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FUTURE ISSUES

The **April** issue will be devoted to *Pastoral and Social Issues*. The **July** issue will concentrate on *Liturgy, Prayer and Life*. The **October** issue will offer articles on *Parish, Church and Communion*.

Catholic Efforts to Combat Unemployment

*Bruce Duncan CSSR**

Unemployment is rightly regarded as a major cause of distress for individuals and families, and is a chronic problem in many countries. Many other issues relating to family life, living standards, housing, education, health and nutrition, social justice and civil order revolve around the availability of suitable employment. Extensive and persistent unemployment and underemployment underlie the vast problems of underdevelopment in third-world countries and continuing social inequity in the developed economies. Yet unemployment is not one thing, since it is configured differently according to the contexts of time, place and technological development.

This paper considers how the Catholic Church internationally and in Australia has tried to grapple with the issues of employment and unemployment since Pope Leo XIII's 1981 encyclical, *On the Condition of the Working Class (Rerum Novarum)*, and comments on the contexts and effectiveness of official Vatican and episcopal documents.

The difficulty for the Church in addressing economic problems like unemployment is that it must recognise the limits to its competence while articulating clearly the ethical values involved. It needs to encourage moral debate without moralising or failing to recognise the difficulties in moving from desirable social goals to discovering the means to realise these aims. The issues are complex and cross many disciplines, and hence the Church must speak with urgency but due modesty as well, listening carefully to experts in their fields. The Church does not claim to have the technical answers, but wants to bring a fresh ethical dimension into the debate so as to sharpen the focus on the values and people at risk, and to generate the political will and

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involvement to eradicate unemployment.¹ It is not inappropriate for the Church or its agencies to debate technical details if they think this would help the debate, as long as it is clear that they are not so much invoking their moral authority as adducing evidence and arguments that must be tested in the public forum on their intrinsic worth.

It goes without saying, of course, that with the Catholic Church being the largest employer in Australia, with more than 170,000 employees, Catholic organisations have an extra responsibility to model as well as they can the principles enshrined in Church teaching, demonstrating 'best practice' as employers.

The new urgency of the question

In Australia lack of full employment remains one of the most intractable problems, with a host of flow-on problems into the areas of housing, health care, income support, education and disadvantage in general.² The factors associated with this crisis in employment are evident:

- the decline in labour-intensive industries like clothing and footwear;
- the shift to casual and part-time labour;
- the down-sizing in many businesses;
- the labour-eliminating effects of continuing computerisation and automation;
- the increased number of women in the workforce, especially to maintain an adequate family wage, or as sole parents;
- the de-unionisation of much of the workforce, often leaving workers in a weaker bargaining position.

Like other countries, Australia has had to struggle to adjust its economy to the expanding worldwide division of labour through the processes of globalisation, with their promise of greater prosperity and rising living standards worldwide. Yet globalisation is not a self-governing process, and will need skilful management to ensure that the outcomes are positive and equitable.

We know that the international economy is surprisingly fragile, as we saw in the 1997-98 collapse in Thailand and Southeast Asia. In addition, there have been major corporate collapses in Australia and overseas, with investigations exposing what amounts to a culture of misrepresentation and indeed, corruption, in accounting and auditing practices. Such breaches indicate that the pressure to meet the excessive profit expectations of shareholders has been undermining large sections of the economy. Ethical standards matter greatly, providing the foundations for business confidence.

1. See David Hollenbach, 'Unemployment and Jobs: A Theological and Ethical Perspective', in John W. Houck and Oliver F. Williams, eds., *Catholic Social Teaching and the US Economy: Working Papers for a Bishops' Pastoral* (Lanham MD: University Press of America, 1984), 110-38.
2. See Philip Mendes, *Australia's Welfare Wars: the Players, the Politics and the Ideologies* (UNSW: UNSW Press, 2003), especially on the role of the churches, p. 155-68.

Despite high levels of economic growth in Australia – 4 per cent for most of a decade – there is continuing inequity in the benefits of that growth.³ National income grew by one-third during the 1990s, but the benefits went primarily to upper-income groups. According to the official but significantly understated figures, unemployment has dropped only slowly over the decade from over 11 per cent in 1992 to hover below 6 per cent (around 600,000) in late 2003, and has been the major cause of income poverty. About a quarter of unemployed people have been so for a year or more.

Though researchers are not entirely clear about the composition of the poorest decile of households, income poverty has taken on some new features in Australia. First, it disproportionately affects children, with almost one in five children (18 per cent) in 1998 living in homes where no parent had a job.⁴ Second, unemployment has been increasingly concentrated in low-income households. Even when they find work, low-income groups have been increasingly forced to take part-time or casual work. Indeed, 87 per cent of the jobs growth in the 1990s paid less than \$500 a week,⁵ and 70 per cent was in part-time jobs.⁶ Third, unemployment was concentrated more spatially into regions or particular suburbs.⁷ The implications are that unemployment has become entrenched for these sections of the population, and is likely to be transmitted across generations.⁸

Historical perspective on Catholic teaching

The problem of unemployment has been a central concern in Catholic social thought over the last century. In a pre-industrial society, the Church's social teaching revolved around assuring exchange justice within an economy emerging from a pattern of medieval social relationships with rights and duties assigned according to one's role in the social structure. In this context, the Church's insistence on the grave duty of charitable works, almsgiving and benevolence helped ensure that there was some redistribution of resources to the needy, however inadequate it was in practice. In addition, the doctrine of the just price established a framework to ensure a more equitable distribution of income in the medieval economy.⁹

3. Peter Saunders, *The Ends and Means of Welfare: Coping with Economic and Social Change in Australia* (Port Melbourne: Cambridge University Press, 2002), 18. See also John Nieuwenhuysen et al., eds, *Reshaping Australia's Economy: Growth with Equity and Sustainability* (Cambridge: Cambridge University Press, 2001), especially Jeff Borland, 'Unemployment', 207-28.
4. Janet Taylor, 'Unemployment and Family Life', in P. Saunders and J. Taylor, *The Price of Prosperity: the Economic and Social Costs of Unemployment* (Kensington NSW: UNSW Press, 2002), 70.
5. Jeff Borland, Bob Gregory and Peter Sheehan, 'Inequality and Economic Change', in *Work Rich, Work Poor: Inequality and Economic Change in Australia* (Melbourne: Centre for Strategic Economic Studies, Victoria University, 2001), 16.
6. Stephen Bell, 'The Contours and Dynamics of Unemployment', in Saunders and Taylor, *The Price of Prosperity*, 38.
7. *Ibid.*, 28.
8. See P. Saunders, 'The Impact of Unemployment on Poverty, Inequality and Social Exclusion', in *ibid.*, 177.
9. Albino Barrera, 'The Evolution of Social Ethics: Using Economic History to Understand Economic Ethics', in *Journal of Religious Ethics* 27, 2 (Summer 1999): 285. See also *his Modern Catholic Social Documents and Political Economy* (Washington DC: Georgetown University Press, 2001).

Since then, the context for Catholic thinking has greatly changed, notably under the impact of the industrial and post-industrial revolutions, with the commodification of labour or people working for wages rather than for themselves, the growth of cities, and the evolution of modern political structures with demands for the alleviation of poverty and for a fairer distribution of wealth and opportunities. The extension of the powers of the modern State has made possible more systematic and progressive taxation, the development of various versions of the welfare State, and more sophisticated means to ensure distributive justice and income support for disadvantaged groups. The emphasis in Church social teaching consequently shifted from almsgiving and individual benevolence to social justice: how to organise production and exchange and develop social policy and mechanisms of redistribution so that everyone could live a decent life and raise their families in modest comfort. Clearly we are still in this transition process of trying to respond to enormous shifts in economic structures and social organisation globally.

For most of the twentieth century, Catholic teaching endeavoured to meet the challenge from various forms of Marxism and socialism on the one hand, or from injustices under capitalism on the other. *Rerum Novarum* (1891) and *Quadragesimo Anno* (1931) appeared during the two worst recessions the modern world had seen. To avert the danger of class war, dictatorship and social oppression, the Church had not only to develop a strong positive social philosophy but to enthuse Catholic and Christian masses, both workers and employers, with a determination to eliminate all forms of oppression and develop social mechanisms to ensure social justice. In English-speaking countries especially, what were tantamount to tacit alliances with labour movements and parties were important.¹⁰

Modern Catholic teaching on employment rested on a number of key planks:

- the right to a just wage, preferably a family wage;
- the right of workers and others to own private property;
- the right to form trade unions so that workers could aggregate their industrial strength to bargain equitably with employers;
- the right to strike, as a last resort; and
- the duty of the State to intervene to protect the poor against the powerful, and to regulate industry and society so as to ensure social justice.¹¹

After the Second World War, the Church's response to communism was particularly critical and, with the help of notable thinkers and activists such as Canon Joseph Cardijn and Jacques Maritain, and especially the writers of the

10. For an excellent restatement and evaluation of the Catholic social tradition, see Charles Curran, *Catholic Social Teaching 1891 – Present: a Historical, Theological and Ethical Analysis* (Washington DC: Georgetown University press, 2002). See also Michael Schuck, *That They be One: the Social Teaching of the Papal Encyclicals 1740-1989* (Washington DC: Georgetown University Press, 1991).

11. See my *The Church's Social Teaching: From Rerum Novarum to 1931* (Melbourne: CollinsDove, 1991).

'New Theology' coming from France, notably Chenu, Congar and de Lubac, Catholic philosophers distilled elements from Marxism and socialism, and gradually incorporated them into the Catholic tradition, particularly on the critical relevance of social issues to the mission of the Church, the importance of the experience of the working classes for the future of the Church, and the centrality of work and employment in modern life and for the development of personality.¹² The Second Vatican Council in 1965 affirmed and consolidated these initiatives.

Catholic thinkers, particularly influenced in the United States by John Courtney Murray as well as Maritain, began to engage much more positively with western liberal democratic traditions, distinguishing the old dogmatic, anti-clerical European tradition of Liberalism from the more open and democratic traditions in English-speaking countries especially.¹³ Papal thought was at last able fully to endorse currents of modern democratic thinking with their rhetoric of human rights. Popes John XXIII, Paul VI and John Paul II have all contributed enormously to this blossoming of Catholic social thought, so that the tradition has been considerably modernised and now is engaging more productively with contemporary social and political philosophy.¹⁴

Pope John Paul has vigorously promoted this redevelopment in Catholic social thinking from his very first encyclical, *Redemptor Hominis* in 1979, and especially in his 1981 encyclical, *On Human Work*.¹⁵ This latter encyclical caused some puzzlement at the time, because western commentaries, unaware of the background debate with Marxism in Poland, often missed the significance of what the Pope was doing. Reflecting his own strong emphasis on personalism, John Paul reworked into a broadened Christian framework Marx's twin emphasis a) on work as essential for the realisation of personality and b) on the exploitation of labour as a prime cause of social alienation, class war and injustice.

John Paul reset human labour into a biblical context in which God himself works in Creation, and human beings continue to share in that work, but also to prefigure the Reign of God. In contrast to the ancient Greeks who thought work ignoble, Jesus himself works with his hands as an artisan, investing work with even more profound religious significance. For the Pope, work has priority over capital, since it is the direct intervention of human effort to shape

12. The classic summary of papal social teaching before the Council can be found in Jean-Yves Calvez and Jacques Perrin, *The Church and Social Justice: the Social Teaching of the Popes from Leo XIII to Pius XII (1878-1958)* (London: Burns & Oates, 1961).

13. See Thomas J. Massaro and Thomas A. Shannon, *American Catholic Social Teaching* (Collegeville MN: Liturgical Press, 2002), and R. Bruce Douglass and David Hollenbach, eds, *Catholicism and Liberalism: Contributions to American Public Philosophy* (Cambridge: CUP, 1994).

14. For a searching critique of the Catholic tradition, see J.S. Boswell, F.P. McHugh and J. Verstraeten, *Catholic Social Thought: Twilight of Renaissance?* (Leuven: Leuven University Press, 2000).

15. For a concise summary of this topic, see Charles K. Wilber, 'Employment and Unemployment', in Judith Dwyer, ed., *The New Dictionary of Catholic Social Thought* (Collegeville MN: Liturgical Press, 1994), 330-36. See John W. Houck and Oliver F. Williams, eds, *Co-Creation and Capitalism: John Paul II's Laborem Exercens* (Washington DC: University Press of America, 1983).

the material means of production to meet human needs. Indeed for John Paul work is 'probably *the essential key*, to the whole social question' (#3). But he considers work not just for its objective productive outcomes, but also as a subjective activity that shapes the person working and from which the dignity of work primarily finds its source (#6). Through work, the person achieves self-fulfilment as a human being (#39) and helps support others (#9) to live a decent life.¹⁶

On Human Work reiterated the traditional view that the goods of the earth belong in common to humanity, and all forms of private or collective ownership must serve that goal. The Pope called for labour to be associated as closely as possible with the ownership of capital, as in joint ownership schemes, workers sharing in the management of industry or share-holding etc. (#14).

The Pope was very disturbed at the widespread unemployment, especially in poorer countries, and invoked his concept of the 'indirect employer', meaning the sum total of institutions and influences bearing on the level and types of employment, notably the State itself, to plan for and facilitate full employment (#18).

After the collapse of the Soviet Union, John Paul issued *Centesimus Annus* on the 100th anniversary of *Rerum Novarum*. It celebrated the confirmation of the Church's long critique of Marxism-Leninism but feared that without the check of communism 'a radical capitalist ideology could spread' (#34), relying excessively on the free market to allocate resources without sufficient attention to questions of distributive justice. Both Leo XIII and Pius XI had condemned the unjust distribution of wealth under the types of capitalism they criticised. A philosophy of economic individualism and materialist 'rationalism' attempted to justify the rich and powerful amassing wealth at the expense of others, and leaving great numbers in extreme penury.¹⁷ Against such a system, John Paul II insisted that the new forms of international capitalism had to be circumscribed within 'a strong juridic framework' to ensure freedom, with social and distributive justice (#42, #35, #48), and including efforts to eliminate the 'nightmare of unemployment' (#15). He supported increasing work opportunities, 'a solid system of social security and professional training', free trade unions and their effective action, assistance for the unemployed and opportunities for democratic participation in society (#19). 'A society... in which economic policies do not allow workers to reach satisfactory levels of employment, cannot be justified from an ethical point of view...' (#43).¹⁸

Archbishop Rembert Weakland thought John Paul was irritated by the

16. See my chapter, 'The Place of Work in Human Development' in David Shinnick, *1991 – Turning Point: Celebrating the Centenary of "Rerum Novarum" and the Future of Catholic Social Teaching* (Adelaide: Archdiocese of Adelaide, 1992), 225-37.
17. See my chapter, 'Catholic Critiques of Capitalism', in The Galatians Group Conference, *The Utopian Quest for Social Justice* (Armadale VIC: The Galatians Group, 1996), 52-53.
18. For commentaries on recent social encyclicals, see Oliver F. Williams and John W. Houck, *Catholic Social Thought and the New World Order: Building on One Hundred Years* (Notre Dame IN: University of Notre Dame Press, 1993); John A. Coleman SJ (ed.), *One Hundred Years of Catholic Social Thought: Celebration and Challenge* (Maryknoll NY: Orbis, 1991); and Gregory Baum and Robert Ellsberg (eds), *The Logic of Solidarity: Commentaries on Pope John Paul's Encyclical On Social Concern* (Maryknoll NY: Orbis, 1989).

pro-capitalist spin being given his teaching by some commentators, since in Latvia in September 1993 the Pope warned that 'Catholic social doctrine is not a surrogate for capitalism'. Indeed the Church had 'always distanced itself from capitalist ideology, holding it responsible for grave social injustices... and I myself, after the historical failure of Communism, did not hesitate to raise serious doubts on the validity of capitalism, if by this expression one means not simply the "market economy" but a "system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality"'.¹⁹

The episcopal conference in the United States has given strong support to full employment policies, especially in the 1986 pastoral, *Economic Justice for All* (#69-82).²⁰ This statement was the most intensive and participatory effort by the US Church to engage systematically contemporary moral issues surrounding the US economy. In Weakland's view, the bishops tried to do too much for a single letter. If they were attempting this again, they would produce a number of shorter statements, more focused on the effects of globalisation and critiquing the ideology of libertarian philosophy and economics.²¹

A further avenue for the reform of capitalism has often been seen in producer, banking and consumer cooperatives. With the increased global mobility of capital, many commentators have become aware of the danger of divorcing ownership from local stakeholders, especially employees in companies and their customers. Though the Church has long promoted cooperatives, they have not generally enjoyed notable success. The most significant current exceptions would be micro-credit schemes in the third world, especially the Grameen Bank in Bangladesh, and the Mondragon cooperatives in Spain. Race Mathews has drawn attention to Mondragon, attempting to relate Guild Socialist ideas and the Catholic cooperative tradition.²² This is an area that needs further exploration.

Australian Catholic responses to unemployment

Employment and unemployment have also been central concerns for the Catholic Church in Australia for many years. In 1979, the then Catholic Commission for Justice and Peace issued a statement, *Beyond Unemployment*, and other statements also touched on employment issues.²³ Unemployment

19. Pope John Paul II, 'What Church social teaching is and is not', *Origins*, 23, 15 (23 September 1993): 257; Rembert Weakland, 'Economic Justice for all: ten years later', in Massaro and Shannon *American Catholic Social Teaching*, 159.
20. See also John W. Houck and Oliver F. Williams, *Catholic Social Teaching and the US Economy: Working Papers for a Bishops' Pastoral* (Washington DC: University Press of America, 1984); and R. Bruce Douglass, ed., *The Deeper Meaning of Economic Life: Critical Essays on the US Catholic Bishops' Pastoral Letter on the Economy* (Washington DC: Georgetown University Press, 1986).
21. Weakland, 'Economic Justice', 154-70. See especially Thomas Massaro, *Catholic Social Teaching and United States Welfare Reform* (Collegeville MN: Liturgical Press, 1998).
22. See Race Mathews, *Jobs of our Own: Building a Stake-Holder Society* (Annandale NSW: Pluto Press, 1999), passim.
23. See Michael Hogan, ed., *Option for the Poor: Annual Social Justice Statements of the Australian Catholic Commission for Justice and Peace 1973-1987* (Sydney: Department of Government and Public Administration, University of Sydney, 1992), 78-97. Hogan gives a valuable introductory commentary to each document in this collection.

had risen from 94,000 in 1974 to nearly 450,000 in 1979, 7 per cent of the workforce. The statement argued that unemployment bore heavily on the most vulnerable groups, particularly youth, migrants, women, indigenous people and the low-skilled, and it warned that the high level of unemployment 'may well become permanent'. The statement particularly rejected the 'blame the victim' attitudes in some of the press and government statements and accusations of dole-bludgers living an easy life at taxpayers' expense. 'It cannot be stated strongly enough... the unemployed are victims; they are not criminals' (p. 85).

Beyond Unemployment recognised the effects of technological change on the job market and that governments and the economy were also responding to overseas factors, but argued that the federal government and Australian community were unwilling to plan to spread the costs and benefits of change. 'Australian social structures are marred by the unequal distribution of income and a spreading materialism' (p. 86). 'The desirable solution [to unemployment] involves a real effort to halt the drift towards a more unfair distribution of wealth. We are not talking about more welfare, more hand-outs and more dependence; we are talking about fee for service, the rewarding of the many varied contributions each person makes' (p. 88).

It pointed to the 'sheer greed of a large minority' who sought to control a larger share of the wealth, instead of supporting policies for greater social and economic equity. The document warned that it 'would be tragic... if the community were to accept some permanent level of unemployment as "tolerable"', as it would load the social cost of unemployment on to the most vulnerable people (p. 89).

As for practical steps, the document recommended use of payroll tax and investment allowances to expand, not decrease employment, and retraining and relocation schemes. It recommended that the unemployment benefit be lifted to the level of the poverty line, or better, to that of the minimum wage (p. 89). It also argued that the work test be abolished, allowing those who wished to undertake community service or home-care duties, or to join cooperatives. However all this would require increased taxation, which could come from a tax on capital gains or mineral profits, or a 'truly progressive' income tax (p. 90).

Private employers could exercise restraint in the level of profits or high-income wages, as well as develop plans to expand employment. Unions, too, needed to avoid excessive wage demands, and be alert to the social consequences of their activities, especially on the unemployed (p. 91). The statement recommended extending worker participation and consultation as necessary steps in humanising work and informing the process of change (p. 93).

Beyond Unemployment stirred a lively controversy as it was the first strong criticism from the Catholic Commission for Justice and Peace of government policies, and revealed major and public differences among the bishops themselves. Perhaps its major contribution was to contest the 'blame the victim' mentality and to identify unemployment as likely to be a lasting

problem unless governments adopted more equitable policies. While the statement raised the public profile of the issue of unemployment, the Commission's recommendations had little immediate effect in the contested political climate.

'Common Wealth for the Common Good' (1987)

The Catholic Commission for Justice and Peace was reconstituted as the Bishops' Committee for Justice, Development and Peace and instructed by the Catholic Bishops' Conference in 1987 to prepare a major statement on measures to improve social justice in Australia. In contrast to the earlier methods of making such statements, this one was to follow the process developed by the US bishops, of making extensive public enquiries and opening the process to wide consultation in the community about what should be said. A draft was released in 1991, followed by public discussion and a further round of public consultations. The final version appeared in 1992 as *Common Wealth for the Common Good*, with the subtitle expressing the main focus: *A Statement on the Distribution of Wealth in Australia*.

In his introduction, Cardinal Edward Clancy emphasised that 'sharply rising unemployment' had been the 'most alarming feature' of the prolonged recession, causing immense suffering to many people. He insisted that it was the role of the churches to offer an ethical perspective on these issues and promote the common good by 'taking remedial action against injustice and inequity'. He did not resile from the Church entering debate on this contentious issue, justifying this intervention by quoting Pope John Paul II's speech to the United Nations in October 1991: 'The Church's spiritual and humanitarian mission involves Christians at the very heart of the struggle for human development and progress'.²⁴

Common Wealth for the Common Good was particularly concerned about the economic philosophy, loosely termed 'economic rationalism', which was driving western societies towards greater individualism, inequality and toleration of high levels of unemployment, which reached an unprecedented level since the Second World War of 11.1 per cent in June 1992, and continued to climb. In extreme versions of economic rationalism, individuals were to be given 'the utmost freedom to pursue their own material well-being', with minimal constraints, since 'the freedom of the market is seen as sacrosanct, so any regulation or intervention, even by government, is suspect' (p. 36). It affirmed the egalitarian tradition in Australia, noting that 'the "fair go" philosophy is not far removed from the idea of the common good', and stood in contrast to a 'survival of the fittest' mentality (p. 128-29).

In June 1992 the number of children living in poverty was estimated at about 700,000, with 680,000 in homes where no one was in paid employment (p. 72). The statement recognised the linkages of employment with education, housing, health, and personal and family wellbeing. Contrary to expectations,

24. Australian Catholic Bishops' Conference, *Common Wealth for the Common Good: A Statement on the Distribution of Wealth in Australia* (Melbourne: CollinsDove, 1992), i-ii.

the bishops' statement reported that a research paper by the Australian Bureau of Statistics had found that the small amount of economic redistribution through progressive taxation was undone by indirect taxes, which hit lower-income groups harder. The only significant income redistribution resulted from government spending which benefited low-income groups more (p. 109).

Among the statement's recommendations were that governments pay special attention to long-term unemployment, particularly among vulnerable groups and regions, including rural areas; that people be supported with adequate living allowances; and that women be assured equal pay and career opportunities. It urged that greater recognition and support be given to single-parent families where one spouse cared for children or the infirm, notably by increased family allowances, a minimum guaranteed wage or by taxation relief (p. 96ff).²⁵

As Paul Smyth noted in his *Full Employment: the Challenge and the Churches, Common Wealth for the Common Good* seemed to have little effect on government policy, but it did a great deal to improve public awareness of the issues involved, most obviously in the Catholic Church itself.²⁶ It was unable to generate enough community support to insist that government policy be designed to produce full employment.²⁷ Tim Battin from the University of New England in 1997 made specific funding proposals, including taxation reforms and an employment levy, to restore full employment,²⁸ but the government did not pursue this.

The Australian Catholic Social Welfare Commission also played a significant lobbying role, handling much of the day-to-day contact with federal governments and agencies, and producing a number of key studies on unemployment and the economy. Hence the Church has had a significant voice in the debate over employment and living standards in this very difficult period of economic adjustment.²⁹ Yet despite 20 years of effort, the levels of unemployment have only recently fallen below the 7 per cent figure of 1982.

These and other Church statements have helped keep the issue of employment politically alive when governments, because of their inability significantly to reduce unemployment, have tried to reduce its political significance. Governments themselves have tried many approaches to reduce unemployment, but have mainly relied on economic growth to soak up unemployment. Despite the increased

25. For Social Justice Sunday 1994, the Australian Catholic Social Justice Council published *Putting People First: a Word in Support of the Unemployed* (North Blackburn VIC: CollinsDove, 1994), also supporting full employment policies.

26. Paul Smyth, *Full Employment: The Challenge and the Churches* (Melbourne: CollinsDove, 1994), 20.

27. *Ibid.*, 29 ff.

28. Tim Battin, *Full Employment: Towards a Just Society* (Sydney: Australian Catholic Social Justice Council, 1997).

29. See especially 'A Moral Accord with People who are long-term Unemployed', *Catholic Social Welfare* 2, 3 (September 1993); 'Social Obligation and Public Policy: The Role of the Market, the State and Civil Society in Enhancing Social Welfare', *Common Wealth* 6, 1 (September 1997); Bettina Cass and Fr David Cappel, 'Social Justice and the Life Course: Work, Social Participation and the Distribution of Income', *ACSW Occasional Paper No. 4* (November 1995).

productivity in recent years and higher wages, especially for upper-income groups, the growth in jobs has not been sufficient.

Catholic Social Services Victoria has also taken an active part in the debate over employment. In 1997 Fr Joe Caddy and Dr Sheila Rimmer produced *Opportunities Lost: the Experiences and Costs of Long Term Unemployment*, arguing strongly that long-term unemployment was creating an underclass of forgotten people who wanted to work but could not find jobs: 'they are not responsible for the plight they are in and should not be blamed'. 'Adequate welfare payments are essential but provide only a short-term answer. What we need are secure jobs.'³⁰

Catholic Social Services in 2001 followed this with a further study, *'Surviving, not Living: Disadvantage in Melbourne*, on the effects of social disadvantage, demonstrating the acute social distress being experienced by many people, particularly stemming from the lack of suitable employment. The results demonstrated how unemployment was linked to poor health, minimal educational opportunities, inadequate housing, insufficient income, depression and social isolation. The study concluded that the people interviewed 'were overwhelmingly desperate to find work which would allow them to plan for their future, establish their own families or support their existing ones in reasonable security'.

The cruel reality is, of course, that many people will not find work, no matter how hard they try, if the jobs are not there, as is the case currently. In such circumstances, any government that left large numbers of its citizens on the edge of lasting destitution would be failing in its primary obligations to those people.

Unemployment has been a running sore in Australian society for more than 25 years. The fact that we are still so far from restoring full employment should be spurring consideration of other means to spread employment more equitably...

If we are to escape the continuing tragedy and inequity of unemployment, Australia needs to recommit itself to the goal of full employment. Many unemployed people are desperate for paid work and would seize the opportunity to work if they had it, as Australians did for the 30 years before the mid-1970s.

The report argued that the neo-liberal policies had failed to restore full employment, giving inadequate attention to social equity and instead relying excessively on market mechanisms to restore employment. Governments needed to give a much higher priority to full employment policies and assure greater social equity, as had other OECD countries such as Holland.

30. Fr Joe Caddy and Dr Sheila Rimmer, *Opportunities Lost: the Experiences and Costs of Long Term Unemployment* (Melbourne: Catholic Social Services, 1997), 89.

The facts of our social and economic situation need to be faced honestly. Current policies are not working well enough, resulting in prolonged injustice and hardship for the unemployed and other disadvantaged groups.³¹

In part, the problem is a philosophical one, not an economic one: how highly does one rate equity as a social value, compared with 'economic efficiency' defined in terms of considering the market to be the best and fairest mechanism to allocate resources? As some other OECD countries have shown, giving social equity a higher priority in economic policies can deliver better and fairer outcomes without sacrificing productivity.³² Recent neoliberal economic policies have given equity a secondary place, and monetary policy has consistently favoured the fight against inflation over that against unemployment. If Australia is to break the current impasse on unemployment, it must once again give full employment a higher priority.

Various proposals have been made to solve unemployment in Australia.³³ The Church itself does not have the technical expertise or mission to propose such solutions, but this does not mean it is disinterested. The Church needs to follow such discussions closely, and evaluate them against its social philosophy and the needs of the disadvantaged. It should constantly stir the public conscience to keep these matters on the political agenda, encourage research to find solutions and help provide motivation for activists.

Some implications

Where then are we now? Many policies have been tried to reduce unemployment and ameliorate its effects in people's lives, with some but limited success. The fundamental problem remains for many thousands of Australians. How can the Church draw on its rich tradition of social teaching and philosophy to challenge the neoliberal agenda and its tolerance of poverty and social disadvantage?

The Church and its agencies must continue to denounce a situation of prolonged and grave social injustice, particularly to challenge the view that such a high level of unemployment is somehow now natural. There is an analogy today with what happened during the 1930s, that because economists and governments could not find the right policies to reduce unemployment, great numbers of people were forced into extreme and, we might add, unnecessary, suffering. The difference today is that this suffering is occurring

in a country enjoying unprecedented wealth and a decade of solid economic growth. Australia lacks the social policies to ensure that the benefits of this growth also reach the unemployed. Unfortunately, the neoliberal philosophy of economic individualism still has a strong influence in Australia's federal parliament and media.

Many neoliberals would be shocked to hear that their supposed exemplar, Adam Smith, was himself no neoliberal. Though it is rarely mentioned in the economics textbooks, Smith argued that economic policy should aim to increase the real purchasing power of working people by keeping the price of commodities low and wages high. In his view, the legislator's chief concern should be the purchasing power of wages, since it was the measure of material well-being for most people.³⁴ He did not argue that pursuit of self-interest would automatically lead to a morally spontaneous order. He believed that the market was a useful mechanism for channelling the passions of self-interest towards the common good, but also insisted on the institutional constraints coming from the family, the law and religious communities.³⁵ Neoliberals seem to have forgotten that Smith was also a moral philosopher.

To my mind, the most important task for the Church is to develop a vigorous critique of the assumptions underlying the neoliberal economic policies from the point of view of Catholic social thinking. It is not too far-fetched to see the enduring influence of the neoliberal policies, despite the pain they cause to low-income groups, in terms of class conflict, and the collusion of upper-income groups in policies they have good reason to suspect are unfair and unjust. Witness the excessively generous tax breaks to upper-income groups at the introduction of the GST in Australia.

We also need Catholic leaders able to articulate clearly the implications of Catholic social philosophy as it bears on our contemporary dilemmas.³⁶ This requires people who understand well the strengths and weaknesses of the Catholic tradition, and are able to engage in debate in the secular public forum in a way which respects differences in opinion but attracts an attentive hearing because of the eminent reasonableness of their views. How can we more positively foster a sustained conversation in our culture about the public good and wellbeing? As Pope John Paul II has done, we can draw from the Scriptures social values that other Christians, and indeed non-Christians and even non-believers, can affirm on the basis of their good sense and reason. We need a more vigorous debate about social justice and equity to help set a new direction for public policy.

31. Dr Sheila Cameron (formerly Rimmer) and Bruce Duncan, *Surviving, not Living: Disadvantage in Melbourne* (Melbourne: Catholic Social Services Victoria, 1991), 27-28.

32. See Robert E. Goodin et al., *The Real Worlds of Welfare Capitalism* (Cambridge University Press, 1999).

33. See Stephen Bell, ed., *The Unemployment Crisis in Australia: Which Way Out?* (Melbourne: Cambridge University Press, 2000); John Nevile, 'Policies to minimise the costs of unemployment' in Saunders and Taylor, *The Price of Prosperity*, 249-71; and John Langmore and John Quiggin, *Work for All: Full Employment in the Nineties* (Melbourne: Melbourne University Press, 1994).

34. Jerry Z. Muller, *Adam Smith in his Time and ours: Designing the Decent Society* (New York: Free Press, 1993), 60, 75.

35. *Ibid.*, 2, 75.

36. The conversation I have in mind is along the lines developed by David Hollenbach in *The Common Good and Christian Ethics* (Cambridge: Cambridge University Press, 2001); Brian Stiltner, *Religion and the Common Good: Catholic Contributions to Building Community in a Liberal Society* (Lanham, Maryland: Rowman and Littlefield, 1999); and June O'Connor, 'Making a Case for the Common Good in a Global Economy: The United Nations *Human Development Reports* (1990-2001)', in *Journal of Religious Ethics* 30, 1 (Spring 2002): 157-73.

Catholics have a very rich inheritance of social thought but, it seems to me, make very poor use of it, despite vast practical efforts in the fields of health, education and social services. We have very few specialists in this area even in the theological colleges or the universities, including the ACU National university. Although we have developed a great rhetoric of social justice in Catholic circles, and have clearly identified a set of principles to guide our policies, we have barely begun to explore their implications beyond our immediate concerns.

Official Church statements on social issues have not been followed up by serious, robust and innovative scholarship, publications and debate. Though we have great numbers of highly educated and professional people in the Church, few know this social tradition in any depth.

Do we have structures of participation in the Church that would stimulate people to develop the political will to shape better policies? I think not. As far as I can see, we have very few Catholic groups committed in any sustained ways to these wider social issues. When it comes to matters such as world development, the environment and peace also, there seems to be practically no Catholic lay voice at all in the public forum in Australia, with the exception of the Justice and Peace commissions, where they exist, Caritas, and the small but significant groups like Pax Christi. Given our immense resources, this is a pretty abysmal situation, and reflects a resounding failure by the Church adequately to foster a vibrant and enlightened engagement by significant numbers of informed lay people, on their own initiative, with pressing social issues.

Conclusions

Despite the downward trend in unemployment, the problem remains and may increase if the economy deteriorates. Yet it nestles among other matters needing attention, many of which relate to social equity and the distribution of resources. These problems can only be addressed in the public forum through careful, reasoned debate. Of course, many Catholics, among others, are already contributing through their professions and civil organizations, but would that more were.

To move beyond our present rather weak position in the public debate, I would nominate these as our priorities:

- To *encourage the articulation of Catholic social philosophy* in a more developed way, particularly as it bears on our immediate social problems, and identify ways to develop and sustain such endeavours, perhaps by presenting more scholarships and awards for major contributions. Where are our public intellectuals?
- To *develop more appropriate structures of participation* so that lay Catholic men and women can more readily contribute their skills and energies to public debate and action on social issues. This may require the development of associations of lay people, perhaps Catholic, or independent of the Church but with the inspiration of Catholic social philosophy. But the main effort

must come through lay people in their civil organizations acting out of this spirit.

- To maintain efforts to integrate and *articulate the values of justice and compassion in our various Catholic organisations*. This has become more critical as religious personnel and other founding members of these organisations have moved out, with new lay staff being hired on the basis of their professional expertise. This transition has been generally successful, but the question is how to maintain a clear Catholic identity in a way which is inclusive of those staff who are not Catholic or even Christian, but who share the same values? Fortunately, using themes borrowed from the social dimensions identified by Pope John Paul during the Jubilee Year 2000 for instance, a deep passion for social and personal wellbeing can be articulated across religious boundaries of belief, or even non-belief.
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