

A report on the Newman Association's conference: "Beyond the rhetoric – how should Christians respond to the economic situation?"

The conference was held at Amigo Hall, St George's Cathedral, Southwark, on November 10th, 2012. The three main speakers were introduced by Anthony Baker, President of the Newman Association. The following are summaries of the three talks.



Ed West



Francis Davis



Peter Davis

What can Catholics do in the economic crisis?

by Ed West

The difference between this recession and previous economic declines is that this is a spiritual downturn, too. As a result it has led people to ask serious questions about the justness of the economic system and of society.

Perhaps the hangover is bad because we partied so hard; the decade of the 2000s was a feast of financial indulgence. Some great things have happened – in China and India trade liberalisation has lifted millions out of poverty, while in Britain the financial boom paid for great improvements in infrastructure (as the saying goes, each banker funds a nurse). But it was built on a confidence trick, casino capitalism, based on a housing boom in which people slept as they made money. At the height of the boom one Kensington house, owned by a friend of the Labour Party, increased in value by £25,000 a day – more than the output of world's biggest goldmine. Pay at the top was scandalous, pay at the bottom more so.

People are not searching for something different, and indeed Catholic Social Teaching is being talked about seriously. Both the concepts of Red Tory and Blur Labour have something of this in them, and what these ideas provide most of all is what we are lacking – a concept of solidarity. The Left is all about *égalité* and the Right *libertie*, but where is the *fraternité*? The political debate has become all about big business v big government. Our society is like a chair missing a leg, and I would say the Church is that leg.

But that is an argument that is difficult to make, for today both Left and Right contain a strong anti-religious streak, although the Left is more intolerant about unfashionable religious mores. Catholics on the Left try to ignore this problem, like ignoring a sore point with a friend, but you can't have social morals without private morals. You can't hold the bank boss accountable for his actions but not the teenager on the estate; that is denying responsibility and therefore respect.

You cannot separate sex and money. And Phillip Blond was correct to say that

“Thatcherism”, as understood by some of her followers if not by the Lady herself, was a continuation of the morals of 1968. The 1960s featured the biggest “privatisation” of all, the privatisation of morals. The selfishness we associate with Thatcherism pre-dates 1979, as shown clearly by crime figures, the number of broken homes and charitable giving. New Labour in a sense was a fusion of 1968 and 1979, and it came during a profound change in British society, a tipping point when a Christian society became truly post-Christian. It replaced this with statism, which is the idea of the state as church, with its own faith in “equality and diversity” and its commandments (“thou must not discriminate”).

But the state is not at all good at being Church, and nor is mammon. Capitalism needs God, it needs the trust and internalised moral direction that only religion brings; this economic crisis, based on greed, easy credit and spending for today, has profound moral roots, and without Christianity we will find it harder to fix not just our society but our economy too. That is what Catholics have to offer.

How should Christians respond to the economic situation?

by Francis Davis

Francis Davis devoted most of his talk to political and, especially, social questions. He began, though, by posing several provocative questions. Are you a professional Catholic or a Catholic professional? Do you prefer traditionalism or neo-conservatism? Do you want lay apologetics or Catholic witness? Do you think Catholicism is the last respectable prejudice?

In recent years he has worked as a government adviser on social issues at the Department for Communities and Local Government, both for the Labour Government and the Coalition, and he has been connected to bodies such as the Las Casas Institute at Blackfriars Hall, Oxford, and the social policy think tank ResPublica.

He discussed the early days of the welfare state in the UK, describing it as “very hierarchical”, a symptom of which was that hospitals tended to look like factories. In the period from 1945 onwards the Catholic Church had almost nothing to say about the welfare state (except when it came to schools). Anglicans, however, played a big part in the development of the welfare state. A key aspect was redistribution: 10 per cent of people paid tax which was transferred to the 90 per cent of the population at the lower levels. But now the welfare state has stopped redistributing. And the Catholic Church had continued to ignore much of the social agenda: the Catholic Social Guild campaigned on pro-Life questions, for example, but has been criticised for ignoring wage-related issues.

He posed another question: What does Catholic Social Teaching mean for political engagement? Solving social problems requires an attitude of mind. There must be an emphasis on bottom-up solutions and an encouragement of social entrepreneurs. Localisation was a key aspect. He pointed to deficiencies in Catholic education: the schools are run by dioceses which fail to co-ordinate effectively. And he went on to criticise some of the policies of the current Work and Pensions Secretary Iain Duncan Smith (whom he advised at one stage). While in opposition Mr Duncan Smith had spent a very large amount of his time studying social problems in Glasgow. “But applying Glaswegian solutions to Birmingham or London doesn’t work.”

Drawing on his experience as a Whitehall-based adviser he gave some interesting insights into the sheer pressure of work in political circles, with a constant torrent of emails to be dealt with.

Then, with the aid of series of slides he described various examples of social innovation. These included special types of bank card which might provide improved access to financial services for the “great unbanked”. In a quite different area he described how wheelchair access had been improved through the invention of mobile phone “apps” which gave warnings of local bumps and barriers. Such apps could even have a commercial value.

It was important to develop the right attitude of mind. But the Church was failing to adjust in the right way to the challenges. He lamented the fact that the recent Synod in Rome failed to include a contribution from a single social scientist or social entrepreneur.

Recovering Early British Co-operative Socialist Strategy

by Peter Davis

Peter Davis drew certain parallels between the circumstances in which the working classes of the UK in the early Industrial Revolution found themselves and the global context for the people facing today’s labour market, state and civil society. He then, however, identified some profound differences between then and now in terms of the structure of commodity markets, the direction of technology, the threat of resource depletion and climate change. Dr Davis, who is an Honorary Visiting Fellow of the University of Leicester, claimed that the welfare-optimising free market and the idea of consumer-led continuous economic growth were both obsolete concepts, as indeed was the social democratic Keynesian model of a regulatory state. In this context of failed models he raised the question as to whether there is anything we can learn from an almost forgotten early chapter in British labour movement history.

The paper was premised by the assumption that the accepted consumer-led growth model of modern capitalism is quite simply unsustainable without dramatic technologically-induced transformations of nature – including human nature – through the introduction of genetic modification and artificial intelligence.

Drawing on the ideas of the early British Co-operative Socialists, a radical rethink was required to establish a dual strategy. One strand of this strategy would be to achieve a shrinkage of the money economy and a rebirth of a *domestic* (or household) economy as the most viable methodology to re-engage the world’s marginalised, excluded and impoverished majority. For this to be viable we must rediscover Adam Smith’s Labour Theory of Value and also the emphasis of various pioneers – including William Thompson (1824), Thomas Hodgkin (1825), J.F. Bray(1838) and William King (1844) - on bottom-up incremental capital accumulation through co-operative structures. This should be applied to families for the production of domestic use values that can complement, and sometimes develop into, forms of co-operative operating in a regional money-based economy.

Secondly, he suggested a complimentary strategy for the transformation of the *money economy* from a focus on the economics of growth to one of sustainability and responsibility based upon the recovery of Robert Owen’s vision in his *A New View of Society*¹. Owen’s ideas were reintroduced into the modern debate about

stakeholder management by the former chief executive of the UK Co-operative Bank, Terry Thomas, and defined as the *Inclusive Partnership* approach. This approach provided a management strategy to overcome the agency failures evident in big co-operatives, government and corporate organisations today. Moreover, he said, it is one that will particularly suit co-operative values and structures. When the Inclusive Partnership approach is operated within the framework of environmental sustainability it becomes the appropriate business model for today².

Referring to his paper* Peter Davis concluded by saying that the Catholic Church must continue to explore collaboration, and work for the common good with all forms of organisation and government. At the same time the Church must fearlessly preach against those whose policies invite climate change as a business opportunity and who see resource depletion as a means of competitive advantage and profiteering. The dual strategies could only assist in creating a business environment and civil society context necessary to assist the urgent process of wider reform in the commanding heights of the global economy. He asserted that both these strategies were consistent with Catholic Social Doctrine.

* *Recovering the Early British Co-operative Socialist Strategy*: The full text of this paper is available from www.newharmonypress.coop/publications

1. *A New View of Society* by Robert Owen, 1813
2. *Inclusive Partnership in the Real World* by Terry Thomas, University of Sheffield Political Economy Research Centre (PERC), 1997

Reports from Discussion Groups

In the afternoon members gathered in four discussion groups to assess the speakers' views and give their own suggestions. There were, however, no very clear general opinions on how to respond to such a big theme. Group A had discussed job satisfaction and the problems in being part of an organisation and in feeling appreciated. The spread of do-it-yourself checkouts at supermarkets was "part of the pattern of jobs being eliminated". There was, it was suggested, a "social duty to employ people". Perhaps a "massive housebuilding effort" would provide both housebuilding and work.

Group B had pondered gloomily on whether there would be a world war before the oil ran out. But a practical short-term answer to the economic problems might be to buy local products. Otherwise, education was failing to meet the economic requirements. Parents were failing too, and parenting classes were needed. But we should study Catholic Social Teaching, and "we must accept responsibilities as well as rights".

Group C had discussed different models of the economy and looked for ways in which "we locally, as a parish, can get involved". Meanwhile Group D had worried about youth unemployment as being "one of the biggest problems we have". More philosophically this group had debated "the importance of trust". In the past "economic systems had depended not so much on regulation as on trust". But how could trust be created? Again, this group turned to the possibility of supporting local industry. In Catholic terms there was a preference for "parish-led initiatives rather than proposals from the hierarchy".