

Taken from the Encyclical Letter, *Centesimus Annus* (May 1, 1991) by Pope St. John Paul II

35. Here we find a wide range of *opportunities for commitment and effort* in the name of justice on the part of trade unions and other workers' organizations. These defend workers' rights and protect their interests as persons, while fulfilling a vital cultural role, so as to enable workers to participate more fully and honorably in the life of their nation and to assist them along the path of development.

In this sense, it is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the absolute predominance of capital, the possession of the means of production and of the land, in contrast to the free and personal nature of human work.¹ In the struggle against such a system, what is being proposed as an alternative is not the socialist system, which in fact turns out to be State capitalism, but rather *a society of free work, of enterprise and of participation*. Such a society is not directed against the market but demands that the market be appropriately controlled by the forces of society and by the State, so as to guarantee that the basic needs of the whole of society are satisfied.

The Church acknowledges the legitimate *role of profit* as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm's condition. It is possible for the financial accounts to be in order, and yet for the people—who make up the firm's most valuable asset—to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm's economic efficiency. In fact, the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a *community of persons* who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society. Profit is a regulator of the life of a business, but it is not the only one; *other human and moral factors* must also be considered which, in the long term, are at least equally important for the life of a business.

We have seen that it is unacceptable to say that the defeat of so-called "Real Socialism" leaves capitalism as the only model of economic organization. It is necessary to break down the barriers and monopolies which leave so many countries on the margins of development, and to provide all individuals and nations with the basic conditions which will enable them to share in development. This goal calls for programmed and responsible efforts on the part of the entire international community. Stronger nations must offer weaker ones opportunities for taking their place in international life, and the latter must learn how to use these opportunities by making the necessary efforts and sacrifices and by ensuring political and economic stability, the certainty of better prospects for the future, the improvement of workers' skills, and the training of competent business leaders who are conscious of their responsibilities.²

At present, the positive efforts which have been made along these lines are being affected by the still largely unsolved problem of the foreign debt of the poorer countries. The principle that debts must be paid is certainly just. However, it is not right to demand or expect payment when the effect would be the imposition of political choices leading to hunger and despair for entire peoples. It cannot be expected that the debts which have been contracted should be paid at the price of unbearable sacrifices. In such cases it is necessary to find—as in fact is partly happening—ways to lighten, defer or even cancel the debt, compatible with the fundamental right of peoples to subsistence and progress.

¹ Encyclical Letter *Laborem Exercens*, 7.

² *Laborem Exercens*, 8.