Abstract: St. Francis was hostile to money and material wealth. He was also against exploitation or misuse of natural creatures and promoted voluntary poverty, sharing, and universal brotherhood. This paper examines the implications of St. Francis’s views for economics. It is argued that St. Francis’s views imply the substantive notion of the term “economic” and favor material sufficiency instead of financial efficiency. Pope Francis’s encyclical letter “Laudato si’” is consistent with and supports St. Francis’s views, which emphasize the frugality of consumption and acknowledging the intrinsic value of nature. The overall vision of St. Francis can be characterized as “The Commonwealth of Life” based on a God-centered, spiritual way of living and acting. The paper suggests that the models of a sufficiency-oriented community economy are relevant for realizing St. Francis’s legacy in today’s reality of climate change described by climate scientists as the “Hothouse Earth” pathway.

Keywords: frugality; intrinsic value of nature; community economy; Laudato si’

1. Introduction

St. Francis has been declared as “the patron saint” of ecology (White 1967). However, his views are at odds with economics as it is understood and practiced today. St. Francis was hostile to money and material wealth. He was also against exploitation or misuse of natural creatures. Instead, he promoted voluntary poverty, sharing, and universal brotherhood.

St. Francis’s hostile attitude toward commerce and materialistic affairs can be explained by his early “carrier”. He was born as a child of Pietro di Bernardone, a successful entrepreneur and prosperous silk merchant. Francis lived the typical life of a wealthy young man of his age. He was witty, gallant, delighted in fine clothes, and spent money lavishly. Then, his spiritual turn engaged him with “Lady Poverty” for life. He became convinced that money, wealth, and other materialistic values are unimportant in a God-centered life and that they are obstacles to achieve union with God and his creatures. He celebrated and even venerated poverty. He believed that absolute poverty (both personal and collective) is central for a life following Jesus Christ.

Nobel prize winning economist Thomas Schelling noticed that the true name for modern economics would be “ego-nomics” (Elster 1985). Modern economics promotes a culture of infinite consumption where desires are continuously generated for material things to acquire. The profit orientation of business enterprises requires creating market demands independently of the usefulness of products and services for human needs.

Modern economics aims to introduce markets as a device to solve social problems. The famous catchphrase “The Great Transformation” by economic historian Karl Polanyi (1946) refers to the global process of marketization, where the logic of the market mechanism comes to dominate the lives of people and their communities.

We can say that modern economics aims to maximize economic profit and in doing so it cultivates human desires, develops markets, and favors instrumental value and self-interest-based ethics. This is the exact opposite that St. Francis represented in his entire life. His views and life-practice reveal...
the refusal of money and material possessions, the denial of human desires, and the rejection of any violence against nature, the instrumental value of God’s creatures, and self-interest-based behavior.

The paper does not follow the research program of studying and interpreting Franciscan economic thought (e.g., Couturier 2007; Mitchell 2009). Rather, it explores the implications of Francis’s views for an alternative conception of the economy. Doing so, the paper uses concepts and models of contemporary sustainability economics and eco-theology to evaluate St. Francis’s views related to consumption, production, the use of nature, and human well-being. It is argued that St. Francis’s views, although they are sometimes rather restrictive, have a great heuristic power for creating community economy models based on frugality and sufficiency.

2. St. Francis’s Views on the Economy

In this section, St. Francis’s views on the economy is reconstructed using new approaches and insights from contemporary economic research.

2.1. The Substantive View of the Economy

St. Francis’s hostile attitude toward money, material possession, and commerce is not necessarily against economic activities per se. From economic history, we know of many activities and systems which were not based on commerce and did not aim at gaining money and accumulating material possessions. Ecological economist Gowdy (1997) argues that in 99% of its history, humanity survived without market activities.

There are two distinct uses of the term “economic”. One meaning is related to “oikonomia”, while the other is related to “commerce” (Polanyi 1957). Oikonomia refers to activities which satisfy the material needs of the family or the community. In contrast, commerce refers to the production of goods and services for trade at prices higher than the cost of production. Oikonomia has some built-in limits because the material needs of the family or the community are not infinite. Commerce has no such self-limiting principle, as it strives for money making which has no practical limits.

Based on the distinction between oikonomia and commerce, Karl Polanyi (1977) developed a universal conception of the economy which covers both market and nonmarket systems. He suggests that economic activities organized around “formal” and “substantive” meanings are radically different. The formal meaning of economic activities implies that profit is the final goal and resources appear as scarce means to achieve this goal. The substantive meaning of economic activities reflects that the main goal of economic activities is to provide people with livelihoods in interaction with the natural environment and the social communities.

St. Francis’s views are consistent with and supported by the substantive conception of the economy where economic activities serve the goal of satisfying the material needs of man based on interactions with other human beings and nature.

2.2. Frugality

St. Francis promoted material poverty to live a God-centered life and to achieve spiritual growth and richness. His ascetism can be criticized but voluntary simplicity or frugality appears as a precondition of human well-being.

Psychological research shows that contrary to the commonly held belief, materialistic value orientation undermines human well-being. Summarizing the main empirical findings, American psychologist Tim Kasser (2002, p. 22) states: “People who are highly focused on materialistic values have lower personal well-being and psychological health than those who believe that materialistic pursuits are relatively unimportant. These relationships have been documented in samples of people ranging from the wealthy to the poor, from teenagers to the elderly, and from Australians to South Koreans.”

In a less ascetic version, St. Francis’s strategy might be rational, suggesting that we should reduce our desires to the minimum. Above a certain “satisfying” level of material comfort, which
includes enough food, clothing, shelter, and medicine, it is better not to cultivate but to reduce our desires. Consuming less can bring major psychological benefits for the person, social benefits for the community, and ecological benefits for nature (Zsolnai 2017, p. 73).

2.3. Sufficiency and Community

St. Francis’s views favor self-sufficient communities. Community economic models represent substantive economic activities, where ensuring a sufficient life for community members is the main function.

The late Irish economist and community activist Richard Douthwaite (1996) studied dozens of community economy models worldwide and described the main characteristics of them as follows. Community economy uses locally available resources to satisfy the needs of people in the community rather than producing goods and services for far away markets outside the community. Community economy can be partly or entirely self-reliant in energy and food production and in other important fields. In this way, the functioning of a community economy is linked with ecological sustainability and resilience. Communities can achieve sustainable living by using the ecological niche available for them.

Table 1 shows the defining characteristics of community economy in contrast with private enterprise. The ultimate goal or “reason d’être” of private enterprise is profit making and the basic strategy to realize this goal is enclosure, that is, to make common resources private as much as possible. The organizing principle of private enterprise is market exchange and its typical governing form is hierarchy. The type of rationality employed is efficiency, which requires the production of maximal cash flow in the economic process. Ownership is typically private and the criteria of success is the wealth created for individuals.

Table 1. Community economy versus private enterprise.

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<th>Community Economy</th>
<th>Private Enterprise</th>
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<tr>
<td>Ultimate goal</td>
<td>Substantive value creation</td>
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<td>Basic strategy</td>
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<td>Organizing principle</td>
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<td>Governing form</td>
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<td>Criteria of success</td>
<td>Well-being of all parties</td>
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The ultimate goal of community economy is substantive value creation, that is, generating values without reference to the actual market prices. The basic strategy is the sharing of resources and the organizing principle is reciprocity among the members. The governing form is participation and collective decision making. The type of rationality employed is sufficiency, which implies producing not maximal but “enough” output for the community. Ownership is typically common and the criterion of success is the well-being of all parties.

As today’s globalized economy is dominated by private enterprises, it is not easy to create community economic arrangements. However, there are many well-functioning and innovative community economy models in the world that organize their economic activities in a place-based, substantive way and strive for ecological sustainability (Zsolnai 2002).

2.4. The Commonwealth of Life

The overall vision of St. Francis can be characterized as universal brotherhood of humans and other natural beings based on God’s infinite love. In today’s parlance, this vision can be formulated as “The Commonwealth of Life” (Brown 2015).

The human economy should be considered as an embedded part of natural ecology. This calls for radical environmental ethics influenced by St. Francis and his followers. St. Francis’s message for
today is that the intrinsic value of all of God’s creatures should be respected and our economic practice must reflect this recognition.

Although they represent different ontological assumptions, St. Francis’s views on the economy have important similarities with Buddhist economics. Both promote frugality in consumption and production and have a strong ecological orientation. However, there are important differences too.

Buddhist economics as a field of study begins with the British economist Ernest Fridrich Schumacher’s famous essay “Buddhist Economics” published in his book *Small Is Beautiful* (Schumacher 1973). He argues that the Buddhist virtue of “Right Livelihood” means the purification of character and liberation. He suggests that Buddhist economics is based on the central values of simplicity and nonviolence, where the optimal pattern of consumption is maximum well-being with minimum use of resources.

More recent contributions to Buddhist economics include works by Zsolnai and Ims (2006); Dalai Lama and Muyzenberg (2009); Zsolnai (2011); Magnuson (2016); and Brown (2017).

While St. Francis’s views imply sufficiency-oriented community economy, Buddhist economics suggests creating *mindful markets*. A mindful market is characterized by mindful consumption, mindful entrepreneurship, and mindful economic policy. Mindful consumption is: (i) wise, as it serves one’s true well-being; (ii) nonviolent, as it does not hurt other sentient beings; and (iii) compassionate, as it helps others to satisfy their needs. Mindful entrepreneurship applies Buddhist virtues such as generosity, nonviolence, compassion, contentment, wisdom, and mindfulness in business activities including production and trade. Finally, mindful economic policy aims to create shared prosperity in a sustainable world with reduced global suffering.

In comparison, we can say that St. Francis’s views applied to economics results in a materially more restrictive and less individualistic economy than the conception of mindful markets favored by Buddhist economics, which permits more use of market forces and requires “right livelihood” (but not ascetism) from people.

3. Discussion

The eco-theology of Pope Francis and new results from sustainability economics and climate science support St. Francis’s views related to the economy (Zsolnai 2017).

Understanding the role of human activities in creating the current ecological crisis and global environmental change, the encyclical “Laudato si’” (Francis 2015) proposes practicing frugality in consumption and recognizing the intrinsic value of nature.

The encyclical presents “an alternative understanding of the quality of life, and encourages a prophetic and contemplative lifestyle, one capable of deep enjoyment free of the obsession with consumption. (...) We need to take up an ancient lesson, found in different religious traditions and also in the Bible. It is the conviction that ‘less is more’”. It suggests to practice simplicity “which allows us to stop and appreciate the small things, to be grateful for the opportunities which life affords us, to be spiritually detached from what we possess, and not to succumb to sadness for what we lack”. (Francis 2015, para. 222) “Happiness means knowing how to limit some needs” (Francis 2015, para. 223).

Today, humanity as a whole functions in considerable ecological overshoot. This means that we transgress the ecologically sustainable and safe limits of the earth and use significantly more environmental resources than our fair earth-share would permit. Herman Daly argues that frugality must precede efficiency in economic functioning to achieve ecological sustainability because efficiency is not a solution for solving our environmental problems. “An improvement in efficiency by itself is equivalent to having a larger supply of the factor whose efficiency increased. More uses of the cheaper factor will be found. We will end up consuming more of the resource than before, albeit more efficiently. Scale continues to grow.” (Daly 2008, p. 222).
Thomas Princen (2005) suggests that we need to overcome the dominating market configuration of today’s economy which favors economic efficiency. We should move towards a more substantive configuration of the economy built on sufficiency. Practicing sufficiency requires more substantive organizational forms that radically alter the underlying structure of currently dominating configurations of formal economizing. This means introducing smaller scale, locally adaptable, culturally diverse modes of substantive economic activities (Zsolnai 2002, p. 661).

In accordance with St. Francis, Pope Francis urges us to accept the intrinsic value of nature. Natural creatures “have an intrinsic value independent of their usefulness. Each organism, as a creature of God, is good and admirable in itself; the same is true of the harmonious ensemble of organisms existing in a defined space and functioning as a system” (Francis 2015, para. 140).

Pope Francis underlines that “environmental protection cannot be assured solely on the basis of financial calculations of costs and benefits. The environment is one of those goods that cannot be adequately safeguarded or promoted by market forces” (Francis 2015, para. 190).

Modern mainstream economic and business practices do not presuppose the intrinsic value of nature. They evaluate environmental assets and services by using the market value attached to them. “Willingness to pay” surveys or shadow price techniques are employed to determine the price of natural entities. However, the total value of natural entities cannot be calculated merely on the basis of their material usefulness for humans. Price is a poor and often misguiding model for assessing the value of natural entities. Scholars demonstrated that the value of natural entities cannot be determined by the market mechanism (Zsolnai 2017, p. 74).

In the light of the reality of climate change, St. Francis’s views are more relevant than ever. Leading climate scientists explored self-reinforcing feedback mechanisms of the Earth System that can generate a “Hothouse Earth” pathway characterized by “much higher global average temperature than any interglacial in the past 1.2 million years” and “sea levels significantly higher than at any time in the Holocene” (Steffen et al. 2018, p. 8252). We should try to stabilize the Earth System by actions including the “stewardship of the entire Earth System (biosphere, climate, and societies)”, “decarbonization of the global economy, enhancement of biosphere carbon sinks”, and “behavioral changes, technological innovations, new governance arrangements, and transformed social values” (Steffen et al. 2018, p. 8252).

The Hothouse Earth trajectory has been created by the so-called “Great Acceleration”, which happened in the last few decades. Since 1950s, major socioeconomic trends caused considerable deterioration of the Earth System (IGBP 2015).

The Great Acceleration has been largely dominated by the private enterprise system which favors profit making instead of substantive value creation, prefers enclosure of common resources over sharing, uses market exchange instead of the circles of reciprocity, employs hierarchy, and suppresses participation, strives for financial efficiency instead of material sufficiency, values private property over common property, and produces individual wealth instead of serving the well-being of all parties.

To steer away from the Hothouse Earth pathway and move toward a Stable Earth requires reducing the material size of the economy via some form of ascetism and building ecological, social, and cultural resilience through sufficiency oriented community economy. St. Francis’s view are not as impractical as they seemed to be for centuries.

4. Conclusions

The current crisis the Earth–Humanity relationship indicated by climate change, biodiversity loss, global inequality, and welfare deficiencies calls for radical solutions. An integral understanding of the world represented by St. Francis can help us realize that economic activities are systemically connected with ecology, equity, and justice.

St. Francis can be our hero in the much-needed sustainability transition. His life indicates that sacrificing material wealth is not a real sacrifice but may lead to pure goodness and joy even in the field of economics.
Funding: This research received no external funding.

Conflicts of Interest: The author declares no conflicts of interest.

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