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An acceptable face for capitalism .

Clifford Longley.

With the all-conquering global free market seeming to trounce all competing social and economic ideologies, a moral and practical framework looks increasingly necessary. Could Catholic social teaching fill the gap? .

In a page-long article in The Observer in June, Will Hutton, a doyen of British writers on economics and chief executive of the Work Foundation, heaped copious praise on the Vatican for daring to ask the questions that politicians are refusing to ask - questions such as: how can capitalism and its market-driven dynamic be made to serve the good of everyone and not just the wealthy? Hutton had just taken part in a conference in Rome convened by the Centesimus Annus Foundation, and was clearly taken by surprise to find how much overlap there was between Catholic social teaching and his own economic ideas, especially his passionate advocacy of stakeholding. How you give modern economic systems a human face was one of the questions posed. Would that Gordon Brown was asking equally fundamental questions, he mused, but, rather than upset the City, this British Labour Prime Minister would prefer to lose one of his own fingers.

"A lot of businessmen and women in Britain share these worries," he wrote, "but our discourse rarely allows them to surface. Any politician who dares to voice them rather than be a cheerleader for the superclass, rampant profit-making and 'flexible' wages risks the ludicrous sobriquet of being anti-business." In the field of Catholic social teaching - or "Catholic social thought", to use an American expression for the more speculative side of the business - there are even more radical questions around than these. One of them, a little surprisingly perhaps, is simply this: "Could the economic and cultural criteria identified in the tradition of Catholic social thought provide an effective path to sustainable prosperity for all?" This was the central proposition round which a four-day conference took place in Los Angeles recently, organised by the Institute for Advanced Catholic Studies, which is attached to the University of Southern California. (I was one of the organisers, and wrote the keynote document that set the stage.) Just to ask the question represents a change of gear from the more usual method of using Catholic social teaching as a tool for critiquing other economic systems, free markets in particular but also Marxism. It means in effect putting it forward as a system in its own right, and adopting the tradition's careful endorsement of wealth creation - subject to the common good - as a reliable route to economic and social progress. "Sustainable prosperity for all" is the holy grail of political economy, which all systems boast they can produce while none has done so.

The tendency for economic systems eventually to self-destruct is notorious, as economies in the West seem determined to demonstrate once more. Is their fatal flaw the fact that they are using a wrong model of human nature, an abstraction called homo economicus (or in an earlier period, Marxist man) which bears little resemblance to the real people who work in real economies? Instead of bullying people to behave more like the theory says they should and wringing one's hands when it all goes wrong, why not design a system around a true appraisal of human nature? It was a thought dear to the heart of Pope John Paul II, who saw the failures of Marxism and of "savage capitalism", as he called it, all too clearly.

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It was not just the results of these economic systems that failed these analysts' ethical criteria, but their internal methodology, especially the deterministic assumptions these systems made about human nature - that we are all fully informed, rational individuals who act entirely in our own interests. Caron saw these dissenting economists as saying things not far from what Catholic social teaching tradition had been saying in papal social encyclicals stretching from *Rerum Novarum*! of 1891 to *Centesimus Annus* 100 years later. Nor is this so surprising. Human nature is the common factor.

Through its natural-law tradition largely focused on the teachings of Thomas Aquinas and augmented by biblical insights, the Catholic Church has developed a profound understanding of human nature in all its glories and all its flaws.

Economists such as Sen and Stiglitz, observers of human nature coming from an Enlightenment Western tradition, had reached similar conclusions. Caron's proposal was to bring these two schools of thought together, to let the economists talk to the theologians to see how far they would agree. I have to say that by the end of the four days it was difficult to tell them apart.

Others have noticed the connections too, including of course Will Hutton. One of the leading participants at the Los Angeles conference was Professor Stefano Zamagni, Professor of Economics at the University of Bologna, who is close to the Pontifical Council for Justice and Peace. He was instrumental in bringing various economists, including Amartya Sen and Joseph Stiglitz, to the Vatican prior to the publication of *Centesimus Annus* in 1991. He is also close to those in the Curia who have been handling a new social encyclical to be published by Benedict XVI.

While the True Wealth of Nations conference was representative of much mainstream Catholic American thought, there are other players in the field, notably the right-wing think tank called the Acton Institute. The main message of that institute, which is attempting to spread its presence worldwide from its base in Grand Rapids, Michigan, seems to be that American capitalism as conceived by Republican neoconservatives is as close as it is possible to get to a model of capitalism that Catholicism could approve of - an idea that greatly appeals to certain wealthy Catholic businessmen in the United States and indeed to the whole ideology of "Americanism" that the neocons promote.

The Acton method seems to consist of emphasising bits of the tradition, such as several pro-business passages in *Centesimus Annus*, and ignoring those bits that were uncongenial, for instance, parts of *Sollicitudo Rei Socialis*, published in 1987, which were described by the neocon Wall Street Journal as warmed-up Marxism. That has undoubtedly made some in the Vatican nervous about how any new pronouncement might be received in America, and the Vatican has become a regular port of call for right-wing lobbyists.

Acton, which elevates personal and economic freedom to one of the highest ideals and

condemns "Big Government" as the ultimate enemy, has not moved far from the anti-social-justice rhetoric of Friedrich Hayek. It is consequently anti-welfare, anti-tax and anti-common good. It has pitched in against the American bishops' conference, which has criticised George Bush's tax-cutting strategy as highly damaging to the poor. This debate is not just theoretical. Issues at the heart of the coming American presidential election are involved. It is an ideal time, one might think, for some clear exposition of the Church's social thinking in an American context.

The origins of the Los Angeles conference go back some years. Paul Caron was already involved with the Institute for Advanced Catholic Studies, which has a number of projects at the leading edge of Catholic thought, such as promoting Muslim, Christian and Jewish theological dialogue. The institute, though independent, is the brain-child of Fr James Heft, former chairman of the board of directors of the Association of Catholic Colleges and Universities, and it has the support of the Archbishop of Los Angeles, Cardinal Roger Mahony. bishops' conference, which has criticised George Bush's tax-cutting strategy as highly damaging to the poor. This debate is not just theoretical. Issues at the heart of the coming American presidential election are involved. It is an ideal time, one might think, for some clear exposition of the Church's social thinking in an American context.

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To kick-start the economics project, Caron recruited me, as someone who had helped draft the 1996 document "The Common Good and the Catholic Church's Social Teaching" for the Bishops' Conference of England and Wales, and played a similar role in the production of the report "Prosperity with a Purpose" for Churches Together in Britain and Ireland in 2005. He also brought on board Professor Daniel Finn of St John's University, Minnesota, who is both an economist and a theologian, and at the time was president of the Catholic Theological Association of America.

Caron has his own connections with the Centesimus Annus Foundation, and joint projects between it and the True Wealth of Nations project have been mooted.

There is a common view that market forces can be harnessed to good ends, that it is right for Governments to intervene when markets fail as they often do, and that a preferential option for the poor is an inescapable obligation of the Gospel.

Wealth creation in all its complexity is both a human delight and a human duty, part of the continuation of the work of creation begun by God and entrusted by him to mankind's earliest ancestors.

We were not without human resources for our conference. Catholic social thought is a lively academic discipline on American Catholic campuses, which are intellectual environments where religion has not been marginalised. My theory is that what gives Catholic social teaching an extra edge in America is the absence there of any significant Marxist or socialist tradition, ideologies which in their prime in Europe and elsewhere offered a robust challenge to free-market capitalism and shaped its behaviour. With the departure of those competing ideologies, European societies may also need something like Catholic social teaching as a counter-weight to run-away market forces - as Will Hutton seemed to see.

And the result? Nobody took serious issue with our central proposition that the foundations of Catholic social thought could be used to find a path to sustainable prosperity, though a long list of loose ends was identified - a definition of the "common good" being among the most elusive. All the participants expressed themselves fascinated by the coherence that emerged. Indeed

there was enough of it to justify turning the conference papers into a book, and an international publisher is being sought.

Will it make any difference? That depends on whether it is an idea whose time has come, or a byway of interest only to a few intellectuals. My sense is that it could well be the former. Adam Smith's *The Wealth of Nations*, published in 1776, launched the subject of political economy as we know it today, and few books have had greater impact on Western culture. The *True Wealth of Nations* project is a modest attempt to take the argument further. If it meets a need, it will succeed.

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