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Ethics and Economics: An Introduction to a Christian Document Now Little Remembered

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Each modern generation imagines itself singular, its problems unique and its proposed solutions almost unprecedented in human affairs. In some cases, they may be right. Although the ultimate effects of truly profound changes may not be apparent to those present at their beginnings (who knew what the consequences of Herr Gutenberg's moveable type would be?), the development of steam engines was seen to be important in "real time." (hence William Blake's talk of "dark, satanic mills). Those now growing into adulthood may also have some credible reason to think that no previous generation has experienced life in quite the same way as they are experiencing it now.

We are, after all, trapped in a global communications net which compresses exotic events and brings them to our television sets. When I was young, no one in my neighbourhood knew what a tsunami was, let alone how to spell it. We were also unaware of jihadists. We knew something of the poverty of the "Third World," but it was apt to come to us through the words of missionaries and not to be visible on the nightly news.

As for direct experience, my uncles spoke of fighting in World War I and my cousins of World War II. There were also lingering memories of the Great Depression, and my father was able to describe the influenza epidemic of 1918. I can even recall hearing of the death of the last American veteran of their Civil War which was, for Americans, a dramatic and life-changing occurrence. Yet, there is something about the contemporary spate of miseries whether from natural disaster or human folly and also the transformative cultural processes from the spread of mass cultures to technological innovations that makes our digitized, globally warming, HIV/AIDS-infected, rap-singing, Nike-swooshing, E-mailing and chronically texting, economically melted and bubble-bursting age of frantic, frenzied and frenetic discontent and intermittent rapturous hope seem genuinely different.

That difference, I think, is partly one of electronic communications technology. Oodles of information are available about any of the challenges now confronting our species. We are able to access streaming data on the price of oil, watch polar bears swim for their lives in the Arctic, observe starving children too weak to brush the flies from their faces and consider the stresses on the latest pop star to self-destruct in public – all without moving from our television or computer screens. Whether anyone absorbs such information or is

able to process it in such a way that informed discussions and consequent actions are possible is, of course, another matter.

Even more important than the glut of information that arrives haphazardly and hurriedly, without context or chronology and in numbing media jolts are the ways we are taught to respond to contemporary issues. More and more, fundamental questions of ethics and morality are set aside as we seek to reduce our difficulties to manageable sizes, locate them in discrete packages and make them the objects of instrumental, technical reason.

Do we not speak endlessly about problem solving? Do we not suppose that one of our deep responsibilities as teachers is to enable our students to engage in critical thinking? Do we not promote logical templates for thought and check-lists of accountability?

In fact, we are besotted by the notion that there are predefined methods for overcoming even the most daunting dilemmas and resolving even the most recalcitrant conflicts. When we falter, we try to “think outside the box,” but we remain preoccupied by its contents. At most we strive for a different perspective; no one suggests overturning and emptying the box. We tell ourselves that all we need is the appropriate expertise and technological innovations: we require epidemiologists to plot and medical researchers to cure the next pandemic; military strategists and intelligence gatherers to thwart the pervasive terrorist threat; clever energy-sucking devices to tap the resources of the Sun and the tides, and clean coal technology to buy us some time. And, as Wall Street implodes, manufacturing slows and the quality of our material life sinks down to levels unseen since, perhaps, the 1990s, the demand for practical, pragmatic answers grows and we become impatient if solutions are not instantaneously found.

As we witness the novelty of our current circumstances, I would like to insert a document into our virtual rear-view mirror. In the early 1980s, it was not sub-prime mortgages and toxic assets, bank failures and factory closures that crowded the pages of the business section of the daily newspapers. It was something called “stagflation,” a noxious combination of inflationary pressures on currency and stagnating levels of production. Still, the effects were roughly similar, and the growth of unemployment was almost identical. Politicians called upon both academic economists and the leaders of business and industry to come up with a plan to solve the crisis, just as our leaders are doing today.

In the midst of the emergency, however, something else happened. The bishops of the Roman Catholic Church in Canada came out with a bold document. Excise the references to God, Jesus and the Gospels and you would find a rather radical economic manifesto. Keep them, and you will read a test of faith, hope and charity. Among other things, the Bishops proposed that the interests of labour be put ahead of the interests of capital, that the dignity of

work supersede the quest for technology, that economic justice be recognized as the overarching social goal and that the “preferential option” be for “the poor, the afflicted and the oppressed” be exercised in all actions. In short, these high-ranking members of the largest religious denomination in Canada spoke eloquently about making the economy about morality and not money.

In time, prosperity of a sort returned. Whether the recovery was a predictable consequence of the business cycle or won on the backs of the poor, the working and the middle classes through draconian cut-backs in social services and other efficiencies is a matter of debate. What is clear, however, is that the counsel of the clergy was totally ignored.

Now, we appear to be in an even larger mess. What may finally distinguish this generation from those of the past is the absence of a compelling moral voice. We will, of course, find villains where we can. We will identify this individual or that group as especially blameworthy; but, we show little inclination to reconceptualize our economy as a whole, to consider its proper goals and reflect upon the way in which we should treat one another, both in good times and in bad.

As educators, we are instructed to disseminate useful knowledge, and we do the best we can. What, however, could be more valuable than to conceive of our task as a moral and political enterprise, to put practical knowledge in an ethical and historical context? I do not reclaim this document and disseminate it as a cure-all. In some ways, I think its diagnosis and recommended therapies are utterly naïve. I also do not endorse its religious premises, for not only am I not a Catholic, but I am not even a Christian. I do, however, think that the Bishops were on to something important, and I think we would do ourselves and our students no permanent harm if we were to consider the ethical context for whatever we teach since, in one way or another, the various global tensions – ecological, ideological and economic – cannot forever be ignored and, as teachers, we surely have some responsibility to raise the truly important questions, even if we are modest enough to admit that we do not have all the answers.

As educators, at least part of our task is to acquaint students with the realities of the world of work and the economy for which we are presumably preparing them. As teachers, we are called upon to urge consideration of ethical and moral values. As citizens, we have some responsibility – in or out of the classroom – to alert young people to the responsibilities of adulthood. We could do worse than to open our own minds to the ideas of those whose vocation is rooted in one of the core traditions of Western civilization. Among other things, such an exercise might make us willing to attend to other traditions as well. Pope John Paul XXIII was plainly on to something when, close to half a century ago, he urged his co-religionists to embrace “ecumenicalism.” It is a shame that so few people listened.

Ethical Reflections on the Economic Crisis:
From The Episcopal Commission for Social Affairs Canadian Conference of Catholic Bishops, 1983

As the New Year begins, we wish to share some ethical reflections on the critical issues facing the Canadian economy.

In recent years, the Catholic Church has become increasingly concerned about the scourge of unemployment that plagues our society today and the corresponding struggles of workers in this country. A number of pastoral statements and social projects have been launched by Church groups in national, regional, and local communities as a response to various aspects of the emerging economic crisis. On this occasion, we wish to make some brief comments on the immediate economic and social problems followed by some brief observations on the deeper social and ethical issues at stake in developing future economic strategies.

As pastors, our concerns about the economy are not based on any specific political options. Instead, they are inspired by the Gospel message of Jesus Christ. In particular, we cite two fundamental Gospels principles that underlie our concerns.

The first principle has to do with the preferential option for the poor, the afflicted, and the oppressed. In the tradition of the prophets, Jesus dedicated his ministry to bringing “good news to the poor” and “liberty to the oppressed”. As Christians, we are called to follow Jesus by identifying with the victims of injustice, by analyzing the dominant attitudes and structures that cause human suffering, and by actively supporting the poor and oppressed in their struggles to transform society. For, as Jesus declared, “when you did it unto these, the least of my brethren, you did it unto me”.

The second principle concerns the special value and dignity of human work in God’s plan for Creation. It is through the activity of work that people are able to exercise their creative spirit, realize their human dignity, and share in Creation. By interacting with fellow workers in a common task, men and women have an opportunity to further develop their personalities and sense of self-worth. In so doing, people participate in the development of their society and give meaning to their existence as human beings. Indeed, the importance of human labour is illustrated in the life of Jesus who was himself a worker, “a craftsman like Joseph of Nazareth.

It is from the perspective of these basic Gospel principles that we wish to share our reflections on the current economic crisis. Along with most people in Canada today, we realize that our economy is in serious trouble. In our own regions, we have seen the economic realities of plant shut-downs, massive layoffs of workers, wage restraint programs, and suspension of collective bargaining rights for public service workers. At the same time, we have seen the social realities of abandoned one-industry towns, depleting unemployment

insurance benefits, cut-backs in health and social services, and line ups at local soup kitchens. And, we have also witnessed, first-hand, the results of a troubled economy: personal tragedies, emotional strain, loss of human dignity, family breakdown, and even suicide.

Indeed, we recognize that serious economic challenges lie ahead for this country. If our society is going to face up to these challenges, people must meet and work together as a “true community” with vision and courage. In developing strategies for economic recovery, we firmly believe that first priority must be given to the real victims of the current recession—namely the unemployed, the welfare poor, the working poor, pensioners, native peoples, women, young people and small farmers, fishermen, some factory workers and some small businessmen and women. This option calls for economic policies which realize that the wants of the rich; that the rights of the workers are more important than the maximization of profits.; that the participation of marginalized groups has precedence over the preservation of a system that excludes them.

In response to current economic problems, we suggest that priority be given to the following short-term strategies by both government and business.

First, unemployment rather than inflation should be recognized as the number one problem to be tackled in overcoming the present crisis. The fact that some 1.5 million people are jobless constitutes a moral as well as an economic crisis in this country. While efforts should continually be made to curb wasteful spending, it is imperative that primary emphasis be placed on combating unemployment.

Second, an industrial strategy should be developed to create permanent and meaningful jobs for people in local communities. To be effective, such a strategy should be designed to both national and regional levels. It should include emphasis on increased production, creation of new labour intensive industries for basic needs and measures to ensure job security for workers.

Third, a more balanced and equitable program should be developed for reducing and stemming the rate of inflation. This requires shifting the burden for wage controls to upper income earners and introducing controls on prices and new forms of taxes on investment incomes (e.g., dividends, interest).

Fourth, greater emphasis should be given to the goal of social responsibility in the current recession. That means that every effort must be made to curtail cut-backs in social services, maintain health care and social security benefits, and above all, guarantee special assistance for the unemployed, welfare recipients, the working poor and one-industry towns suffering from plant shut-downs.

Fifth, labour unions should be asked to play a more decisive and

responsible role in developing strategies for economic recovery and employment. This requires the restoration of collective bargaining rights wherever they have been suspended, collaboration between unions and unemployed and unorganized workers, and assurances that labour unions will have an effective role in developing economic policies.

Furthermore, all people of good will in local and regional communities throughout the country must be encouraged to coordinate their efforts to develop and implement such strategies. As a step in this direction, we again call on local Christian communities to become actively involved in the six-point plan of action outlined in the message of the Canadian bishops on Unemployment: The Human Costs.

We recognize that these proposals run counter to some current policies or strategies advanced by both governments and corporations. We are also aware of the limited perspectives and excessive demands of some labour unions. Yet from the standpoint of the Church's social teachings, we firmly believe that the present economic realities reveal a "moral disorder" in our society. As pastors, we have a responsibility to raise some of the fundamental social and political issues pertaining to the economic order. In doing so, we expect that there will be considerable discussion and debate within the Christian community itself on these issues. Indeed, we hope that the following reflections will help to explain our concerns and contribute to the current public debate about the economy.

Economic Crisis

The present recession appears to be symptomatic of a much larger structural crisis in the international system of capitalism. Observers point out that profound changes are taking place in the structure of both capital and technology which are bound to have serious social impacts on labour. We are now in an age, for example, where transnational corporations and banks can move capital from one country top another in order to take advantage of cheaper labour conditions, lower taxes, and reduced environmental restrictions. We are also in an age of automation and computers where human work is rapidly being replaced by machines on the assembly line and in administrative centres. In effect, capital has become transnational and technology has become increasingly capital-intensive. The consequences are likely to be permanent or structural unemployment and increasing marginalization for a large segment of the population in Canada and other countries. In this context, the increasing concentration of capital and technology in the production of military armaments further intensifies this economic crisis, rather than bringing about recovery.

Indeed, these structural changes largely explain the current economic recession at home and throughout the world. While there does not appear to be a world-wide shortage of capital per se, large-

scale banks and corporations continue to wait for a more profitable investment climate. Many companies are also experiencing a temporary shortage of investment funds required for the new technology, due largely to an overextension of production and related factors. In order to restore profit margins needed for new investment, companies are cutting back on production, laying off workers and selling off their inventories. The result has been economic slow-down and soaring unemployment. To stimulate economic growth, governments are being called upon to provide a more favourable climate for private investments. Since capital tends to flow to wherever the returns are greatest, reduced labour costs and lower taxes are required if countries are to remain competitive. As a result, most governments are introducing austerity measures such as wage restrain programs , cut-backs in social services and other reductions in social spending in order to attract more private investment. And to enforce such economic policies some countries have introduced repressive measures for restraining civil liberties and controlling social l unrest.

Moral Crisis

The current structural changes in the global economy, in turn, reveal a deepening moral crisis. Through these structural changes, “capital” is re-asserted as the dominant organizing principle of economic life. This orientation directly contradicts the ethical principle that labour, not capital, must be given priority in the development of an economy based on justice. There is, in other words, an ethical order in which human labour, the subject of production, takes precedence over capital and technology. This is the priority of labour principle. By placing greater importance on the accumulation of profits and machines than on the people who work in a given economy, the value, meaning and dignity of human labour is violated. By creating conditions for permanent unemployment, an increasingly large segment of the population is threatened with the loss of human dignity. In effect there is a tendency for people to be treated as an impersonal force having little or no significance beyond their economic purpose in the system. As long as technology and capital are not harnessed by society to serve basic human needs, they are likely to become an enemy rather than an ally of peoples.

In addition, the renewed emphasis on the ‘survival of the fittest’ as the supreme law of economics is likely to increase the dominations of the weak by the strong, both at home and abroad. The ‘survival of the fittest’ theory has often been used to rationalize the increasing concentration of wealth and power in the hands of a few. The strong survive, the weak are eliminated. Under conditions of ‘tough competition’ in international markets for capital and trade, the poor majority of the world is especially vulnerable. With three-quarters of the world’s population, for example, the poor nations of the South are already expected to survive on less than one-fifth of the world’s income. Within Canada itself, the top 20% of the population receives 42.5% of total personal income, while the bottom 20% receives 4.1%.

These patterns of domination and inequality are likely to further intensify as the ‘survival of the fittest’ doctrine is applied more rigorously to the economic order. While these Darwinian theories partly explain the rules that govern the animal world, they are in our view morally unacceptable as a ‘rule of life’ for the human community.

Present Strategies

There is a very real danger that these same structural and moral problems are present in Canada’s strategies for economic recovery. As recent economic policy statements reveal, the primary objective is to restore profitability and competitiveness in certain Canadian industries and provide more favourable conditions for private investment in the country. The private sector is to be the “engine” for economic recovery. To achieve these goals, inflation is put forth as the number one problem. The causes of inflation are seen as workers’ wages, government spending, and low productivity rather than monopoly control of prices. The means for curbing inflation are such austerity measures as the federal six and five wage restraint program and cut-backs in social spending (e.g., hospitals, medicare, public services, education and foreign aid), rather than controls on profits and prices. These measures, in turn, have been strengthened by a series of corporate tax reductions and direct investment incentives for such sectors as the petroleum industry. In effect, the survival of capital takes priority over labour in present strategies for economic recovery.

At the same time, working people, the unemployed, young people, and those on fixed incomes are increasingly called upon to make the most sacrifice for economic recovery. For it is these people who suffer most from layoffs, wage restraints, and cut-backs in social services. The recent tax changes, which have the effect of raising taxes for working people and lowering them for the wealthy, adds to this burden. And these conditions, in turn, are reinforced by the existence of large-scale unemployment which tends to generate a climate of social fear and passive acceptance. Moreover, the federal and provincial wage control programs are inequitable, imposing the same control rate on lower incomes as on upper incomes. If successfully implemented, these programs could also have the effect of transferring income from wages to profits. Yet, there are no clear reasons to believe that working people will ever really benefit from these and other sacrifices they are called to make. For even in companies recover and increase their profit margins, the additional revenues are likely to be reinvested in some labour-saving technology, exported to other countries or spent on market speculation or luxury goods.

Alternative Approaches

An alternative approach calls for a reordering of values and priorities in our economic life. What is required first is a basic shift in values: the goal of serving the human needs of all people in our

society must take precedence over the maximization of profits and growth and priority must be given to the dignity of human labour, not machines. From this perspective, economic policies that focus primary attention on inflation and treat soaring unemployment as an inevitable problem clearly violate these basic ethical values. There is nothing ‘normal’ or ‘natural’ about present unemployment rates. Indeed, massive unemployment, which deprives people of the dignity of human work and an adequate family income, constitutes a social evil. It is also a major economic problem since high unemployment rates are accompanied by lower productivity, lower consumption of products, reduced public revenues, and increased social welfare costs. Thus, alternative strategies are required which primary emphasis on the goals of combating unemployment by stimulating production and permanent job creation in basic industries; developing a more balanced and equitable program for curbing inflation; and maintaining health care, social security and special assistance programs.

An alternative approach also requires that serious attention be given to the development of new industrial strategies, In recent years, people have begun to raise serious questions about the desirability of economic strategies based on mega-projects, wherein large amounts of capital are invested in high technology resource developments (e.g., large-scale nuclear plants, pipelines, hydro-electric projects). Such megaprojects may increase economic growth and profits but they generally end up producing relatively few permanent jobs while adding to a large national debt. In our view, it is important to increase the self-sufficiency of Canada’s industries, to strengthen manufacturing and construction industries, to create new job producing industries in local communities, to redistribute capital for industrial development in underdeveloped regions, and to provide relevant jon training programs. It is imperative that such strategies, wherever possible, be developed on a regional basis and that labour unions and community organizations be effectively involved in their design and implementation.

New Directions

In order to implement these alternatives, there is a need for people to take a closer look at the industrial vision and economic model that governs out society. Indeed, it is becoming more evident that an industrial future is already planned by governments and corporations. According to this industrial vision, we are now preparing to move into the high tech technology computer age of the 1990s. In order to become competitive in world markets, the strategy for the eighties is to re-tool Canadian industries, create new forms of high-tech industries (e.g., micro-electronic, petro-chemical, nuclear industries), e.g., micro-electronic, petro-chemical, nuclear industries), and phase out many labour-intensive industries (e.g., textile, clothing and foot wear industries). This industrial vision, in turn, is to be realized through an economic model of development that is primarily: capital-intensive (using less and less human labour); energy-intensive

(requiring more and more non-renewable energy sources); foreign controlled (orienting development priorities to external interests); and export-oriented (providing resources or products for markets elsewhere rather than serving basic needs of people in this country).

There are, of course, alternative ways of looking at our industrial future and organizing our economy. This does not imply a halt to technological progress but rather a fundamental re-ordering of the basis values and priorities of economic development. An alternative economic vision, for example, could place priority on serving the basic needs of all people in this country, on the value of human labour, and an equitable distribution of wealth and power among people and regions. What would it mean to develop an alternative economic model that would place emphasis on socially useful forms of production; labour-intensive industries; the use of appropriate forms of technology; self-reliant models of economic development; community ownership and control of industries; new forms of worker management and ownership; greater use of renewable energy sources in industrial production? As a country, we have the resources, the capital, the technology and, above all else, the aspirations and skills of working men and women required to build an alternative economic future. Yet, the people of this country have seldom been challenged to envision and develop alternatives to the dominant economic model that governs our society.

At the outset, we agreed that people must indeed meet and work together as a “true community” in the face of the current economic crisis. Yet, in order to forge a true community out of the present crisis, people must have a chance to choose their economic future rather than to have one forced upon them. What is required, in our judgement, is a real public debate about economic visions and industrial strategies involving choices about values and priorities for the future direction of this country. Across our society, there are working and non-working people in communities — factory workers, farmers, forestry workers, miners, people on welfare, fishermen, native peoples, public service workers, and many others — who have a creative and dynamic contribution to make in shaping the economic future of our society. It is essential that serious attention be given to their concerns and proposals if the seeds of trust are to be sown for the development of a true community and a new economic order.

For our part, we will do whatever we can to stimulate public dialogue about alternative visions and strategies. More specifically, we urge local parishes or Christian communities, wherever possible, to organize public forums for discussion and debate on major issues of economic justice. Such event could provide a significant opportunity for people to discuss: (a) specific struggles of workers, the poor, and the unemployed in local communities; (b) analysis of local and regional economic problems and structures; (c) major ethical principles of economic life; (d) suggestions for alternative economic visions; (e) new proposals for industrial strategies that reflect basic

ethical principles. In some communities and regions, Christian groups in collaboration with other concerned groups, have already launched similar events or activities for economic justice. And we encourage them to continue doing so.

Indeed we hope and pray that more people will join in this search for alternative economic visions and strategies. For the present economic crisis, as we have seen, reveals a deepening moral disorder in the values and priorities of our society. We believe that the cries of the poor and the powerless are the voice of Christ, the Lord of History, in our midst. As Christians, we are called to become involved in struggles for economic justice and participate in the building up of a new society based of Gospel principles. In doing so, we fulfill our vocation as a pilgrim people on Earth, participating in Creation and preparing for the coming Kingdom.

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