

Economists say Catholic ethics could benefit global economic policy

WASHINGTON - Economists from Catholic institutions worldwide may differ in their approach to solutions for the economic crisis, but all agree a global strategy is required.

The same economic scholars from U.S., Canadian and Australian Catholic universities also said while the Catholic Church may not be able to direct economic policy it can contribute most effectively by leading the charge in philanthropic endeavors that will ease the suffering of the most vulnerable caught up in the international crisis.

"The key concern of the Catholic Church should be, as always, to look out for the poor and vulnerable, both at home and in poor countries," said Linda Nielsen, an economics professor at St. Mary's University College in Calgary, Alberta.

"The church has lobbied local, provincial and federal governments effectively in the past, has been a kind of 'social conscience,' and hopefully this will continue," she said.

Though a few of the economic scholars believe Christian theology should be considered by world governments when charting policy to address the global fiscal crisis, at least one thinks the Vatican should refrain from endorsing a specific plan.

"I don't see how the Vatican has a comparative advantage in economic theory," said Walter E. Block, an economics professor at Loyola University in New Orleans. "Should the Vatican take a position on the best way to cure cancer, the best way to promote space exploration? No, since they do not have expertise in any of these things either."

Pope Benedict XVI said Feb. 26 that the global economic crisis has contributed to the delay of his new social encyclical, because he needs more time to comment

accurately on the financial chaos.

If the encyclical “does not deal competently with the economic reality, it cannot be credible,” Pope Benedict said during his annual question-and-answer session with more than 400 priests ministering in Rome. During that session a pastor from a poor neighborhood asked how church members could do more to push for real reform of the global economic system.

Mr. Block and other economists at Catholic institutions believe leaders of the Catholic Church and its philanthropic arms can use their clout to enlist more volunteers, raise charitable contributions and extend aid to people all over the world who have been adversely impacted by the global economic crisis.

“Local churches should be attentive to the poor in this crisis, including the ‘working poor’ and families whose breadwinners have lost jobs and homes,” Mr. Nielsen told Catholic News Service. “The media has not yet given much play to the hardships suffered in the world’s poorest countries, because of this meltdown.”

“For example,” she said, “the collapse of commodities markets has deprived some developing country inhabitants of their only source of income, and their countries have no social safety nets to protect unemployed, malnourished individuals.”

The pope also should urge world leaders to infuse economic policies with Christian ethics, said Paul Oslington, an economics scholar at Australian Catholic University in Sydney.

“The separation of economics from ethics has been less clean than the separation from theology, and economics has subsequently conducted long-term relationships with utilitarianism and certain types of positivist philosophy, along with brief flirtations with other varieties of ethics,” Oslington said.

“Today we are left with a very thin account of economic life as satisfying individual preferences. There is nothing in such an account to provide balance or an overall sense of purpose,” he said.

The Vatican also could provide moral clarity as governments deal with the global economic crisis, said Fred Foldvary, an economics professor at Santa Clara

University in the San Francisco Bay Area.

“Recognizing that while greed and fraud played a part, the fundamental problem is the injustice and economic harm of government’s fiscal policies,” Mr. Foldvary told CNS.

“Taxation wrongly takes the bread earned by the worker, while government subsidies enrich the landowners, creating inequality and poverty, while luring speculators to free-ride on economic growth, fueling their greed until it causes a crash,” he said.

All the economists interviewed by CNS agreed that the current economic crisis originated with the collapse of the U.S. housing market and that the American economic system is somewhat to blame for the ensuing international financial disintegration.

They also said it will take a collaborative effort among world leaders to stimulate global economic health.

Their opinions varied widely on economic solutions. Some endorsed amplified regulations on the markets to keep a check on individual greed, while others suggested that too much regulation in the free-market system was at the root of the economic meltdown and urged further deregulation.

Pope Benedict said emphatically the international financial crisis was caused by greed and selfishness.

Though the global financial system must be reformed and economic prudence must prevail, the pope said individuals also must accept the fact that they will have to make some sacrifices to help the poor and move the world toward justice.