

A VIRTUE ECONOMY?



FEAST OF ST JOSEPH THE WORKER

As the feast of St Joseph the Worker on 1 May falls on the third Sunday of Easter this year, that takes precedence over the feast day. However, Bishop Vincent Long Van Nguyen, Chair of the Bishops Commission for Social Justice, Mission and Service, has provided a Pastoral Statement. This relatively new feast day provides an alternative vision of a cooperative world in which work is a central part of human life where the dignity of workers is honoured as opposed to May Day where oppressed workers are simply for use by their employers. Bishop Vincent writes:



The positive economic reports that we hear don't seem to reflect the experience of low-income families. Statistically, unemployment rates are low. Yet an increasing number of people who are looking for work can't find enough secure employment and are not paid a fair wage for the work that they do.

Anyone who works even one hour during the Australian Bureau of Statistics 'reference week' is counted as being employed. So, we need to look beyond unemployment figures to understand what is happening.

One troubling trend is increasing numbers of people working more than one job. For some, a 'portfolio' approach can enhance their working life. But for others it is a matter of economic necessity. They are cobbling together multiple part time or casual jobs to try to make ends meet.

This work is usually poorly paid and insecure. There is little career progression. Casual and seasonal workers are not entitled to paid leave even when they are sick or must care for others. It is a stressful and uncertain way to live. Much of this work is undertaken by women. This type of work is hard on family life. It makes it difficult for young people to get a start in life.

A CHANGING WORLD

In the midst of massive political and economic changes, during the industrial revolution, Pope Leo XIII wrote a landmark encyclical, *Rerum Novarum (On New Things)*. He called for the state to ensure the common good of workers with just regulation and a just wage for all workers. He also called for protection from exploitation, the right to form trade unions and a more equitable distribution of wealth.

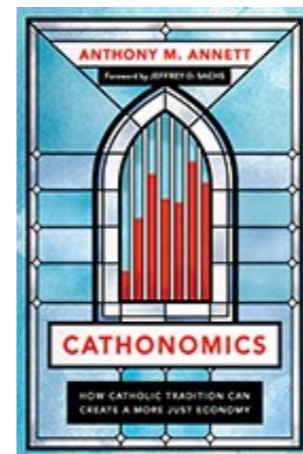
Rerum Novarum was the first in a now 130 year tradition of social teaching encyclicals issued by twelve popes. Pope Francis has added to this with, *Laudato Si' and Fratelli Tutti*.

A BETTER KIND OF ECONOMICS

The integral ecology Pope Francis calls for in *Laudato Si'* includes a vision for ethical approaches to economics which is further detailed in *Fratelli Tutti*.

We must regain the conviction that we need one another, that we have a shared responsibility for others in the world, and that being good and decent are worth it. We have had enough of immorality and the mockery of ethics, goodness, faith and honesty. LS 229

CATHONOMICS



Anthony Annett, the author of *Cathonomics* has a PhD in economics from Columbia University and worked for 20 years at the International Monetary Fund. He is a member of the College of Fellows of the Dominican School of Philosophy and Theology.

He says that he was compelled to write *Cathonomics* because Catholic Social Teaching offers "a middle road people can agree on between the twin rocks of shipwreck communism and libertarianism." He writes:

I don't want to appear naïve. Changing the global economy along these lines is not going to usher in a utopia. But I do believe it can eradicate the worst excesses of neoliberalism, not only on the economy and society but on human psychology too. ...

Ultimately, what is at stake is not just the health of our economies and societies, or indeed personal happiness and flourishing, but peace itself. P 284

Christine Lagarde, president of the European Central Bank, says:

"Economic policy can only be effective if it is built on the strong foundations of a shared value system. Cathonomics provides an excellent account of how Catholic social teaching can help inform sustainable development and robust policies: it should be read widely by policymakers of all stripes."

Anthony Annett points out that we have the wealth and know-how to achieve a prosperous world for all, yet we lack the consensus on how to address our pressing and increasing problems. The polarisation and ideological battle lines are becoming starker as the global challenges have grown.

The core problems the world faces are not due to the lack of technical solutions or scarcity of vital resources and finances. He refers to the potential of solar and wind power to provide environmentally safe power to meet the world's energy needs many times over. Our land, water and food supplies can meet the food and other needs of all the world's people. In a world in which a few hundred people have more than \$7 trillion of combined wealth, it is possible to finance the urgent needs of the world's poorest people.

Cathonomics concludes with ten practical solutions of a 'virtue' economy influenced by Catholic Social Teaching. For example:

Promote dignified employment as a central goal of policy. This solution has implications for the funding of technological change, the function of central banks, work-sharing schemes that keep workers on the books during bad times, and the role of the state as employer-of-last-resort. As a leading example, a heroic push for decarbonisation will surely entail enormous employment opportunities.

Restructure the financial sector to allow it to serve the productive economy rather than itself. This change would include breaking up the large banks; introducing a tax on financial transactions; reining in the worst excesses, such as private equity and vulture funds; and supporting credit unions and small and regional banks.

A conversation with Anthony Annett is available from the Berkley Centre for Religion, Peace and World Affairs

<https://berkeleycenter.georgetown.edu/events/>