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## Pope Francis and the Soul of Economics

PS, May 2, 2025

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*During his 12-year papacy, Francis emerged as an incisive economic thinker, calling for a moral reorientation of a system that commodifies nature and marginalizes the poor. In doing so, he sought to return economics to its foundations in moral philosophy.*

CAMBRIDGE – Pope Francis redefined the papacy in profound ways. As the leader of the Catholic Church, he worked to make it more inclusive of women and the LGBTQ+ community. As the first Latin American pontiff, **he became a voice for the Global South.** And by taking his name – and inspiration – from St. Francis of Assisi, he positioned himself as a champion of the poor and marginalized.

One of the most surprising – and often-overlooked – aspects of Francis’s 12-year papacy was his emergence as an incisive economic visionary. In a world where economics is dominated by models, markets, and metrics, Francis insisted on **a different standard: a moral one.**

Throughout his papacy, Francis consistently challenged the assumptions of today’s prevailing economic orthodoxy. In his 2013 exhortation *Evangelii Gaudium* (“The Joy of the Gospel”), he issued a stinging rebuke of what he called “an economy of exclusion and inequality” – a system that, as he put it, “kills.”

Unlike many critics of capitalism, however, Francis did not call for its outright rejection. He adopted a more pragmatic approach, urging economic thinkers to ask deeper, more fundamental questions: What sort of markets do we want? Who should govern them, and to what end? His was **a call to rethink not just our economic policies, but also the priorities that shape them.**

In his 2015 encyclical *Laudato Si’* (“Praise Be to You”), Francis went further, integrating ecological and economic critiques into a unified moral vision. Climate degradation, he argued, is not merely a “negative externality” to be managed; it is the inevitable outcome **of an economy that commodifies nature and marginalizes the poor.** Viewed through this lens, economics and ecology are not separate academic fields but intertwined arenas of moral responsibility. “The earth herself,” he wrote, “is among the most abandoned and maltreated of our poor.”

At the 2020 *Economy of Francesco* summit, Francis brought together young economists and entrepreneurs to imagine a new economy rooted in solidarity, justice, and ecological stewardship. His message was unequivocal: it is no longer enough to patch up the old system – **a moral re-founding is needed.**

Francis’s views stood in stark contrast to the neoclassical assumptions that have long dominated economic policymaking. Neoclassical economics treats individuals as isolated utility maximizers, markets as largely self-correcting, and growth as an unalloyed good. Poverty, inequality, and environmental damage are seen, if at all, **as technical problems** at the margins of an otherwise efficient system.

Francis recognized a more profound threat: economics had ceased to be a tool for advancing human prosperity and had become **an ideology that corrodes solidarity and encourages indifference.** In theological terms, what

he diagnosed was not mere inefficiency or imbalance but *sin*: structural sin, embedded in the systems we take for granted.

Francis's critique is striking precisely because it comes from outside the technocratic priesthood of academic economics. While he did not propose marginal tax rates or carbon-pricing mechanisms, he was returning economics to its foundations in moral philosophy and placing himself within a humanist tradition deeply rooted in the history of economic thought. That tradition is exemplified by Nobel laureate economists such as [Joseph Stiglitz](#), who has exposed how information asymmetries distort market "efficiency," and [Amartya Sen](#), who has argued that development should focus on expanding human capabilities rather than GDP. It also includes [Dani Rodrik](#), who has advocated re-embedding markets within democratic governance, and [Thomas Piketty](#), who has laid bare the structural dynamics of wealth concentration.

Even Adam Smith, widely regarded as the father of free markets, would have found echoes of his thinking in Francis's project. In his 1759 book [The Theory of Moral Sentiments](#), Smith warned that economic life must be grounded in sympathy, justice, and norms of civic trust.

The quest for a moral economy also animates the work of scholars like economist Samuel Bowles, who [argues](#) that well-designed incentives and institutions can encourage pro-social behavior. But where Bowles sees economics as a behavioral system to be redesigned, Francis viewed it as a moral system in need of redemption.

Unlike neoclassical economists, Francis was not merely concerned with fostering social cooperation; he was concerned with the formation of souls. For him, the stakes were not the success of markets but the survival of dignity, solidarity, and creation itself. This was not moralism for its own sake; it was a reminder that economic life always entails moral choices, whether we acknowledge them or not.

Every budget, tax policy, and trade regime reflects a set of values. Francis refused to let those values remain hidden. Some economists [bristle](#) at this intrusion, insisting that the strength of economics lies in its value neutrality and ability to provide a rational – rather than sentimental – basis for hard choices. But that stance itself reflects a choice to protect the status quo rather than question it. Francis's intervention revealed that the claim to neutrality is, in fact, a form of moral abdication.

At a time when neoclassical models increasingly struggle to explain or contain the crises facing humanity – rampant inequality, climate breakdown, political instability, and the rise of populism – Francis's message feels especially urgent. It speaks directly to the spiritual ailments at the heart of our failing economies. While he did not present an alternative model in spreadsheets or regression tables (the kind of economic language that often alienates ordinary people), he offered something more intuitive: the capacity for moral imagination.

Most importantly, Francis was not an enemy of economics. He was its custodian, reminding its practitioners of their forgotten calling: to serve the common good. Economists would do well to heed his message. If a 2,000-year-old institution like the Catholic Church can change, so can an economic consensus that has prevailed for only a few decades.



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[https://www.project-syndicate.org/commentary/enduring-power-of-pope-francis-economic-vision-by-antara-haldar-2025-05?utm\\_source=Project+Syndicate+Newsletter&utm\\_campaign=3ff15073ee-EMAIL\\_CAMPAIGN\\_2025\\_04\\_30\\_01\\_44&utm\\_medium=email&utm\\_term=0\\_-3ff15073ee-107449818](https://www.project-syndicate.org/commentary/enduring-power-of-pope-francis-economic-vision-by-antara-haldar-2025-05?utm_source=Project+Syndicate+Newsletter&utm_campaign=3ff15073ee-EMAIL_CAMPAIGN_2025_04_30_01_44&utm_medium=email&utm_term=0_-3ff15073ee-107449818)

## COMMENTS:

- The columnist highlights Pope Francis's public criticism of the still-prevalent neoliberal ideology in the economic field, considering that this is because the content of Adam Smith's book, *The Theory of Moral Sentiments*, is not being considered; that is, this is the reason why the free market economy is not working for the benefit of all.
- She also mentions renowned economists who, according to her, advocate a return to the humanist tradition advocated by the Catholic pontiff; however, these are the technocratic priests who, paradoxically, with their scientific contributions, demonstrate that the "free market" economy and "the invisible hand" do not exist in economic reality, and that they do so under premises that are not necessarily humanist but technocratic. She only failed to mention the "economist from developing countries" whom she criticized (and with her we agreed<sup>1</sup>) as saying that his model for addressing informality did not work, and time has confirmed this.

In short, we believe that the author should also ask herself that, after the different experiences and forms (models) that the capitalist system has adopted, it is showing that, with the central objective of indefinite economic growth, it has reached a phase of extreme inequality in the distribution of wealth, which is markedly exhausting the natural resources for life on planet Earth, and that the most powerful have projects to colonize other planets (Mars): should we change to another, more humanizing system?

May 03, 2025

**Jaime E. Luyo**

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<sup>1</sup> J.E. Luyo, "El Modelo de Hernando de Soto para países en vías de Desarrollo: una Evaluación después de dos décadas", TEKHNE, Universidad Tecnológica del Perú, Lima, abril del 2011