

Catholic Social Teaching and the Economy

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From its infancy, the Christian Church has committed itself to justice in the world. It has a long tradition of invoking the social responsibilities that lie at the heart of the Gospel: the call to respond positively in times of human crisis, to be just participants in the world, to confront injustice in its many guises. Throughout the centuries the Church has been a “first responder” when faced with human suffering and has often provided a counter-cultural voice in times of crisis and chaos.

But what we call the *social doctrine* of the Church is a more recent development. This refers to the various documents compiled over the past 130 years or so that have formulated the core teachings, principles, and values of the broader Christian social tradition. In other words, the social doctrine captures in a more coherent way the theological foundations of our social obligations in the world. The *Compendium of the Social Doctrine of the Church* explains: “The Church’s social doctrine is an integral part of her evangelizing ministry. Nothing that concerns the community of men and women – situations and problems regarding justice, freedom, development, relations between people, peace – is foreign to evangelization, and evangelization would be incomplete if it did not take into account the mutual demands continually made by the Gospel and by the concrete, personal and social life of man” (n.66). This mandate to go out into the world, to be a positively transformative presence, is reiterated by Pope Francis, when he says: “I prefer a church which is bruised, hurting and dirty because it has been out on the streets, rather than a church which is unhealthy from being confined and from clinging to its own security” (*Evangelii Gaudium*, 49).

So does this body of teaching continue to speak to our world today?

More relevant than ever?

We have witnessed over the past number of years the rise of what we might call “narrow nationalism.” This is evident in the United States, Great Britain, Australia, as well as many continental European countries. It is characterized by a severe anti-immigrant rhetoric, an anti-Muslim focus, and a narrow sense of the self. Divisive elections and divided societies, as well as a growth in extremism in both politics and religion have become features of our world. It is fueled often by genuine anxiety, uncertainty, and fear about the future. As Kenneth Himes notes, “Almost 70 percent of white working class [Americans] believe that the American way of life needs to be protected against foreign influence and that America is losing its culture and influence

... Eighty-six percent of white voters who prefer social order and cohesion over personal autonomy and diversity voted for Trump.”¹

In addition to this crisis of identity, economic inequality and poverty are increasing throughout the world. The global population currently stands at 7.7 billion people, one billion of whom are living on less than one dollar a day, and over half of whom are living on less than five dollars a day. Rising global inequality contributes to increased instability, rapid environmental degradation, and the mass displacement of persons.

These realities are eroding a sense of a common humanity, of global solidarity, of the universal common good. Catholic Social Doctrine, it is argued here, is needed now more than ever, contributing a valuable, robust voice in public discourse. There is, of course, a real tension between the local and the global, between people with diverse, multiple identities and loyalties. But as David Hollenbach explains, “Appreciation of the common humanity of all people must not only support the unity of the human family but must also respect the differences among people, cultures and nations.”²

Catholic Social Doctrine and the Economy:

Given the challenges of economic inequality and injustice, what then does Catholic Social Doctrine have to say about economics? From *Rerum Novarum* onwards, magisterial teaching has addressed issues relating to workers’ rights, economic injustice, trade and the global economy. Most recently in *Evangelii Gaudium* Pope Francis outlines an economic vision centered around several fundamental points. He rejects what he calls an economy of exclusion, the new idolatry of money, financial systems that rule rather than serve, and economic inequality that spawns violence.³ In so doing, he draws from the riches of his predecessors, notably Paul VI, John Paul II and Benedict XVI, and confronts prevailing economic assumptions.

Francis is deeply concerned about economic systems that place profit before people. “Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape” (EG n.53). The “throw away culture” of today, Francis warns, is even spreading to how we see human beings. The commodification of the person leads some to think that people can be discarded once their economic value has been exhausted. “Human beings are themselves considered consumer goods to be used and then discarded. We have created a ‘throw away’ culture which is now spreading” (EG, 53). And in one of the most important passages of the document, Francis identifies a root cause of current economic injustices: “The current financial crisis can

¹ Kenneth Himes, “A Nation in Crisis: Trump as Cause and Effect”, in *Building Bridges in Sarajevo: The Plenary Papers from CTEWC 2018*, edited by Kristin Heyer, James Keenan, Andrea Vicini, (New York: Orbis, 2019), 118.

² David Hollenbach, “Who Is Responsible for Refugees?”, available at: <https://www.americamagazine.org/issue/rights-refugees>

³ See *Evangelii Gaudium*, sections 53 and following.

make us overlook the fact that it originated in a profound human crisis: the denial of the primacy of the human person!”

The Pope is here echoing John Paul II who spoke of the “error of economism.” The error, for John Paul, was to focus exclusively on profit and material possessions to the neglect of the human person. False gods, namely materialism and consumerism, suggest that happiness can be found in *having* rather than in *being*. Tackling the attitudes, assumptions and lifestyles underlying this human crisis is a necessary part of tackling the economic imbalances of our time.

Case Study: An Economy that Excludes? Ireland’s Housing Crisis

Perhaps by way of illustration we might consider the housing crisis in Ireland. This is one illustration of what we mean by an economy that excludes. We find many single-income and double-income families who are without a home, unable to rent or to buy in a housing market that is far beyond their reach. This is not exclusively an Irish problem of course, but it does illustrate the manner in which economies might not be serving the good of the human person.

According to the Irish Government’s Department of Housing, Planning and Local Government, 10,264 people in Ireland are classified as homeless. Not included are people who are couch-surfing, people in prison or hospital, people residing in domestic violence refuges, and so on. The figure does include 3,749 children and 4,628 young people under the age of 24.⁴ Moreover, *Focus Ireland* notes that the number of homeless families has increased by 200% since May 2015 alone.⁵ Exorbitant rents are making it increasingly difficult for families to remain in rented accommodation, and the price of housing continues to rise year on year.

Such is the scale of the problem that the *New York Times* reported on the crisis, noting that Dublin has become one of the most expensive cities in which to rent, ahead of Tokyo, Sydney, and Singapore. Furthermore, many predictions suggest that rents will increase by an additional 17% over the next three years. The implications are stark. As Maynooth University lecturer Rory Hearne explains: “a lot of young people are now realizing that they will never own their own home, and that is a particularly terrible outlook when you live in a country where a house is usually your main asset for retirement.”⁶

But is this situation a *fait accompli*? Is this simply free-market capitalism at work, with market forces dictating the price of housing as they might any other commodity? In response, the Irish Bishops’ Conference published a Pastoral Letter on housing in

⁴ These figures are taken from the Peter McVerry Trust website, accessed on July 30th, 2019, and available at: <https://pmvtrust.ie/news/facts-and-figures/>

⁵ <https://www.focusireland.ie/resource-hub/about-homelessness/>

⁶ <https://www.nytimes.com/2019/08/08/world/europe/housing-crisis-ireland.html>

2018.⁷ In it they make several important contributions to the current debate, and broaden the conversation beyond narrow economic, market-driven rhetoric. They reiterate the role of government in protecting the common good and insist that housing is not just a commodity, but is crucial for human flourishing. They warn against seeing property only as a way of maximising profit, and they insist that the economy is meant to serve the person and the common good, and promote human dignity.

The Bishops argue that safe, affordable and appropriate housing is a *human right* and not simply a commodity, and that the provision of housing cannot be left exclusively to market forces.⁸ To think of housing purely as a commodity or an investment opportunity leaves it vulnerable to the crude workings of market forces. If we do this, we create situations where this most basic human right is denied to millions of people around the world. Housing is something fundamental to our wellbeing, our safety and our happiness, and as such plays a pivotal part in human flourishing. It affords us requirements for living well.

We can draw a parallel here with what popes have said about labour. In *Rerum Novarum*, Pope Leo XIII argued that labour must not be treated as a commodity, without rights or protections. He called for a just wage, thereby condemning the practice of the free contract wage so prevalent at the time. Similarly, in *Laborem Exercens*, Pope John Paul II insisted that the subjective dimension of work (the human person) always has priority over the objective dimension (the products or outcomes of our work). For John Paul, the value of work lies in the fact that it is a person who is engaged in it, that work is intrinsically good, and not because of what workers produce or contribute to the economy. The economy, he explained, must always serve the person.

We might apply these arguments to housing. Housing's value is derived not from bricks and stone, but from the more fundamental human good that it serves. In other words, we should not see property as an end in itself or as a commodity, but rather as a means to a greater human end. The Irish Bishops say that the right to adequate housing plays an essential part in the realisation of several other rights, such as the right to privacy, freedom of movement, freedom from discrimination, personal security, health, education, and the right to a decent and safe environment.⁹ Furthermore, they condemn the manner in which housing is used merely to make vast profits: "The making of enormous profits through speculation in land, in housing developments and in maintaining high rents is particularly damaging to society ... We

⁷ Irish Catholic Bishops' Conference, *A Room at the Inn? A Pastoral Letter on Housing and Homelessness*, (Dublin: Veritas, 2018).

⁸ *Ibid.*, 9.

⁹ *Ibid.*, 17

must all work to change this toxic situation; the housing ‘market’ must serve the people and society rather than further advance the financial interests of a minority.”¹⁰

Within the Christian tradition, the Church’s social doctrine has consistently argued for a just ethical framework for judging our economic structures. Economics, employment policies, access to housing, and other social realities should be evaluated by reference to the common good, human dignity, and social justice. To think about market forces independently of any reference to social responsibility or to human rights can have disastrous human consequences.

Economics and the Environment

The relationship between economics and the environment is something that needs greater development within social doctrine. In an article entitled “Why economic growth is not compatible with environmental sustainability”, Federico Demaria outlines several challenges that arise here.¹¹ He cites Kenneth Boulding, who rather starkly notes that: “Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist.” And here is the problem: “economic growth is not compatible with environmental sustainability ... Increase in GDP leads to increase in material and energy use, and therefore to environmental unsustainability.”¹²

If we are to meet climate targets, current energy levels must be reduced and most of the world’s remaining fossil fuels need to be left in the ground. Citing climatologists Kevin Anderson and Alice Bows, Demaria explains that what wealthier nations must do in the short term is to adopt a de-growth strategy. On a hopeful note, he explains that ecological macroeconomics is starting to address some of the difficulties that this would pose, albeit that this is a relatively new dimension of economic study. But what this requires of us is a radical re-imagining of how we do economics as well as the political will to enforce it.

In *Laudato Si’* Pope Francis also calls for a re-imagining. The ability to morally imagine is a crucial step in all social progress: unless we see the possibility of a better world, we will not try to achieve it. For Pope Francis, we must understand the ecological crisis not simply as one more crisis in our world, but as intimately connected to many other justice issues. “We are not faced with two separate crises, one environmental and the other social, but rather one complex crisis which is both social and environmental” (LS, 139). And he is clear: “Caring for ecosystems demands far-sightedness, since no one looking for quick and easy profit is truly interested in their preservation ... the cost of the damage caused by such selfish lack of concern is much greater than the economic benefits to be obtained” (LS, 36).

¹⁰ Ibid., 19

¹¹ Federico Demaria, “Why economic growth is not compatible with environmental sustainability”, *The Ecologist*, 22 February, 2018.

¹² Ibid.

Questions of intergenerational justice and just transition need greater articulation with the Church's social teaching, but the beginnings of that conversation have at least taken root. Debates about economic justice must incorporate an awareness of the environmental impact of global economics, and equally our climate justice response inevitably needs a closer look at emerging issues such as "green finance" and how to grow economics in a sustainable, responsible manner.

Conclusion

In many respects Catholic Social Doctrine is counter-cultural. It seeks to inspire us in our efforts at creating a better world, a different world, a world not bound by convention or the status quo, a world where the dignity of all people is promoted and protected. Catholic Social Doctrine does not promise a utopia, a perfect world without sacrifice, loss, or compromise. It cannot, for such will never exist. But it does believe that something *better* is possible, and that the pursuit of justice is always an urgent demand of the Christian disciple.