitute is to deprive the poor of what rightfully belongs to them. He quoted the same part of *Centesimus annus* to which reference is made in *Laudato si*, pointing out that the world was given for all to enjoy. Pope Francis follows that by quoting his own encyclical, *Laudato si*, stating once again that the Catholic Church has never taught that property rights are inviolable or absolute. In discussing the role of business, Pope Francis notes: “The right to private property is always accompanied by the primary and prior principle of the subordination of all private property to the universal destination of the earth’s goods, and thus the right of all to their use.” (123) Pope Francis then quotes *Populorum progressio* and states that the right to private property must not hinder the universal destination of goods but should “actively facilitate its implementation” (*Fratelli tutti* 120, quoting *Populorum progressio*). Strictly speaking, none of this is contrary to the teaching of earlier encyclicals, including those before *Populorum progressio*.

The emphasis, though, is clear and is made clearer in *Fratelli tutti* 120: “This has concrete consequences that ought to be reflected in the workings of society. Yet it often happens that secondary rights displace primary and overriding rights, in practice making them irrelevant.”<sup>27</sup> If Pope Francis believes that his statements have “concrete consequences” in a section that “re-envisioning” the role of property and in which the emphasis on private property being a secondary right is stressed, he is clearly trying to change the emphasis of Catholic teaching on private property.

This approach is not entirely without precedent. There are similarities between *Fratelli tutti* and *Populorum progressio*. Deck (2004) wrote about the earlier document: “Pope Paul VI *inverted* his predecessors’ approach to the topic by placing the social function before the individual right to private property” (page 300, emphasis in original). Pope Francis follows a similar approach in *Fratelli tutti*. However, Deck’s summary is not quite accurate. Pope Francis and Pope Paul VI did not so much invert the order of priorities: the order has always been clear. What is different in the 1967 and 2020 documents is that it is strongly implied that private property and the social function were in conflict rather than in harmony which is not true of other Catholic teaching documents. In addition, *Populorum progressio*, *Laudato si* and *Fratelli tutti* are notable because they omit significant positive messages regarding private property in circumstances in which the economic evidence strongly suggests that the institution is essential for promoting development, prosperity and harmony.

But the line of reasoning of Pope Francis is unconvincing. The traditional teaching of the Catholic Church is that private property helps promote the universal destination of

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<sup>27</sup> It should be noted, for completeness, that there is a positive reference to private property later in the document (143). Indeed, it touched upon a concept that is important in the discussion of private property and the environment that we have noted above: Pope Francis wrote that we care for those things we possess for and that this is for the good of all.

goods despite being subordinate to that principle and no evidence is produced, except in extreme cases, that this has changed. Furthermore, the continual emphasis on private property as a secondary right is also problematic from a philosophical point of view. The fact that something is a secondary right does not necessarily diminish its importance, especially if the secondary right is a requirement for the fulfilment of the primary right. Hoffner (1997, 36) describes how secondary natural rights relate to the state of nature post the fall. Whether the right to property was necessary before the fall is debated (see section 2), but secondary rights, made necessary because of the fall and the finitude of the human person, may well still be vital for peace and prosperity and for the achievement of the primary right of the universal destination of goods.

## 7. Conclusion

The early social encyclicals of the Catholic Church built on Catholic social thought that had been developed throughout two millennia. The strong defence of private property in the encyclicals of 1891 and 1931 was based in part on the defence of the rights of the worker and the idea that property is the wages of a worker in another form. There was also an acute understanding of the importance of the right to property given our human nature. Some authors would argue that Popes Leo XIII and Pius XI went further than the tradition of Thomistic thinking in their defence of private property, not least by calling the right to property “inviolable”. A more accurate interpretation would be to say that *Rerum novarum* and *Quadragesimo anno* reflected one of a number of stances that were compatible with Thomistic thinking, and that the defence of private property reflected the “signs of the times” and the threat of socialism.

Encyclicals up to the 1960s, re-affirmed this teaching but added important qualifications and nuances. *Mater et magistra* (1961) stressed the importance of widely dispersed ownership. However, this was not to be brought about by redistribution but through social and economic mechanisms that ensured that more families could own property which was, itself, widely defined. Later encyclicals of John Paul II also developed new lines of reasoning. These documents rejected socialism as a remedy for the problems that might arise in a system of private property. However, they did not deny that the state should own property so that it could carry out its own functions. All Catholic social teaching has supported the redistribution of income to help those who are in urgent need. This is a position that is compatible with that of many Austrian-school authors.

The most obvious apparent tension in Catholic social teaching on private property is the idea that the ownership of property should be subservient to the principle of the universal destination of goods and that it should serve society as a whole. Private property, it is argued, comes with a “social mortgage”. This paradox has been addressed at length and on numerous occasions, especially in *Rerum novarum*, *Quadragesimo anno* and *Centesimus annus*. The approach taken is that private property does not have to be made social: rightly used, it is social by nature. Furthermore, in general, private property is an important way of ensuring that as many as possible have access to some of the goods of this world in a peaceful and ordered way. There are further social obligations on the owners of property, but these do not have to be obligations imposed by the state: indeed, in most Catholic social teaching,

it is argued that they should not be. Instead, they are obligations that should be reflected in the practice of the virtue of justice.

From the late 1960s, exceptions to the right to property began to be stressed in Catholic social teaching and there is also more support for tax-based redistribution of income. *Populorum progressio*, in particular, strongly exhorts the populations of rich countries to support tax-financed aid to poor countries for development. In addition, the Vatican II document, *Gaudium et spes*, as well as *Populorum progressio*, raise the question of landed estates that create monopoly land holdings.

Two other things are especially notable about *Populorum progressio*. The first is the emphasis. The document gives the impression that the qualifications to private property are as important as the right itself. The second is that a letter about the development of the world's poorest peoples says nothing about the importance of the right to property for creating the necessary conditions for economic development. In the light of the economic evidence, this is quite an omission.

The sentiments of Pope Francis's encyclical, *Fratelli tutti*, are similar to those of *Populorum progressio*. In that sense, his teaching is not radical. The section titled "Re-envisioning the social role of property" did not say anything new or concrete but stressed consistently the subordination of private property to the universal destination of goods as if to imply the two were in tension. Indeed, this has almost become a mantra of Pope Francis. In *Laudato si*, Pope Francis makes a similar point justifying it by a quote from *Centesimus annus* which is taken out of context to reverse its meaning. More recently, in a speech to the International Labour Organisation on 17<sup>th</sup> June 2021, Pope Francis said: "Sometimes, in speaking of private property we forget that it is a secondary right, which depends on this primary right, which is the universal destination of goods"<sup>28</sup>.

The problem with this approach is that, unlike his predecessors, Pope Francis makes no attempt to open up a serious discussion on the important issues. He does not consider whether the secondary right is a pre-requisite for the fulfilment of the primary right, though he does suggest that his framing of the discussion has "concrete consequences". Is so, what are they? The question remains: if the right to property (the secondary right) is undermined, will the ability of all to use the goods of this world (the primary right) be enhanced or undermined? If, contrary to his predecessors, Pope Francis believes the latter, this needs explicit discussion and justification. Given the weight of economic evidence that suggests that the institution of private property is vital for economic development, peace and for the protection of environmental goods, it is unlikely that a satisfactory justification would be forthcoming.

This leads us to consider how Catholic social teaching on private property could be developed. There could certainly be constructive discussion about possible exceptions to that right (such as unjustly acquired monopolistic land holdings) as well as about

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<sup>28</sup> This address is available at: <https://www.vatican.va/content/francesco/en/messages/pont-messages/2021/documents/20210617-videomessaggio-oil.html>

the dangers of expropriation without compensation<sup>29</sup>. Intellectual property rights should also be a concern of Catholic social teaching<sup>30</sup>. The relationship between private property and the promotion of the common good of the whole society could be explored further and updated. This is especially so as there has been little discussion in recent decades of the importance of the institution of private property for economic development in the world's poorest countries. There is a lack of consideration in Catholic social teaching of more sophisticated forms of private property such as property managed in common or in polycentric systems: neither of these are contrary to the understanding of private property by the Catholic Church or in Austrian economics. This omission is surprising given the Catholic Church's recent concerns about environmental issues and the work of Elinor Ostrom, a 2009 Nobel Prize winner, which is respected by scholars with very different political philosophies. More generally, the relationship between environmental conservation and property rights is barely touched upon in Catholic social teaching. This is also surprising given that, since 1971, the popes have raised environmental concerns very high up their agenda and there is a wealth of evidence about the relationship between environmental conservation and respect for property rights. The protection of the environment is a natural extension of St. Thomas Aquinas's justifications for private property.

In summary, it can be said that the Catholic Church has, in general, strongly supported the institution of private property. The exceptions to the right to property should not be quoted by opponents of the institution within the Church as if they were intended to be the rule. However, a lack of intellectual development and serious consideration of the importance of private property in areas such as the environment and economic development has led to the Church not developing its teaching in this area in the way that might have been expected. Pope Francis himself is not being especially radical, either in terms of the norms that govern debate in the field of political economy nor in terms of the tradition of Catholic social thought or teaching. However, his emphasis does suggest a move towards a position which is lukewarm towards the right to property at best.

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<sup>29</sup> Spieker (2005, 9-13) considers the question of expropriation and restitution in the context of Catholic social teaching and the fall of the East German government in 1989.

<sup>30</sup> Indeed, Pope Francis has raised this issue in the context of vaccines and the pandemic.

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