The Urgent Need for Virtuous Capitalism

Religion: The juncture of socialism's demise and the growth of poor countries calls for a new kind of democracy.

MICHAEL NOVAK, a scholar in the field of religion and public policy, is the winner of this year's Templeton Prize for Progress in Religion. The following is adapted from remarks he made Tuesday at the announcement of the prize, worth close to $1 million.

I have tried to work out my theology of economics while keeping the poor in the forefront of my attention—first of all, the poverty of my own family in its beginnings and in Central Europe today, but even more urgently the unnecessary poverty of Latin America, Asia and elsewhere.

Under Providence, it seems that the third wave of capitalism, like the third wave of democracy, is now beginning to gather momentum in predominantly Catholic areas of the world—from the Philippines to Poland, from Chile to the Czech Republic (it saddens me that the current leadership of Slovakia is still wed to the socialist model, spelling continuing hardship for its people).

Thus it seemed useful for me to attempt to articulate a theory of capitalism and democracy that draws on the riches of the Catholic tradition, just as earlier generations of writers had thought out such theories in predominantly Protestant terms. For example, Max Weber's "The Protestant Ethic and the Spirit of Capitalism," which millions of students have read in college, stresses the role of the individual and the tyranny of bureaucratic reason ("the iron cage"), while overlooking the distinctive capitalist social invention, the business firm held together by voluntary consent and teamwork, virtues strongly rooted in Catholic tradition.

Thus, if I had one wish to express on this occasion, it would be that the poor of the world benefit by it, through having attention focused on the systemic issue: Which sort of system of political economy is more likely to raise the poor out of poverty and protect their dignity as agents free to exercise their own personal economic initiative and other creative talents?

It is urgently important to get the system right, and through trial and error to get it to work according to the habits and