



Catholic Social Teaching and the Market Economy

Edited by Philip Booth

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■ reviewed by Stephen Copp

This is an important book for those with a serious interest in matters of faith and business. Whilst a book on Catholic Social Teaching might appear primarily relevant to Roman Catholics, there are good reasons why this should be read by Christians of other persuasions too. First, the Roman Catholic Church possesses a substantial body of teaching on social issues, commencing with *Rerum Novarum* issued by Pope Leo XIII in 1891 and complemented by 20 further major church documents. Second, the Catholic Church is a truly trans-national church and therefore less prone to cultural relativism in its teaching. The scope of this book is hard to parallel. It addresses broad concerns as to the role of the state in a market economy in areas such as taxation, education and aid as well as

questions foundational to business, such as the link between business and the common good, consumer culture, entrepreneurial status and wage policy. Its chief significance lies in how it challenges many of the myths and assumptions that exist in Christian thinking on economic and political issues.

Guiding principles

The book's main concern is with how a market economy should be conducted in the light of Catholic Social Teaching. Two principles which have emerged in papal teaching, subsidiarity and solidarity, pervade its analysis. They are discussed by Denis O'Brien in chapter 10. Subsidiarity is the principle that responsibilities should be devolved to the lowest viable level, the individual where possible. Solidarity is the principle that humankind has a need and duty to bind together in common action to achieve aims that cannot be achieved

by individuals. Whilst these may be less familiar to non-Catholic readers, their biblical foundations are readily apparent. Subsidiarity, for example, is based on the Christian concept that the individual is made in the image of God, being unique, born with free will and of infinite value to God. The application of these principles has major implications for the role that should be played not only by the state and business but also by individuals, families and other community associations.

The role of the state is addressed by Samuel Gregg in chapter 11. Gregg's argument is that a major achievement of the early Christian church was the "de-sacralisation" of the Roman state: in other words, Caesar was not God and might not behave as if he were. Accordingly, the Catholic Church cannot accept the concept of a state with no theoretical or practical limits "whether the absolutist claims are made by

an eighteenth-century monarch, a nineteenth-century Jacobin, a twentieth century Bolshevik or a 21st-century radical secularist” (p.257). Primary responsibility for economic activity lies with individuals and other associations, with coercive action by the state a last resort.

The role of business is addressed by Robert Kennedy in chapter 7. He observes that a “sustained and comprehensive consideration of the role of private enterprise” has been missing from Catholic Social Teaching other than for a general acknowledgement that “it has an important role to play in the community” (pp.165-6), a conclusion that might find an echo in other Christian denominations. However, he argues that the elements of such a theory are present and simply need to be drawn together. In this chapter he discusses one angle – the relationship of business to the “common good” of society, finding business to be good and legitimate both in its own right and as one of the ways in which the common good can be achieved.

The state as an instrument of Christian social policy?

The Christian church often appears to have a touching, if selective and misguided, faith in the ability of the state to act as an instrument of Christian policy. The fallacy of this is demonstrated in a number of chapters of the book.

Philip Booth in chapter 5 robustly criticises the tendency to regard coercive taxation as an extension of charitable

giving, arguing that the church supports voluntary action. In particular, he singles out for criticism the use of language such as “generous” or “compassionate” to describe



actions of government, where there is no genuine act of love, rather an alternative mechanism for resource allocation. Booth is likewise highly critical of the case made for aid in chapter 3, “Aid, governance and development”. The sort of aid with which Booth deals is tax-financed government-to-government aid to transfer economic resources to the developing world. Such aid, it is argued, can be harmful, for example, rewarding government elites in countries where such elites keep their people poor. In contrast, charity provided through bodies which are genuinely independent of political systems may well do much good.

Robert Sirico in chapter 2 argues for “Rethinking welfare, reviving charity: a Catholic

alternative”. He observes how governments are effective as an instrument of coercion but not usually as a force for compassion. Government welfare leads to the growth of bureaucracies with all their undesirable tendencies; private charity can better identify need, avoid dependency and remain accountable to donors, whilst needing fewer resources to achieve results. Dennis O’Keefe in chapter 9, “Education and the Catholic Church in England and Wales”, argues that education is a private, rather than a public, good, criticising the effects of public finance on educational decision-making both on the supply and demand sides.

Christians from all persuasions are likely to find these chapters challenging. On a personal level, they should stimulate thought as to how Christians, individually, through their families and through their church communities should take back the areas of Christian compassion seized by the state. But they also have great significance for the political dimension. Should Christians support political parties which, in effect, claim that the state should have a near monopoly on such compassion – but cannot deliver?

Faith in business?

The Christian Church – perhaps in equal measure to its faith in the state – tends to have little faith in business, typically stigmatising it as associated with selfishness, greed and the pursuit of ephemera.

In the first chapter, "Introduction: understanding Catholic Social Teaching in the light of economic reasoning", Philip Booth provides fresh thinking on this problem. He argues that the market economy appears a much cruder institution than it really is because of the extent to which the state has taken from families responsibility for providing their own essential services in areas such as housing, pensions, insurance, healthcare and education. It is because of this that the market economy, to Booth, resembles a process for earning money for conspicuous consumption – people are simply not allowed to take decisions about their less overtly material needs.

The issue of consumerism is taken further by Andrew Yuengert in chapter 6, "Free markets and the culture of consumption". He argues that Catholic Social Teaching recognises the effectiveness of markets in meeting consumer preferences, but has reservations about the content of those preferences, and the role of advertising in distorting them. Ultimately, whilst consumerism is simply an expression of original sin, a materialistic, secular world-view, Yuengert also sees it as difficult to address since government restrictions (e.g. Sunday trading laws) would conflict with subsidiarity. Yuengert sees the family, supported by church and

community, as the solution, with the state's role being to safeguard the family.

The emphasis on consumerism might appear negative towards business, yet the supportive nature of Catholic Social Teaching is seen in chapter 8 where Anthony Percy explores "The entrepreneur in the life of



■ ■ ■ Pope John Paul II ■ ■ ■

the Church and society". Percy traces the church's affirmation of entrepreneurs from the New Testament parable of the talents, through Church Fathers such as Basil the Great, to Pope John Paul II. Significantly, he sees in John Paul II's teaching support for entrepreneurship not just for what it can achieve (e.g. wealth generation can alleviate poverty), but because it comes closer to recognising that people are made in the image and likeness of God. This affirmation of entrepreneurship is important. Christian churches are often overly cautious towards risk-taking,

notwithstanding how this can be a transformative power for good.

These chapters are again likely to prove challenging to many Christians. If business is regarded with relative disdain in some Christian circles, it is because business has progressively been removed from supplying some of those things which matter to people most. There is no biblical justification for this and the role of business should be allowed to expand.

Conclusion: free markets and Christian calling

The "free market" emphasis of this book may come as a surprise to many Christians living in the UK who have become accustomed to turning to the state for solutions to problems as diverse as poverty, aid, education and, of course, in business. The dangers of such reliance can easily be seen, for example, in the recent debate as to the prospects for Catholic adoption agencies in the light of equality legislation. There is a real risk in the UK that the state is marginalising the ability of individuals, their families and their church communities to demonstrate their Christian calling to exercise compassion. Business is correspondingly marginalised and stigmatised for its role. This book is a welcome "wake-up call". ■

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