

# Laudato Si'

## A Hayekian Perspective

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Pope Francis's encyclical *Laudato Si'* contains a number of arguments that have striking similarities with the writings of F. A. Hayek. In particular Pope Francis's concerns about humanity's ability to adapt to rapid social and technological change compliment Hayek's well-known arguments in *The Road to Serfdom*. Of course, Hayek would reject Pope Francis's concerns about excessive consumerism, and he would question the Pontiff's overly optimistic view of public sector officials. But overall, there are some notable similarities between the current Bishop of Rome and the Austrian economist that have gone unnoticed.

## Introduction

Approximately seven hundred miles separates Vatican City from Vienna. The intellectual distance appears magnitudes greater. Catholic Social Thought (CST) and Austrian economics often come into conflict. From Vienna (figuratively since the modern Austrian school is largely within the United States), CST appears to have socialist sympathies with its focus on the common good, its naïve view of government behavior, and its somewhat ambiguous position regarding private property rights. From the Vatican's point of view, Austrian economics seems to assume asocial hyper-individualists concerned with very little beyond material success. One treads with trepidation suggesting nontrivial areas of agreement. But that is what I shall attempt.

The formalization of Catholic Social Thought (CST) began in 1891 with Pope Leo XIII's encyclical letter *Rerum Novarum*.<sup>1</sup> The Industrial Revolution and the subsequent transformation of social relations raised new concerns about the

plight of the working class and the proper scope of government. Poverty became much more apparent as some people's income grew much faster than others. The migration from the fields to the city exacerbated long-standing problems such as urban sanitation and working conditions in factories. Technological change brought people closer together and tensions arose. Technological change also made it easier for governments to extend the scale and scope of their activities. Monitoring citizens' travels and their income brought citizens into greater contact with the public sector. An emerging demand for increased government services altered the relationship between citizen and state.<sup>2</sup> Throughout the twentieth and twenty-first centuries, various popes and the Second Vatican Council extended CST into additional areas as technological change continued and new problems that arose. *Gaudium et Spes*<sup>3</sup> refers to technology as leading to "profoundly changed conditions" that require new ways to understand how humanity interacts with the environment. John Paul II, in *Laborem Exercens*,<sup>4</sup> warned of the potential for technology to take "away all personal satisfaction and the incentive to creativity and responsibility." In *Centesimus Annus*, John Paul II recognized the dark side of technological progress when he wrote, "Scientific and technological progress, which should have contributed to man's well-being, was transformed into an instrument of war: science and technology were directed to the production of ever more efficient and destructive weapons."<sup>5</sup> Pope Benedict's *Caritas in Veritate*<sup>6</sup> expressed concern about technology's impact on humanity's ability to look beyond the material. Pope Francis's *Laudato Si'*, subtitled *On the Care of Our Common Home*,<sup>7</sup> is the latest example. These same changes also influenced the development of the Austrian economists.

Beginning with Carl Menger in 1871, the Austrian school developed an approach to economics that focused on the subjective valuation of individuals, the importance of the division of knowledge, and the market as a process rather than an equilibrium end-state. Application of these ideas provided an explanation of the emergence of civilization,<sup>8</sup> the relative performance of economic systems,<sup>9</sup> and the role of monetary policy in influencing business cycles.<sup>10</sup> As technology changed and populations increased, their arguments continued to evolve to address issues that emerged in the late twentieth century such as the transition from socialism to capitalism after the Cold War and the role of formal and informal institutions in explaining global poverty.<sup>11</sup>

But largely unnoticed are the points of agreement between CST and the Austrian School of Economics, especially in the writings of F. A. Hayek. There is no doubt that the Austrians and proponents of CST would disagree about many issues and themes, such as the appropriate scope of market activity and the origins of morality. Nevertheless, they share similar concerns about the sources

of a number of present-day problems. First, CST focuses on the common good and so does Hayek, although he does not use this terminology. Mainstream economics has difficulty incorporating the common good into analysis because neoclassical welfare economics assumes preferences are exogenous and stable. The common good rejects this notion. Society shapes people's preferences. Fortunately, Hayek was not a neoclassical economist. He accepts the malleability of preferences based on social factors and public policy. Second, CST emphasizes the importance of subsidiarity, which argues that the most local and competent level of social authority should address social problems. It stresses the importance of decentralized decision-making.<sup>12</sup> Hayek would agree. In a number of works,<sup>13</sup> Hayek stressed the superiority of decentralized decision-making in resource allocation, legal rules, and political structure. Third and more specifically, both Hayek and Pope Francis in *Laudato Si'* recognize the deep problems that arise since mankind's biological evolution has proceeded much slower than technological change and population growth. For much of history, humans have lived in small groups and developed norms to address problems within the group. According to Hayek, as groups grew and become more anonymous, the application of the previous norms caused problems. Pope Francis calls this process "rapidification," and it is central to understanding *Laudato Si'*.<sup>14</sup> Fourth, both recognize that technology can lead down the road to serfdom, broadly defined. For Hayek, this meant totalitarianism. For Pope Francis, this means the misuse of people in the name of progress. This article explores these points of similarity.

## The Common Good

The common good has a central place in Catholic Social Thought. It offers a way to assess the state of society. It recognizes that society is much more than the sum of its parts. It emphasizes how society shapes individuals' identities. People do not form their tastes in a vacuum. It focuses on the fundamental dignity and equality of people. *The Compendium of the Social Doctrine of the Church* defines the common good as

*The principle ... to which every aspect of social life must be related if it is to attain its fullest meaning, stems from the dignity, unity and equality of all people. According to its primary and broadly accepted sense, the common good indicates "the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily."*

*The common good does not consist in the simple sum of the particular goods of each subject of a social entity. Belonging to everyone and to each person, it is and remains "common," because it is indivisible and because only*

*together is it possible to attain it, increase it and safeguard its effectiveness, with regard also to the future.*<sup>15</sup>

Jacques Maritain puts it more succinctly, “The common good of the city is [not] the mere collection of private goods.... It is the good human life of the multitude of persons; it is their communion in good living.”<sup>16</sup> It highlights the role of social institutions and interaction as a source of human betterment and fulfillment.

In general, economists adopt a utilitarian approach to evaluate social states. Often the goal is to maximize social welfare, where social welfare is the simple sum of individual utility functions. Usually, people maximize their own utility function consisting of goods and services subject to budget constraints. Rarely do people explicitly derive utility from the well-being of others or from simply acting in a just way. Willingness to die for a cause, to join a social movement, or even to vote appear irrational as they fail cost-benefit tests. This leads to a narrow view of humans that CST rejects. As Amartya Sen poignantly noted, “The purely economic man is, indeed, close to being a social moron.”<sup>17</sup>

Andrew Yuengert analyzed the differences between the common good and neoclassical welfare economics. He stressed three aspects of the common good that economists often overlook:

1. Humans need quality social contact.
2. “Human beings are formed in a community—their education and training in virtue (their preferences) are elements of the common good.”
3. “A healthy love for the common good is a necessary component of a fully developed personality.”<sup>18</sup>

Points 1 and 3 can easily be introduced in economic analysis. Given the generic and flexible nature of utility functions, adding social relations is relatively simple. For example, game theory has evolved to better incorporate the importance of sociality.<sup>19</sup> A large literature in experimental economics has demonstrated that people often care about more than material success.<sup>20</sup>

Point 2 raises issues for economists. They assume preferences are given and stable. They can change over time but the process is very slow. As many economists would say, *de gustibus non est disputandum* (“there’s no accounting for taste”).<sup>21</sup> Welfare analysis assesses the extent to which outcomes satisfy consumer preferences. Rarely do economists allow for public policies or social factors to shape preferences, especially when the analysis includes normative elements. For example, nudging policies involve rules that alter the cost-benefit calculations so

individuals choose goods and services consistent with their “true” preferences. It does not make people better; it makes them more rational.

For many economists, the notion of the common good seems utopian. Adding stable preferences across individuals is impossible since they are subjective. Each person has their own scale to evaluate possible outcomes. By assumption, individuals maximize utility and utility is an ordinal, not cardinal, concept. And when there are three or more individuals, decision rules almost always yield unstable outcomes. Consider the simple example of three people: Xavier, Yanni, and Zoltan. They would like to go out to dinner, and there are three options: Bistro (B), Café (C), or Diner (D). Xavier prefers B to C to D. Yanni prefers C to D to B. Zoltan prefers D to B to C. If they vote on where to eat and each person counts equally, their collective preferences are  $B > C > D > B$ . Thus, their collective decision leads to cycling. Everything beats everything. One solution is for one person to impose his or her will on the others, but that would be a dictatorship. Since no metric exists that could form the basis of meaningfully adding subjective well-being across individuals, there is no common good.

But all is not lost. James Buchanan argued that cycling itself was only a problem if preferences could not change.<sup>22</sup> Once in place, a majority would become permanent. Majority tyranny would plague society. But people often do not have stable preferences, especially when people try to define the good life or just society. Their ideas change due to new information and experiences. They argue with their friends and family about the right and the good. Sometimes they persuade. They read books and articles. They listen to the radio. They reflect upon issues. Sometimes people do change their minds. What was important at eighteen years old is no longer relevant at forty. Today’s majority can become tomorrow’s minority.

Hayek would agree. Assuming exogenous preferences hinders one’s understanding of the impact of economic and social institutions on people. It limits our perception of the interrelations between state and society. Hayek’s famous *Road to Serfdom* hypothesis stresses the role of public policies in affecting the demand for public policy. Public policy does not simply reflect the will of the people or at least the majority. Public policies affect the citizenry’s preferences. Public education, in part, is a form of indoctrination. Historically, many governments controlled media and religious institutions to various degrees. These are the institutions of preference formation. Over time, people’s attitudes toward the proper relation between citizen and state changed in favor of more intervention and less liberty. Hayek wrote in his 1956 preface to *The Road to Serfdom*: “The important point is that the political ideals of a people and its attitude toward authority are as much the effect as the cause of the political institutions under

which it lives. This means, among other things, that even a strong tradition of political liberty is no safeguard if the danger is precisely that new institutions and policies will gradually undermine and destroy that spirit.”<sup>23</sup> Preferences shape public policy and public policy shapes preferences. Sometimes politicians use their office to alter the predilections of the citizenry rather than simply to act as an agent of them. They persuade. In extreme cases, they rely on demagoguery.

The process of the preference transformation does not take place over night. It takes generations as each new cohort begins with a new level of expectations and ideology. Over time, according to Hayek, small changes in the accepted relationship between citizen and the state turn into significant changes.<sup>24</sup> Citizens trade-off short-run gains such as improved security for long-run losses in civil rights.<sup>25</sup> They drift toward a society where people’s demands reflect their long-run impact of public policy rather than their individual efforts to become who they want to become. Citizens become afraid to be free and demand a parental state.

Of course, the impact of social institutions on preferences need not promote the common good. Social institutions could promote antisocial preferences such as envy and maliciousness. They could encourage consumption rather than saving. Pope Francis condemns markets for their effect on people’s spending behavior. Individuals become obsessed with the latest technological innovations. Pope Francis wrote in *Laudato Si’*, “Since the market tends to promote extreme consumerism in an effort to sell its products, people can easily get caught up in a whirlwind of needless buying and spending. Compulsive consumerism is one example of how the techno-economic paradigm affects individuals.”<sup>26</sup> Technological change has created some preferences that do not promote the common good. And it has enabled them to indulge these preferences.

Hayek, in his review of John Kenneth Galbraith’s *The Affluent Society*, makes his most explicit case how society shapes the preferences. Galbraith argued that people’s demand for private goods resulted from private sector manipulation. They bought things because private business told them so. They did not really need the product to attain the good life. Advertisers and marketers had fooled them. But the time had come when people would no longer have “vulgar” demands. They would choose to consume things of greater social value such as art and music.

Hayek argued that this was no doubt true but not particularly troubling. Of course, some preferences resulted from the efforts of some to influence others. Very few innate preferences exist. Food, clothing, shelter, and sex practically exhaust the list of innate preferences. But much of what we want to purchase results from observing the consumption patterns of others. Hayek argued, “All the rest we learn to desire because we see others enjoying various things. To

say that a desire is not important because it is not innate is to say that the whole cultural achievement of man is not important.” He continued, “In this sense the tastes of man, as is also true of his opinions and beliefs and indeed much of his personality, are shaped in a great measure by his cultural environment... The efforts of all producers will certainly be directed towards that end; but how far any individual producer will succeed will depend not only on what he does but also on what the others do and on a great many other influences operating upon the consumer.”<sup>27</sup>

According to Hayek, we desire many things because others do. We read Dante or Baldwin or Coetzee because others have claimed the greatness of their works. We appreciate the works of Raphael or Monet or Warhol because others have recognized their beauty. We listen to Beethoven or Robert Johnson or Bob Dylan because others made the case that listening to their music improves our understanding of ourselves and society. Maybe they have intrinsic value but for Hayek they allow for social interaction as we create and share common knowledge. Discourse improves. Furthermore, this process allows us to discover and form tastes that we want. It leads to a better and fuller life.

Although Pope Francis and Hayek disagree about the “goodness” of some tastes, they agree on the deeper point. Social institutions and interactions affect people’s tastes and preferences. In many cases, this is for the better. But sometimes, it is not. The recognition of this process allows for a deeper understanding of contemporary issues.

## Subsidiarity

Subsidiarity forms part of the foundation of the common good. It recognizes the decentralized aspects of society. It begins with the family, the basic unit of society. It includes civil society. The *Compendium of the Social Doctrine of the Church* states,

The principle of subsidiarity protects people from abuses by higher-level social authority and calls on these same authorities to help individuals and intermediate groups to fulfill their duties... Experience shows that the denial of subsidiarity, or its limitation in the name of an alleged democratization or equality of all members of society, limits and sometimes even destroys the spirit of freedom and initiative.

It continues, “The principle of subsidiarity is opposed to certain forms of centralization, bureaucratization, and welfare assistance and to the unjustified and excessive presence of the State in public mechanisms.”<sup>28</sup> Subsidiarity recognizes

that local problems often require local solutions. One-size-fits-all policies frequently fail because they do not recognize the idiosyncratic nature of the problem. As Pope Francis wrote,

Attempts to resolve all problems through uniform regulations or technical interventions can lead to overlooking the complexities of local problems which demand the active participation of all members of the community ... here is a need to respect the rights of peoples and cultures, and to appreciate that the development of a social group presupposes an historical process which takes place within a cultural context and demands the constant and active involvement of local people from within their proper culture.<sup>29</sup>

The homogenization of policies ignores the cultural differences across societies. Cultural practices and their formalization in economic, legal, and political institutions often are the result of the unintended consequences. No one planned them. They emerged through a process of trial and error as individuals sought to solve local problems. Adam Ferguson's dictum, often quoted by Hayek, that social institutions were "the result of human action, but not the execution of any human design" applies in *Laudato Si'*.

Hayek's most well-known contributions to economics involve his appreciation of how decentralized markets convey information to buyers and sellers. Prices aggregate dispersed knowledge about buyers' and sellers' expectations, local information, technological constraints, and much more. Often the information takes a nonquantitative form. But a little reflection will show that there is beyond question a body of very important but unorganized knowledge which cannot possibly be called scientific in the sense of knowledge of general rules: the knowledge of the particular circumstances of time and place.<sup>30</sup>

Tacit knowledge matters in many instances, so also does local knowledge. Easy to convey and quantifiable knowledge counts, but sometimes it is not very important. According to Hayek, decentralization works because in many instances, the relevant knowledge to address a problem is local and idiosyncratic. People face local difficulties that do not have a predetermined scientific answer. Throughout his writings, Hayek applied this insight—subsidiarity—to understand the evolution of legal and political institutions. Recognizing this suggests similarities between Pope Francis—and CST more broadly—and Hayek.



## Between Two Worlds

For much of our existence, *homo sapiens* lived in small groups based largely on kinship. People knew one another. They had strong bonds between them. When a crisis happened, people helped each other. They had a reasonable understanding of how to correctly respond since they had the local information necessary to provide the appropriate support. But over the past few hundred years, social ties have become weaker. Populations have increased. Mobility has become more common. People often come into contact with individuals from other groups. A common history no longer exists between trading partners. Anonymous trading has become normal.

Recognition of this is central to *Laudato Si'*. As Bill McKibben noted, “But the heart of the encyclical is less an account of environmental or social destruction than a remarkable attack on the way our world runs: rapidification.”<sup>31</sup> Significant and often underappreciated tensions exist between humanity’s continued biological evolution and the rapid pace of technological change and population growth. Pope Francis wrote, “Although change is part of the working of complex systems, the speed with which human activity has developed contrasts with the naturally slow pace of biological evolution. Moreover, the goals of this rapid and constant change are not necessarily geared to the common good or to integral and sustainable human development.”<sup>32</sup> Technological change outpaces biological change. Our hunter-gatherer brains have trouble understanding the world of smartphones, global supply chains, and the sharing economy. Change implies uncertainty, and we tend to rely on our premodern intuitions to address problems. We fear the unknown whether it is new products or new people entering our previously closed communities. The *status quo* persists.

The quick pace of technological change has unequal effects on both individuals and societies. Some benefit from technological change, such as the reduction in communication costs or a decline in the prices of food or clothing. But others lose jobs or have the value of their human capital greatly reduced. They suffer from a loss in dignity. The negative consequences of change often lead to calls for policies based on our experiences from the premodern world.

Writing almost thirty years earlier than the Pope, Hayek raised concerns about the relative rates of changes between technology, population, and human evolution. He, too, thought rapid social and technological change in the presence of very slow human evolution caused social problems. According to Hayek, people live in two worlds that often come into conflict:

Part of our present difficulty is that we must constantly adjust our lives, our thoughts and our emotions, in order to live simultaneously within different kinds of orders according to different roles. If we were to apply the unmodified, uncurbed rules of the micro-cosmos (i.e., of the small band or troop, or of, say, our families) to the macro-cosmos (our wider civilization), as our instincts and sentimental yearnings often make us wish to do, we would destroy it. Yet if we were always to apply the rules of the extended order to our more intimate groupings, we would crush them.<sup>33</sup>

A tension emerges within humans. When a crisis occurs, people rely on what has worked in hunter-gather societies. We do not know how to effectively respond to crises that involve large numbers of socially distant people. We do not understand their situation. The old solutions often lead to negative, unanticipated consequences. For example, helping out a friend who has lost her job due to technological change may require a small loan, a helping hand, and an open ear. Since you know her, temporary assistance makes sense. You can distinguish short-run issues from deeper, structural problems. In contrast, providing assistance to a stranger can lead to a situation where people chose welfare over work. Ignorance of the sources of unemployment can inadvertently lead to long-run problems. Often the road to hell is paved with the best of intentions.

Rapidification and Hayek's two worlds represent strikingly similar phenomena. The modern world presents new challenges that our evolved brains and traditions cannot solve. Once again, Pope Francis (and CST) and Hayek are not so different—they have identified an important source of present-day maladies.

## Technology and the Road to Serfdom

Technological advance rendered obsolete Reverend Thomas Malthus's gloomy predictions about persistent poverty. Agricultural productivity has increased much faster than population. Since the year of the publication of his *Essay on the Principle of Population* in 1798, income per capita has increased dramatically. Technological improvements facilitated the expansion of the division of labor. Specialization led to higher productivity that, in turn, raised income. Absolute poverty has plummeted. People live longer and work less. The variety of goods available boggles the mind. But technology has also brought problems.

The dark side of technology is well-known. As industrialization occurred; some industries created significant amounts of pollution. Environmental degradation resulted. Improved transportation technology made it easier for viruses to travel the world. It also made it easier for governments to find people. High

marginal tax rates are only possible if governments can effectively measure income. Weapons of mass destruction exist that could wipe out humanity. Often our attempts to correct these problems lead to unintended results that, in turn, lead to more efforts to fix them. It is a vicious cycle. Pope Francis recognized this: “Human beings must intervene when a geosystem reaches a critical state. But nowadays, such intervention in nature has become more and more frequent. As a consequence, serious problems arise, leading to further interventions; human activity becomes ubiquitous, with all the risks that this entails. Often a vicious circle results, as human intervention to resolve a problem further aggravates the situation.”<sup>34</sup> This last sentence in particular is a succinct summary of Hayek’s *Road to Serfdom* hypothesis.

Hayek argued that the attempts to alter market outcomes often led to unintended consequences. Well-meaning politicians identify a social problem. They offer a solution. The solution fails. They implement another policy. The process continues as each failed policy and reform leads to increased efforts to correct the problems. Each reform represents another step down the road to serfdom until finally, a totalitarian regime emerges.

Consider the 2008 financial crisis. The United States government views homeownership rates as a metric of success. In order to increase the rate, the government adopted policies to encourage people to obtain a mortgage. For example, they promoted financial institutions to make loans to people with poor credit scores. As a result, the policy of increased homeownership led to increased risk in the financial system. In response, financial institutions attempted to minimize risk. Financial engineers created financial instruments to better manage risk. Mortgages became new collateralized debt obligations, which became collateralized debt obligations, and so on exponentially. Novel types of loans, such as NINJA (no income, no job, no assets) loans, became more prevalent. This further increased the risk. Once it became apparent that the financial system could no longer manage the risk, the crisis occurred. Rather than allow large financial institutions to fail and go through bankruptcy, the government intervened to protect the “too big to fail” institutions. Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Federal Reserve unilaterally expanded its scope. Today, the “too big to fail” institutions are larger than ever.

Again, Pope Francis and Hayek find common ground. They identify a political dynamic that plagues the modern world. The increased complexity of social relations has rendered previous solutions ineffective. Interventions beget interventions. The scale and scope of the state increases while the domain of civil society and free enterprise decreases. Along the way, people lose rights and their dignity.

## What Is to Be Done?

Both Pope Francis and Hayek attempt to offer a cultural, economic, and political understanding of the problems that face society. Both recognize that the City of Man will never become the City of God. Both offer insights into the sources of our troubles in the modern world. Both know that the market versus state debate yields little useful information. For them, markets and states coexist. Sometimes they work effectively to promote the common good. Sometimes they do not. In other instances, when they come into conflict, they may even further the common good. Pope Francis and Hayek provide a perspective that addresses the deep roots of present-day difficulties. They understand both the strengths and weaknesses of democratic capitalism.

Democratic decision-making is no panacea. It often lumbers along and gets sidetracked on relatively meaningless debates. In part, this reflects the nature of democracies. Elected officials have little incentive to focus on long-run costs and benefits since they may not get to capitalize on them. Similarly, voters tend to vote myopically. They “vote the bums out” if the bums’ misbehavior occurred relatively recently. Otherwise, they forget transgressions. Scandals that happen during the early part of their terms rarely affect electoral outcomes. Often citizens view their own representatives much more favorably than the legislative institution as a whole. Everyone else’s member of Congress is incompetent and corrupt; mine is a good person. Pope Francis understands this. He wrote in *Laudato Si’*, “What is needed is a politics which is farsighted and capable of a new, integral and interdisciplinary approach to handling the different aspects of the crisis. Often, politics itself is responsible for the disrepute in which it is held, on account of corruption and the failure to enact sound public policies.... If politics shows itself incapable of breaking such a perverse logic, and remains caught up in inconsequential discussions, we will continue to avoid facing the major problems of humanity.”<sup>35</sup> He calls for a farsighted politics that focuses on the common good. That would require a moral transformation as well as significant reforms. But politics alone will not solve the problems of humanity; businesses will play a part.

Contrary to popular understandings, Pope Francis does not condemn all instances of business. He recognizes that they serve a very useful function in poverty reduction: “Business is a noble vocation, directed to producing wealth and improving our world. It can be a fruitful source of prosperity for the areas in which it operates, especially if it sees the creation of jobs as an essential part of its service to the common good.”<sup>36</sup> Similarly, Francis stated, “I recognize that globalization has helped lift many people out of poverty....”<sup>37</sup> But whether “business is a noble vocation” or not depends on the institutional structure of society.

As Hayek argued, promoting the common good requires the rule of law, a competitive order, and a healthy respect for tradition. A system based on the rule of law and relatively secure contract and property rights will tend to have lower levels of poverty and a more equitable distribution of income than a society guided by the rule of men and weak contract and property rights. It will have lower levels of corruption. Social engineering failed because it did not and could not incorporate the knowledge of time and place. It did not recognize cultural constraints on technocratic planning. Traditional practices offer much more wisdom than scientific experts realize. I suspect Pope Francis would agree.

## Notes

1. See Pope Leo XIII, Encyclical Letter *Rerum Novarum* (May 15, 1891), [http://www.vatican.va/content/leo-xiii/en/encyclicals/documents/hf\\_l-xiii\\_enc\\_15051891\\_rerum-novarum.html](http://www.vatican.va/content/leo-xiii/en/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum.html).
2. See Tyler Cowen, “Does Technology Drive the Growth of Government?” in *Essays on Government Growth: Political Institutions, Evolving Markets, and Technology*, ed. Joshua Hall and Bryan Khoo (Cham, Switzerland: Springer, 2021), 51–66.
3. Pope Paul VI, Pastoral Constitution *Gaudium et Spes* (December 7, 1965), § 5, [http://www.vatican.va/archive/hist\\_councils/ii\\_vatican\\_council/documents/vat-ii\\_const\\_19651207\\_gaudium-et-spes\\_en.html](http://www.vatican.va/archive/hist_councils/ii_vatican_council/documents/vat-ii_const_19651207_gaudium-et-spes_en.html).
4. Pope John Paul II, Encyclical Letter *Laborem Exercens* (September 14, 1981), § 5, [http://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf\\_jp-ii\\_enc\\_14091981\\_laborem-exercens.html](http://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_14091981_laborem-exercens.html).
5. Pope John Paul II, Encyclical Letter *Centesimus Annus* (May 1, 1991), § 18, [http://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf\\_jp-ii\\_enc\\_01051991\\_centesimus-annus.html](http://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus.html).
6. See Pope Benedict XVI, Encyclical Letter *Caritas in Veritate* (June 29, 2009), § 77, [http://www.vatican.va/content/benedict-xvi/en/encyclicals/documents/hf\\_ben-xvi\\_enc\\_20090629\\_caritas-in-veritate.html](http://www.vatican.va/content/benedict-xvi/en/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate.html).
7. See Pope Francis, Encyclical Letter *Laudato Si'* (May 24, 2015), [http://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco\\_20150524\\_enciclica-laudato-si.html](http://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html).
8. See F. A. Hayek, *The Constitution of Liberty* (Chicago: Chicago University Press, 1960); idem, *The Fatal Conceit: Errors of Socialism* (Chicago: University of Chicago Press, 1988).
9. See F. A. Hayek, *Individualism and Economic Order* (Chicago: University of Chicago Press, 1948).

10. See F. A. Hayek, *Prices and Production*, 2nd ed. (London: Routledge, 1935).
11. For a recent overview, see Peter Boettke, ed., *Handbook of Contemporary Austrian Economics* (Cheltenham, UK; Northampton, MA: Edward Elgar, 2010).
12. See Pope John Paul II, Encyclical Letter *Centesimus Annus* (May 1, 1991), § 48, [http://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf\\_jp-ii\\_enc\\_01051991\\_centesimus-annus.html](http://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus.html).
13. See Hayek, *Individualism and Economic Order*; idem, *The Constitution of Liberty*.
14. Francis, *Laudato Si'*, § 18.
15. Pontifical Council for Justice and Peace, *The Compendium of the Social Doctrine of the Church* (April 2, 2004), § 164, emphasis original, [http://www.vatican.va/roman\\_curia/pontifical\\_councils/justpeace/documents/rc\\_pc\\_justpeace\\_doc\\_20060526\\_compendio-dott-soc\\_en.html](http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_20060526_compendio-dott-soc_en.html).
16. Jacques Maritain, *The Person and the Common Good* (South Bend: University of Notre Dame Press, 1948), 50–51.
17. Amartya Sen, “Rational Fools: A Critique of the Behavioral Foundations of Economic Theory,” *Philosophy Public Affairs* 6 (1977): 317–44.
18. Andrew Yuengert, “The Common Good for Economists,” *Faith & Economics* 38 (2001): 1–9.
19. See, e.g., Samuel Bowles and Herbert Gintis, *The Cooperative Species: Human Reciprocity and Its Evolution* (Princeton: Princeton University Press, 2010).
20. See Vernon Smith, “Adam Smith: From Propriety and Sentiments to Property and Wealth,” *Forum on Social Economics* 42 (2013): 283–97; Bart Wilson, “Social Preferences Aren’t Preferences,” *Journal of Economic Behavior & Organization* 73, no. 1 (2010): 77–82.
21. This phrase comes from the title of the famous paper by George Stigler and Gary S. Becker, “De Gustibus Non Est Disputandum,” *The American Economic Review* 67, no. 2 (March 1977): 76–90.
22. See James Buchanan, “Social Choice, Democracy, and Free Markets,” *Journal of Political Economy* 62, no. 2 (April 1954): 114–23.
23. F. A. Hayek, *The Road to Serfdom* (Chicago: University of Chicago Press, 2010 [1944]), 48.
24. See Paul Gottfried, *After Liberalism: Mass Democracy in the Managerial State* (Princeton: Princeton University Press, 1999); idem, *Multiculturalism and the Politics of Guilt: Toward a Secular Theocracy* (Columbia, MO: University of Missouri Press, 2003).

25. See Hayek, *The Road to Serfdom*, chap. 9.
26. Francis, *Laudato Si'*, § 203.
27. F. A. Hayek, "The Non Sequitur of the 'Dependence Effect,'" *Southern Economic Journal* 27 (1961): 348.
28. Pontifical Council for Justice and Peace, *Compendium*, § 187.
29. Pope John Paul II, *Laudato Si'*, § 144.
30. F. A. Hayek, "The Use of Knowledge in Society," *American Economic Review* 35, no. 4 (1945): 521.
31. Bill McKibben, "Pope Francis: The Cry of the Earth," *New York Review of Books*, June 18, 2015, <http://www.nybooks.com/daily/2015/06/18/pope-francis-encyclical-cry-of-earth/>.
32. Francis, *Laudato Si'*, § 18.
33. Hayek, *The Fatal Conceit*, 18.
34. Francis, *Laudato Si'*, § 34.
35. Francis, *Laudato Si'*, § 197.
36. Francis, *Laudato Si'*, § 129.
37. Francis, *Laudato Si'*, § 147.