Catholic Social Teaching and Comparative Economic Systems: On Free Enterprise and the Common Good

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Abstract: This paper evaluates various economic systems through the lens of Catholic Social Teaching, with a focus on the core principles of human dignity (including the sanctity of life), the common good, subsidiarity, and solidarity. When compared with other economic systems, free enterprise provides the greatest scope for initiative, social cooperation, and moral development when guided by the principles of Catholic Social Teaching. Additionally, the paper addresses distributist critiques of free enterprise.

I. INTRODUCTION

Smith and Wilson's *Humanomics* (2019) presents a puzzle based on their prior work in experimental economics: Why does a hermeneutic of utility maximization fail to predict human behavior and strategy in market settings?

Their answer, essentially, is that in the shift from 18th and 19th-century political economy to the neoclassical economics of the 20th Century, any metaphysical insights about the human person went right out the window. Adam Smith's Moral Sentiments Baby was thrown out with the Labor Theory of Value Bathwater.

The Humanomics project represents an effort to study the humanity that surrounds human economic activity, so that if economics is thought of as "the science of choice" (Egger 1992, p. 4), we may understand not just the mechanics of choice, but the social context of those choices.

Catholic Social Teaching, exemplified by Pope Leo XIII's encyclical *Rerum Novarum* (1891), is an attempt to resolve the clash of two worlds described by Smith and Wilson. First and primarily, we live in a world made up of people we know personally in our families, workplaces, circles of friends, religious communities, and through frequent personal economic exchange. But we also live in a broader world, one where we exchange with strangers. These strangers may live in our same cities or on the other side of the planet, but the defining feature of these relationships is that they are impersonal, yet the basic rules of interaction with other human persons remain. In other words, while moral distance naturally diminishes our affinity for others, human dignity remains inviolable. While this view of human dignity is not uniquely Christian, it is centrally so.

Although Catholic Social Teaching did not begin with *Rerum Novarum* (many would say it began roughly 1,860 years before), *Rerum Novarum* and the subsequent social encyclicals are notable for coming after the First Vatican Council. The First Vatican Council, in 1870, is where the doctrine of papal infallibility was clearly defined as being limited to official ex cathedra statements from the Pope on matters of faith and morals. In a sense, this freed any sitting Pope to offer timely and specific teaching on social issues, as it was then clarified that almost all of a Pope's writings were not, strictly speaking, infallible.

Seen in this light, the papal encyclicals on economic systems, along with other encyclicals on social issues, are viewed as teachings that develop over time. The relationship between capital and labor in *Rerum Novarum* is revisited in later encyclicals by Leo XIII's successors, most notably by Pius XI's *Quadragesimo Anno* (1931), John XXIII's *Mater et Magistra* (1961), and John Paul II's *Centesimus Annus* (1991). As economic history unfolds, so do new opportunities to apply timeless moral principles.

A central principle of Catholic Social Teaching is that of the common good, which serves as a moral lens through which economic systems are viewed. The common good goes beyond the summation of individual well-being, instead emphasizing how social conditions may enable all members of a community or polity to achieve full human flourishing. As stated in the Catechism of the Catholic Church (hereafter CCC 1992, p. 1906), the common good encompasses the moral, social, and spiritual dimensions of human life, recognizing the inherent dignity of each person and their relational nature within society. This perspective superficially appears to conflict with an economistic approach to flourishing that focuses on utility maximization or aggregate wealth creation without explicit consideration of the moral implications of the social structures that emerge from those processes. But while that superficial version of economic thinking is real, and is in fact the foil of the humanomics project, it is not the ultimate basis for a defense of a free enterprise system. As (Vernon) Smith and Wilson explain, Adam Smith's work is not limited to an eloquent description of how economic order emerges, as though guided by an invisible hand. It also describes the necessary moral conditions for that order to emerge, and essentially lays out a description of how our consciences operate together within our society's moral rules to restrain our behavior. Without the right moral rules, the emerging economic order will not promote the common good.

Economic systems are typically compared based on both their potential and historical performance in promoting economic well-being, which critics, grounded in Church teaching, will argue is insufficient for promoting the common good. *Rerum Novarum* makes it clear that no single economic system is fully capable of promoting the common good, and thus is insufficient to promote true human flourishing.

This paper argues that only one economic system is even compatible with promoting the common good and the human dignity it requires: a free enterprise system. I am defining free enterprise here as an economic system where both capital and land are privately owned, and workers are free to leave their employment. To the extent that the alleviation of poverty is part of the common good, no other economic system is even comparable to free enterprise. I could use the term "capitalism", as it certainly requires private ownership of capital. However, for the purposes of this paper, it will be called free enterprise to make it clear that it is an economic system that requires political liberty, self-ownership, and freedom of conscience. There are two other reasons to avoid the term capitalism in this context. First, writers in the tradition of Catholic Social Thought often define capitalism as a system that necessarily leads to the concentration of capital in the hands of a few owners with near-absolute market power over labor in a way that undermines self-ownership and political liberty. Second, the term itself is often associated with Marx, who believed that the high concentration of capital ownership was a necessary feature of private ownership. Even before Marx, the term referred to a system where capital dominates economic life and leads to the oppression of workers, which seems more or less to be what is being criticized in Catholic social teaching.

Economic systems that seek to undermine free enterprise in the pursuit of justice, subsidiarity, and solidarity ultimately undermine those very principles. But most of all, alternatives to free enterprise undermine human dignity by approaching scarcity in a way that makes human beings themselves the primary obstacle to flourishing, rather than its source. In other words, alternatives to free enterprise force a Malthusian framing of the economic problem of scarcity in the face of human wants, such that additional humans are, in general, bad for humanity. This paper's contention is that free enterprise is the only economic system where humans are good for humanity.

Emerging from the Church's reflection on social justice, Catholic social teaching offers a normative framework to evaluate economic structures based on their ability to uphold human dignity, advance the common good, respect subsidiarity, and foster solidarity. Among the economic systems historically and theoretically advanced—feudalism, guildism, Marxist Socialism, Georgist socialism, communism, dis-

tributism, and free enterprise—the latter most effectively aligns with Catholic social teaching's vision for human flourishing. By examining economic systems' theoretical foundations and practical consequences, I argue here that, despite its challenges, free enterprise provides the greatest scope for individual initiative, social cooperation, and moral development when guided by the principles of Catholic teaching. The discussion draws primarily on papal encyclicals, 20th-century Catholic thinkers, and economic scholarship.

II. CORE PRINCIPLES OF CATHOLIC SOCIAL TEACHING

Catholic social teaching rests on four interlocking principles: human dignity, the common good, subsidiarity, and solidarity. These principles derive from scripture and tradition and are intended to offer a moral framework for evaluating social and economic arrangements. Each has implications for how outcomes are judged, but also for the inherent justice of institutions.

A positive analysis of economic systems can only exist within a normative framework, in other words within a set of moral principles. While some economists may imagine their work is purely positive, both the means and ends of economic life are formed by the prevailing social values. Catholic Social Teaching exists to promote sound moral principles, lest the methodological premises of economics morph into metaphysical claims.

Human dignity is the starting point. The Christian claim is that each person is made Imago Dei, in the image of God, a belief the Catechism affirms as the foundation of all social teaching (CCC 1992, p. 1700). This is not a sentimental assertion, but a theological and metaphysical one: that human worth is intrinsic, not conditional on productivity or social utility. In *Centesimus Annus*, John Paul II was clear that economic systems must not treat people as means to an end, but as ends in themselves. The application to economic systems is that to the extent individuals are reduced to mere means to some greater economic end, their human dignity is violated.

Dignity also implies certain material and social conditions. Catholic social teaching holds that people must have access to meaningful work, fair wages, and participation in public life. *Rerum Novarum* (1891, p. 20) warns against poor labor conditions themselves as a violation of human dignity. A system that degrades or excludes significant portions of the population cannot be squared with dignity, regardless of the amount of aggregate output that system produces.

The common good, similarly, demands more than just economic growth to be realized. The Catechism (1992, p. 1906) describes the common good as "the sum total of social conditions which allow people… to reach their fulfillment." It is clear from the social encyclicals that this principle includes access to education, healthcare, housing, and other prerequisites for flourishing. It does not mean equal outcomes, nor does it imply that any sort of central economic planning is necessary. But the principle of the common good would seem to require that economic systems be evaluated on how well they serve the population as a whole, not just elites, and not just majorities.

John Paul II (1991, p. 34) put the matter plainly: economic development must benefit humanity generally, or it ceases to be development in any meaningful sense. The claim is neither utopian nor collectivist; it simply asserts that economic life is not morally neutral and cannot be judged solely by GDP growth or stock market performance.

Subsidiarity serves as a structural principle that decisions should be at the most local level that is competent to handle them. In *Quadragesimo Anno* (1931, p. 79), Pius XI presents the principle as contrary to early 20th Century tendencies to centralize authority (both governmental and corporate), because local actors are often better suited to address local problems. It is a principle of governance, but also respect: respect for the agency of families and communities.

In practice, subsidiarity supports a decentralized economy where local businesses, cooperatives, and community initiatives are allowed space to function without being pushed aside by distant bureaucracies or dominant sellers or buyers in the form of monopolies and monopsonies. The teaching has never been presented as a rejection of state involvement in economic affairs, but a presumption in favor of local

governance and even informal community decision-making. When powerful, distant parties dictate terms without local accountability, subsidiarity is compromised.

Finally, solidarity addresses the relational dimension of economic life. John Paul II (1987, p. 38) described it not as a feeling but as a "firm and persevering determination" to seek the common good. It is, in essence, a commitment to mutual responsibility across social and economic boundaries.

Economically, solidarity pushes back against models built entirely on self-interest or even broader utility-maximization approaches. Community and charity are also emphasized over competition. This dovetails with the kind of cooperation Smith and Wilson have seen repeated in economic experiments, cooperation that can only be explained by moral considerations outside of a player's individual utility. Pius XI (1931, p. 137) warned of systems that pit people against each other; Catholic social teaching offers solidarity as an alternative to antagonistic framings of economic activity.

Taken together, the principles of Catholic social teaching are not ideological prescriptions, but rather the ends that are necessary for human flourishing. How an economic system performs against these measures tells us how well that system serves humanity as a whole.

III. ECONOMIC SYSTEMS

This section will give a brief overview of seven economic systems. There surely could be more economic systems examined; however, I chose, in addition to free enterprise itself, six economic systems which are commonly offered as alternatives to free enterprise, precisely because each is thought by its proponents to better serve the common good.

Feudalism is a hierarchical system where land is owned by lords and worked by vassals or peasants in exchange for protection or labor obligations (Bloch 1964). This system relies primarily on agricultural production, with economic activity being organized around manorial estates. Peasants and serfs, especially, were bound to the land and had little personal freedom or economic mobility, while lords wielded significant power over resources and people. This structure was economically stable in the sense that there was little economic growth and the accompanying creative destruction. However, the poor were especially vulnerable to drought and disease, as is typically the case with people living near a subsistence level.

Guildism emerged as a system of trade associations that regulated production, quality, and wages among artisans and merchants (Epstein 1991). Guilds provided stability and mutual support for their members, controlling entry into trades through apprenticeships and setting standards to protect those producers' livelihoods. However, they often resisted technological change and excluded non-members, creating barriers to competition and economic dynamism. Like all monopoly structures and cartels, the protection from competition essentially earned rents for members at the expense of potential competitors. Guilds created robust communities within trades, but did little to improve conditions for the common man.

Marxist socialism, as outlined by Marx and Engels (1848), seeks a classless society through the abolition of private property and replaces it with the collective ownership of the means of production under state control, which essentially becomes state ownership of the means of production. The aim of Marxist socialism is to eradicate the exploitation of labor by eliminating the monopsony power of capital owners. The promise of Marxist socialism is equality and freedom of labor, but in practice, it has led to authoritarian political regimes combined with economic stagnation. The suppression of individual initiative and market mechanisms has, in the worst cases, led to mass famines.

Georgist socialism, named for Henry George's proposal for land reform in his treatise Progress and Poverty (1879), advocates taxing the unimproved value of land to communalize its benefits while preserving the individual incentives for workers and capital owners to work together in a way that allows for innovation and widespread improvements in living standards. This system seeks to reduce inequality by redistributing land-derived wealth without fully abolishing private property. Practical application of Georgist socialism is limited, but in terms of economic well-being, economic communities built on

Georgist principles seem to do no worse and no better than free-enterprise economies where land is privately owned.

Communism, an extension of Marxist ideals, rests on collective ownership of the means of production, i.e., a move beyond state ownership of the same. It entails the elimination of private property in land and capital completely, and the elimination of social classes. It promises a utopian equality, but communist party-controlled states have never successfully transitioned from Marx's state of socialism to the ideal of communism.

Distributism, championed by G. K. Chesterton (1928) and Hilaire Belloc (1912), promotes widespread private ownership of land and capital and small-scale production as an alternative to both capitalism and socialism. Remember, part of the distributist claim about capitalism is that it necessarily concentrates ownership of productive resources in very few hands. Distributism's advocates view it as something beyond an economic system; it is a way of life rooted in family, community, and moral values. The idea is that economic activity, along with all other aspects of life, is governed by the application of the principle of subsidiarity. The policies to support a distributist society would be designed to support small businesses, family farms, and cooperatives to prevent economic power from being centralized. Distributist literature offers few concrete models for political implementation, and its feasibility is often questioned by its critics.

Free enterprise, often synonymous with capitalism, is defined by private ownership of both land and capital, and, crucially, freedom of exit for workers. Production and distribution are not centrally planned, but left to the order that emerges from producers' and consumers' decisions on how to specialize and exchange in the face of the continually changing relative scarcities of economic resources. Those relative scarcities are signaled by relative price changes, and those price changes provide information wrapped in an incentive. Again, I use the term "free enterprise" here to emphasize individual freedom and initiative, and distinguish this system from caricaturized versions of capitalism based on unchecked greed. Free enterprise operates through voluntary exchange and a combination of competition and coordination that fosters innovation and a tendency to move resources toward those who value them most. While capable of generating significant wealth, it can also feed hedonistic tendencies when moral norms are themselves corrupted. Catholic economists such as Novak (1982) and Woods (2005) concede that free enterprise will not promote the common good if it exists outside or apart from a larger system of strong moral principles. Without a firm commitment to human dignity, especially the sanctity of life, free enterprise cannot promote flourishing.

IV. EVALUATION OF ECONOMIC SYSTEMS AGAINST THE PRINCIPLES OF CATHOLIC SOCIAL TEACHING

Feudalism theoretically offers stability through reciprocal obligations, but in practice, it undermines human dignity by subjecting serfs to servitude and denying them basic freedoms (Bloch 1964). The system serves the economic interests of lords over the common good, entrenching inequality that persists across generations. While local lords exercised some decision-making power, aligning partially with subsidiarity, vassals had little autonomy. Solidarity existed as a forced obligation rather than a voluntary bond, fostering short-term community ties but long-term coercion and resentment. However, the main way in which feudalism fails to serve the common good is that it leaves no room for the masses to move much beyond subsistence. Population growth presents a special problem under feudalism, as a given amount of land is only capable of supporting a limited number of people. Under feudalism, the pessimistic arithmetic of Malthus plays out. The population is naturally limited by famine and disease. This presents a severe limit on the amount of possible flourishing.

Guildism safeguarded the dignity of skilled artisans by ensuring fair wages and working conditions, yet it excluded outsiders, creating a selective dignity that faded into elitism over time (Epstein 1991). It initially supported the common good by stabilizing trade, but later stifled innovation, leading to economic stagnation. Guilds' local governance aligned moderately with subsidiarity, but their monopolistic tenden-

cies limited broader participation. Solidarity thrived within guilds but fostered division with those outside, weakening its scope.

Marxist socialism aims to elevate collective dignity by abolishing class distinctions, but its practical implementation oppresses individuals through state control, causing short-term upheaval and long-term authoritarianism. Its focus on collective ownership undermines the common good with extreme inefficiency and famine. Centralized planning contradicts subsidiarity by stripping local agency, and its enforced class solidarity sacrifices personal freedoms, resulting in a hollow unity. Like feudalism and other premodern systems, human beings are ultimately a burden as land productivity is limited over the long term, and again, the pessimistic version of Malthus' theory plays out. Economic organization becomes focused on allocating resources to those viewed as most valuable to the state and away from those who are viewed as least valuable, or those who can be conveniently labeled as enemies of the state. In addition to famine, the population is controlled by periodic purges along with forced abortion and sterilization.

Georgist socialism respects human dignity by rewarding labor while taxing land value, showing short-term fairness, though its long-term effects remain untested due to limited adoption. It seeks to enhance the common good through equitable resource distribution, with potential in theory but practical challenges in execution. Its emphasis on local land control aligns well with subsidiarity, and shared resource benefits promote solidarity.

Communism idealizes universal dignity through collective ownership but curtails freedoms in practice, leading to short-term repression and long-term totalitarianism. Its pursuit of the common good falters in the socialism stage as centralized economies produced shortages and decline (Schumpeter 1942). Forced collectivism of individuals undermines genuine solidarity over time.

Distributism enhances dignity by promoting ownership and autonomy, offering short-term empowerment but facing scalability issues in the long run. Its community focus advances the common good, though its impracticality in modern contexts limits its reach. It strongly supports subsidiarity through decentralized ownership and fosters local solidarity, but its isolationist tendencies risk disconnecting communities from broader society. Ultimately, if distributism leads to localism in production, it will run into the same basic Malthusian problem of pre-industrial societies. A limited extent of the market limits the potential for further specialization and growth of knowledge.

Free enterprise upholds human dignity by providing vocational freedom and opportunities, yielding short-term empowerment and long-term flourishing (John Paul II 1991, p. 32). It promotes the common good through innovation and prosperity, raising living standards over time (Novak 1982). Decentralized markets align with subsidiarity, empowering individuals and communities, while voluntary associations like charities enhance solidarity, reflecting Catholic teaching's call for interdependence (Woods 2005). Free enterprise concentrates production where economies of scale exist, but in general decentralizes market decision-making. Even large firms are forced to outsource decision-making by contracting with others when the costs of internal bureaucracy exceed the benefits from economies of scale. Most importantly, only free enterprise overcomes the Malthusian dilemma. It unleashes human productivity to the point where population growth is possible without natural or artificial population controls.

V. WHY FREE ENTERPRISE IS MOST COMPATIBLE WITH TRUE FLOURISHING

What is necessary for flourishing? One necessary component of flourishing is the ability of people to realize the good potential of their knowledge and creativity. An economic system that incentivizes the use of one's knowledge or creativity to the detriment of others inhibits this aspect of flourishing, and an incentive structure that encourages people to meet others' needs will tend to promote flourishing. While utopia is a non-option, a comparative approach will recognize that some economic systems tend to promote more virtuous behavior while others tend to create more perverse incentives.

Similarly, systems that promote involuntary exchange undermine dignity by violating subsidiarity, while systems that allow more voluntary exchange necessarily foster economic decision-making at a lower level—at the firm level on the supply side of a market and at the household level on the demand side.

Free enterprise stands out as the economic system most capable of realizing Catholic teaching's principles, particularly human dignity and the common good. It recognizes each person's capacity to contribute through labor and creativity, aligning with the Church's view of human potential (John Paul II 1991, p. 32). Unlike systems that see population growth as a burden, under free enterprise each new person is a blessing—an additional mind and pair of hands to drive innovation and progress (Simon 1981). While this is true in aggregate, the consequence is that each individual can be valued without regard to his or her net contribution to the economy and society. The population growth itself is a source of surplus that can better feed the hungry and treat the sick. This resonates with Catholic teaching's affirmation of life's sanctity from conception onward, offering a framework where human life is celebrated rather than constrained.

The system's reliance on voluntary exchange fosters peaceful dealings among individuals and nations, reducing conflict over scarce resources. Market competition encourages innovation, as seen in historical leaps like the Industrial Revolution, which raised living standards and expanded opportunities. While this fact may have been in question in the 19th Century, it was fully evident by the late 20th Century, and is remarkably clear today—United Nations data show that while the world's population has doubled over the past fifty years, the portion living in extreme poverty has fallen from half to less than a tenth of the world's population (Roser 2021). This dynamism contrasts with the stagnation of centralized systems, enabling free enterprise to adapt to changing needs while providing individuals the space to pursue their vocations and support their families. Such flexibility ensures that economic activity serves human ends, not vice versa.

Subsidiarity finds a natural home in free enterprise, where decentralized decision-making empowers individuals and local communities. Unlike state-dominated systems, free enterprise allows people to respond to their unique circumstances, whether through entrepreneurship or community initiatives (Roepke 1958). This local agency fosters a sense of ownership and responsibility, key to human dignity, and prevents the alienation often seen in bureaucratic models. Catholic thinkers like Novak (1982) argue that this structure better reflects the Church's vision of human freedom within a moral order.

Solidarity, too, is enhanced through free enterprise's capacity for voluntary cooperation. The system encourages philanthropy, mutual aid societies, and charitable organizations—expressions of interdependence that align with Catholic social teaching's call for unity (John Paul II 1987, p. 40). Unlike coerced collectivism, free enterprise's voluntary nature ensures that acts of solidarity arise from genuine commitment, not obligation. Historical examples, such as the rise of Catholic charities in market economies, illustrate this principle in action (Woods 2005).

Moreover, free enterprise's economic efficiency generates the wealth necessary to address poverty and improve living standards, a practical realization of the common good. While inequality can emerge, Catholic scholars like Sirico (2001) argue that this can be mitigated through ethical business practices and targeted policies, preserving the system's core strengths. The ability to balance individual initiative with communal welfare sets free enterprise apart from rigid alternatives. Widespread prosperity presents moral challenges, but also a greater abundance that allows for more opportunities to promote the common good. Economic stagnation presents its own moral challenges, and has historically fostered the scapegoating and disenfranchisement of minority ethnic and religious groups in ways that are fundamentally at odds with solidarity.

Critics may point to monopolies or consumerism, but these are not inherent to free enterprise; they result from individuals' moral failures—failures which are largely discouraged under free enterprise. This is unlike other economic systems, where incentives push people toward immoral behavior. The failures of Marxist Socialism, for example, are inherent to the system itself. Central economic planning by its very design undermines subsidiarity. This is where Humanomics' broader understanding of the constraints on economic behavior is helpful. As Smith and Wilson (and Adam Smith in *The Theory of Moral Sentiments*,

1759) explain, narrowly self-serving behavior will carry reputational and other temporal consequences, in addition to the eternal consequences. The discipline of repeated dealings and the moral consequence of shame checks our behaviors. Moreover, in addition to these consequences, our consciences operate to constrain our choices. If growing wealth leads to growing consumerism in the aggregate, which it may, at the individual level, imprudence is the surest way to lose wealth. Free enterprise's adaptability makes it a living model, capable of evolving to meet modern challenges while staying true to Catholic values.

VI. CONCLUSION: WHAT CRITICS OF FREE ENTERPRISE GET RIGHT AND GET WRONG

Distributists like G. K. Chesterton (1928) and Hilaire Belloc (1912) offer a sharp critique of free enterprise, arguing that it creates social and moral distance by concentrating wealth and power in the hands of a few. Chesterton decried the rise of large corporations, which he saw as eroding small-scale ownership and dehumanizing workers, reducing them to "wage slaves" in a faceless economy. Belloc's concept of the "servile state" warned that free enterprise, left unchecked, leads to monopolies that undermine true freedom, replacing it with dependency on corporate or state structures (Belloc 1912).

This critique extends to the moral realm, where distributists claim free enterprise fosters alienation. Chesterton (1928) argued that the system's emphasis on profit over community severs the bonds of solidarity, replacing personal relationships with impersonal transactions. Belloc similarly saw the concentration of capital as a betrayal of subsidiarity, as small producers are squeezed out by industrial giants, leaving families and local economies vulnerable. For distributists, this distance threatens the CST vision of a society rooted in human-scale interactions.

Catholic defenders of free enterprise, such as Robert Sirico (2001) and Samuel Gregg (2010), respond that these objections misunderstand the system's potential when guided by moral principles. Sirico contends that competition, a hallmark of free enterprise, naturally curbs monopolies, preventing the concentration that distributists fear (Sirico 2001). He cites historical evidence of market-driven innovation benefiting the poor, arguing that wealth creation under free enterprise enables charity and justice outcomes aligned with the common good.

Gregg (2010) emphasizes subsidiarity, noting that free enterprise's decentralized nature empowers individuals and communities far more than distributism's idealized but impractical models. Large corporations, he argues, are not antithetical to Catholic teaching if they operate ethically; they can provide jobs and resources that small-scale systems struggle to sustain (Röpke 1958). This scalability ensures free enterprise can meet modern demands without sacrificing local initiative.

Furthermore, the charge of alienation overlooks the voluntary associations free enterprise enables. Catholic writers like Novak (1982) highlight how markets facilitate community-building through trade, entrepreneurship, and philanthropy—expressions of solidarity that distributism underestimates. The system's flexibility allows it to incorporate Catholic values, such as fair wages and worker rights, without requiring a return to pre-industrial structures (John Paul II 1991, p. 35).

Distributists' romantic vision, while appealing, lacks practical blueprints for a globalized world, as Medaille (2010) concedes. Free enterprise, by contrast, offers a framework that can evolve with moral guidance, addressing social distance through education and virtue rather than dismantling markets.

Within both the social encyclicals and distributist writings, there is a valid critique of economic theory itself. If the only purpose of economic exchange is to maximize one's own utility, then free enterprise will only serve purely economistic ends and true flourishing will be harmed, perhaps even when compared to alternative economic systems. But that world is a mathematically tractable fiction. The world we live in is one where human beings individually have moral intuitions and socially face the consequences of violating moral principles, and chief among those are the principles of human dignity and the common good, supported by additional moral principles such as subsidiarity and solidarity.

Can there be a more distributed form of free enterprise? The answer is, "of course". Voluntary exchange leads to a more distributed ownership of productive resources by its nature, but per Julian Simon,

the human mind is the ultimate resource. The more distributed human knowledge, the greater the subsidiarity. An order that disrupts monopolies of knowledge would both allow free enterprise to better serve the common good and offer stronger protections of human dignity.

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