

General Paper 2 of the Project “Tax Justice & Poverty“

# Setting the frame: Catholic Social Teachings’ (CST) relevance for the project Tax Justice & Poverty

Dr. Jörg Alt SJ, MA, BD

With contributions by Pascal Andebo, MA, BA

# Index

---

1	Introduction.....	4
1.1	Why ethical or moral behaviour in the first place? .....	4
1.1.1	The situation we are into.....	4
1.1.2	Two different approaches .....	4
1.1.3	Ethical impetus binding together people of different world views.....	5
1.1.3.1	The surplus-fruits of cooperation.....	6
1.1.3.2	The idea of a good life .....	6
1.1.3.3	The increasing number of trans-border threats affecting all.....	7
1.1.3.4	Advancing justice by removing injustice.....	7
1.2	Religion, economy and politics .....	8
1.3	Status and perspective of this paper .....	9
1.4	Principle Online Resources .....	9
2	Social discourse, conflict and compromise in contemporary (western) society ....	10
2.1	Value implications in any social debate .....	10
2.2	Social debates in pluralist societies .....	10
2.3	Colliding policies because of differences in underlying value systems .....	11
2.4	Example Taxation: A matter of moral justice debate or ‘just rules’?.....	11
2.5	Resolution of contested issues by consensus, compromise or conflict .....	12
3	Man, Market or Money? CST and neoliberal globalization .....	12
3.1	Capital and markets have to serve, not to rule.....	12
3.2	Social Justice & the priority of labour above capital.....	13
3.3	Liberal market economy or social market economy?.....	14
3.4	Sample Papal Statements.....	16
3.5	Excursus on Pope Francis: Marxist, Pauperist or rooted in CST?.....	17
3.6	CST: The Catholic view of social life – in need of constant dialogue .....	18
4	Impact of CST, related strands of thinking.....	21
4.1	Political impact and relevance of CST .....	21
4.2	CST and/or Liberation Theology on economics and taxation .....	21
4.3	CST, Happiness Economics, Economics for the Common Good etc.....	22
4.4	CST and the limits to growth.....	24
5	CST Principles & Values .....	24

5.1	What categorization of CST principles and values exist? .....	25
5.2	The Compendium of Social Doctrine of the Church .....	25
5.3	Distinguishing principles, themes, values and virtues.....	26
5.4	CST Principles .....	27
5.4.1	The Personalist Principle .....	27
5.4.1.1	Human Rights .....	29
5.4.2	Common Good.....	29
5.4.3	Universal Destination of Goods.....	30
5.4.3.1	Universal Destination of Goods and Private Property.....	31
5.4.3.2	The preferential Option for the poor.....	31
5.4.4	Subsidiarity .....	32
5.4.5	Solidarity.....	33
5.4.6	Participation .....	34
5.5	CST values.....	34
5.5.1	Justice.....	35
5.5.1.1	Commutative Justice.....	35
5.5.1.2	Distributive Justice .....	37
5.5.1.3	Legal Justice .....	38
5.5.1.4	Social Justice.....	38
5.5.1.5	Restorative/reparative Justice .....	39
5.5.2	Love/Charity .....	40
5.6	What about a principle of sustainability? .....	40
5.7	Building balanced policies by applying CST to specific problems.....	41
5.8	CST themes.....	42
6	Tasks of the Church regarding CST related issues .....	42
6.1	The national and the global Common Good.....	43
6.2	Endangered welfare of future generations due to long-term developments ...	44
6.3	Provide global ethical guidelines.....	44
6.4	Reform of governance by applying the principle of subsidiarity .....	45
6.5	Advocating for the poor and democracy vs. Lobbyism.....	46
6.6	Challenge the economic order .....	47
6.7	The challenge of taxation .....	48
6.8	“Combat” or “Compromise” for policy influencing majorities?.....	49
6.9	Educate and challenge the own and the broader public.....	51

# 1 Introduction

## 1.1 Why ethical or moral behaviour in the first place?

### 1.1.1 The situation we are into

We live in a world of increasing awareness of differences in world views, ideologies, philosophical and religious systems. At the same time, factors such as economy, migration, and cultural changes such as individualism, pluralism and relativism etc. decrease the homogeneity of states. The question is: What binds those pluralistic and diverse societies together? What is the common ground on which we can live and act together peacefully? How can we establish social, political and economical institutions which we all agree that they are just, whether they do or advance justice to everyone and all?

### 1.1.2 Two different approaches

John Rawls in his influential work on social, political and economical justice argues, that his approach avoids metaphysical traps because his approach avoids philosophical, religious and otherwise ideological values and beliefs. With his conception of Justice as Fairness and its two principles of justice, social, political and economical institutions can be created by drawing ‘solely upon basic intuitive ideas that are embedded in the political institutions of a constitutional democratic regime and the public traditions of their interpretation. Justice as fairness is a political conception in part because it starts from within a certain political tradition. We hope that this political conception of justice may at least best supported by what we may call an “overlapping consensus”. ... Society’s main institutions and how they fit together into one scheme of social cooperation can be examined on the same basis by each citizen, whatever that citizens social position or more particular interest’ (Rawls, 1985, p. 225+229).

I myself argue that in the real world of real people, who do not have philosophical education and therefore abstraction from their underlying “metaphysical” concepts and beliefs, it is more realistic to start from the assumption that this ideal situation of Rawls is not the normal case. Whenever people in a society discuss about the justice of institutions and traditions, they have unavoidable their respective concepts of “justice” in the back of their minds. To reformulate Rawls sentence above: Everybody enters his “basic intuitive ideas” implicitly into a socio-political debate because it is this value system on whose backdrop his specific concepts under discussion are formed. Admittedly, most participants are unaware of their metaphysical-ideological roots and backgrounds. This is why debates are so confusing and – at times – controversial, even violent: Political debate is never merely a discussion of formal norms and functions, but also of implicit material values and beliefs.

Rawls analyses this correctly: Existing world views hold a rational reflection of (moral) goods from which right action and behaviour is subsequently deduced. ‘Such views tend to be teleological and to hold that institutions are just to the extent that they effectively promote this good.’ (Rawls, 1985, p. 248). That’s indeed the way it is: To my mind, finding agreement and foundation in a given society is a matter of agreeing on a compromise won after hard strife, dispute and conflict between diverging values and goods, but not the establishment of an “overlapping consensus”, as will be developed in more detail below #.

I argue for my approach to be more realistic, because John Rawls with his approach and the “tricks” involved – the “original situation” or the “veil of ignorance” can only win half of the debate: He certainly can develop and establish his principles of justice, but he cannot answer the question: “Why should I, living in the *real* world and being advantaged over others, follow and implement Rawls *ideal* principles of justice? It would disadvantage me and perhaps even ask me to give away some of my hard won property.” A similar question can be asked by powerful interest and lobbygroups, monopolists and oligarchs etc.

By arguing like this, I am rather following philosophers like Michael Sandel or Amartya Sen, who start their discussion from a real life situation of conflicting debate. While I am saying something to Sen below (1.1.3.4.) I want to refer briefly to Sandel and his book “Justice-What’s the right thing to do?”. He first rejects any libertarian view which asks for a neutral state and the abstraction from our world views and beliefs in the public discourse: He doubts that we are able to abstract from our world views and value sets when entering public debate. Sandel reminds us, there is not a single question in the public debate which does not recur and refer to ultimately held convictions of everybody’s world view and beliefs. That our society is so full of tension nowadays lies in the neglect which we ignored this fact:

In recent decades, we've come to assume that respecting our fellow citizens' moral and religious convictions means ignoring them (for political purposes, at least), leaving them undisturbed, and conducting our public life - insofar as possible - without reference to them. But this stance of avoidance can make for a spurious respect. Often, it means suppressing moral disagreement rather than actually avoiding it. This can provoke backlash and resentment. It can also make for an impoverished public discourse, lurching from one news cycle to the next, preoccupied with the scandalous, the sensational, and a trivial. A more robust public engagement with our moral disagreements could provide a stronger, not weaker, basis for mutual respect. Rather than avoid the moral and religious convictions that our fellow citizens bring to public life, we should attend to them more directly - sometimes by challenging and contesting them, sometimes by listening to and learning from them. There is no guarantee that public deliberation about hard moral questions will lead in any given situation to agreement - or even to appreciation for the moral and religious views of others. It's always possible that learning more about a moral and religious doctrine would lead us to like it less. But we cannot know until we try. A politics of moral engagement is not only a more inspiring ideal than a politics of avoidance. It is also a more promising basis for a just society." (Sandel, 2010, p. 268f.).

### **1.1.3 Ethical impetus binding together people of different world views**

Indeed: In today’s real world, we have to ask and answer first of all the question of why anybody should act in a morally-altruistic and ethical way at all if it will go against that which he enjoys, controls and possesses? After all: In a historically unprecedented way, individual and national welfare has been created by competition among individuals and groups, and not cooperation, sharing or forms of charity. And: Clearly, a paper dealing with issues of Tax Justice & Poverty will most likely come up with proposals asking for (more) hard earned money from individuals for combating poverty and/or advancing the common good.

There are three basic strands of arguments which I find convincing options to provide an ethical impetus to people and groups adhering to different world views, binding them together into a cooperation towards the establishing of just social, political and economical institutions (or: reforming existing institutions), even if this requires them to give away something of what they have already:

### **1.1.3.1 *The surplus-fruits of cooperation***

The first strand argues with the surplus obtainable by cooperation with others as opposed to individual endeavour. Both in biology, game theory or in John Rawls<sup>1</sup> approach to justice it is argued that everybody gains from cooperation and fairness and that this cooperation has to start from the assumption that every participant has equal value and dignity, hence everybody's desires and ambitions are of equal value. But clearly, in the real world, not everybody is of equal use for those dominating world events in their advances to increase their wealth and wellbeing, hence there is the question for those advantaged already why they should act in a fair and just manner in the first place if a little "unethical" cooperation would maximize one's profit here and now (and what will happen to others is not of one's own concern)? The same discrepancy between instant profit and lack of concern towards others who are less fortunate characterizes the weakness of other ethical systems, e.g. utilitarianism. Therefore, in the real world, the cooperation approach tends to limit cooperation to those few who are well off already and leave the poor, disadvantaged, sick or otherwise "useless" out, left to their own devices, e.g. cooperation among those like themselves. And: There is still the danger that cooperation and competition is limited to the material dimension, especially the area of economy and economical growth.

### **1.1.3.2 *The idea of a good life***

The second area argues that life is more than material wealth, competition and consumerism – in short: To have is not the same as to be. This strand of argument starts with Aristotle and his advocating virtues and happiness (*eudaimonia*) and is, in variation, championed today by Amartya Sen or Martha Nussbaum.<sup>2</sup> A "good life" for human beings requires the satisfaction of manifold desires and capabilities most of which cannot be measured empirically or acquired simply with money and possessed afterwards, for example: Quality of life, creativity, humour, belonging and participation, control over one's environment. In order to make this happen, each individual needs real freedoms and opportunities in order to aim for these forms of material and non-material welfare and happiness. Obviously, a person only devoted to a job, competition and the aim to increase the number of one's bank-accounts, houses and cars would count to be a poor person since its personal development is very one-sided and limited. This approach influenced the United Nations policy towards development, e.g. the Human Development Index and is reflected in contemporary discussions to re-define "welfare", especially by separating individual and national "welfare" from economic growth as measured in the GDP (see...)

---

<sup>1</sup> Nowak, M./ Highfield, R. (2011) Super Cooperator. Altruism, Evolution and why we need each other to succeed. New York: Free Press. (Rawls, 1985).

<sup>2</sup> Which would stand in the tradition of the definition of poverty adopted in our paper 'Terminology & Scope' #Wikipedia "capabilities approach"

### ***1.1.3.3 The increasing number of trans-border threats affecting all***

The third approach argues that whatever individuals and nations have newly acquired in terms of wealth, welfare and wellbeing is already threatened by the increasing number of trans-border risks and threats because (a.) a (world/national) society which is highly unequal tends to create social tension and unrest, illegal migration, organized crime and terror; and (b.) the exploitation and destruction of our natural resources, climate change and the creation and advance of new forms of illness are threats which do not stop at national borders. Here even the wealthy should realize that they cannot ignore the welfare and wellbeing of the poor and disadvantaged (and creation) because any minute something can happen which threatens one's own wellbeing and welfare and not even the wealthiest person can protect him/herself against all those risks and threats. Here I am following Ulrich Beck's analysis of the post-modern "risk-society"<sup>3</sup> which is today, after 9/11, Fukushima and increasingly turbulent global weather phenomena, more relevant than ever. For that reason, everybody should care for a global/national standard of living which respects the dignity, personhood and wellbeing of the all and secures conditions of opportunity for all to achieve a decent and good life.

The first and second approach to the question of "why leading a moral and ethical life?" are good, but they lack a sense of urgency – which is given with the third approach. For that reason I think that the last approach could be also a motivational stepping stone to look for positive implications of the first and second approach for one's own "real happiness" in the first place.

### ***1.1.3.4 Advancing justice by removing injustice***

Amartya Sen (*The Idea of Justice*, 2010) starts with the assumption that the idea of the "Common good" may be not a bloodless idea (it has substance), but concedes that it is abstract and therefore difficult to generate consensus for specific policies: arguments will blockade progress because different people will define "common good" and fail to rank criteria filling this notion with specific content. For Sen, justice is a regulative concept. If somebody compares two given situations (or one given and one proposed), it is probably relatively easy to agree which of the both situation is more or less just. 'What is important to note here, as central to the idea of justice, is that we can have a strong sense of injustice on many different ground, and yet not agree on one particular ground as being the dominant reason for the diagnosis of injustice' (p.9) and 'Transcendental theory simply addresses a different question from that of comparative assessment – a question that may be of considerable intellectual interest, but which is of no direct relevance to the problem of choice that has to be faced. What is needed instead is an agreement, based on public reasoning, on rankings of alternatives that can be realized' (p.17).

This idea is not really new. Also Karl Popper argued already in the 1970s that dealing with removing and improving injustices is more promising than trying to identify "the right and just thing" to do and called this approach "piecemeal-engineering"<sup>4</sup> indicating that it is better and easier if the many cooperate in the improvement of few specific issues rather than fighting wars about abstract contents. The value of Amartya Sen's reflection is that he is not

---

<sup>3</sup> In his words: 'Need is hierarchical, smog is democratic' (Beck, 1986, p. 47):

<sup>4</sup> See <http://www.wirtschaftslexikon.co/d/stueckwerk-technik/stueckwerk-technik.htm>

only taking into account a European context, but a global context arguing that in today's globalized world only justice issues need to be discussed globally (pp.170+388ff.) and that he proposes forms of democratic reasoning and arguing which consider non-western ways of debate, namely "public reasoning" (e.g. pp. and that he conceptualizes "welfare" and "wellbeing" broader than a materialistic quantification. Rather, he includes in his idea of "development" issues of democracy and participation and thus links with the "good life debate":

'We have to go beyond economic growth to understand the fuller demands of development and the pursuit of social welfare. Attention must be paid to the extensive evidence that democracy and political and civil rights tend to enhance freedoms of other kinds (such as human security) through giving a voice, at least in many circumstances, to the deprived and the vulnerable.' (p. 348)

## 1.2 Religion, economy and politics

This paper clearly is based upon a world view and value system. It is Christian and follows more precisely the Roman Catholic version of Christianity out of which the Catholic Social Teaching developed and clearly, that which is considered to be good and right within this world view has today also find agreement and compromise with others, following the analysis presented above.

The question of whether (and how far) religion and religious concepts shaped our way to live our lives, do business and build institutions is not new. Max Weber, for example, tried to explain the emergence of western business and bureaucratic institutions from Protestantism, Neill Ferguson in his review of western history constantly refers to protestant and catholic influences into economics and politics over the past 500 years.<sup>5</sup>

For three reasons, questions looking into the potential of religion past and present for shaping our institutions and our societies are more important than ever: (1.) The global dominance of the West is declining. (2.) The western model did a lot of good, but directly and indirectly equally damage to the world.<sup>6</sup> And (3): Even though other states are emerging on the world stage – especially, when looking at the Chinese model to do business at home and abroad – not much is changing for the better if one looks at it especially with the eyes of the poor.

One way to respond to these critical developments is to look again into the religious inspiration underlying our society: Could things be done otherwise? Could religion inspire change and forge coalitions of "people of good will", willing to work together towards the "common good of all"?

---

<sup>5</sup> Max Weber (1904/1905) Die Protestantische Ethik und der Geist des Kapitalismus. [Archiv für Sozialwissenschaften und Sozialpolitik](#), Vol. XX und XXI. Ferguson, N. (2011) Civilization – The West and the Rest. London: Allan Lane/Penguin

<sup>6</sup> From its early understanding of mission developed colonialism, of its understanding of humanity being supreme in creation developed the destructive behavior regarding our natural resources...



### 1.3 Status and perspective of this paper

The research and advocacy project “Tax Justice and Poverty” is based on Catholic Social Teaching (CST), which is not widely known inside and outside the church. And if it is known, it encounters a lot of sceptical questions: “What value does Catholic Social Teaching nowadays have for any attempts to address current political and social issues? Is it not too general and unpractical? Is it not a toothless tiger when compared with hard social and economical facts?” etc. Well, any idea is as powerful as the number of people believing in it and wanting to put it into practice.

True, CST is very general and needs to be applied to specific topics and/or specific contexts. The research project “Tax Justice & Poverty” wants to do this for the mentioned areas of concern in the countries of Germany, Kenya and Zambia.

This paper now wants to outline the ethical frame of this research, namely explain what sources and resources of CST are there and can be applied by researcher to evaluate specific social, political and economical problems and questions.

This paper has right now a heavy German bias since it is written by a German based on his view of German societal realities. This paper would certainly gain from input from the African Partners<sup>7</sup> or other western CST traditions, e.g. CST adaptations within the Anglo Saxon context.

All these things might still happen, since this research is planned to keep us busy until 2016. For that reason, this paper is called “Draft”: It is preliminary and welcomes comments, suggestions or additional papers which can be either worked into the present one or complement the body of writing which hopefully will emerge be collected in the context of this international research.

### 1.4 Principle Online Resources

This document contains numerous references to publications coming from the background of Catholic Social Teaching. Most, if not all, documents can be accessed online on the Website of the Vatican. Of particular interest are:

- [Compendium of the Social Doctrine of the Church](#)
- [Catechism of the Catholic Church](#)
- [Documents of the Second Vatican Council](#)
- [Papal Encyclicals](#)

---

<sup>7</sup> For example: Chapter 2 might need additions or a parallel version based on African society. Likewise, specific parts (e.g. on overlappings between CST and the emerging discussion on “Happiness Economics” (see#) or overlappings between the Catholic concept of the “Common Good” or the African concept of “Ubuntu”) could provide the basis for separate essays.

## 2 Social discourse, conflict and compromise in contemporary (western) society

### 2.1 Value implications in any social debate<sup>8</sup>

A priority concern of any social analysis and policy discussion should be the question: Which underlying criteria and guidelines are applied by the researcher when evaluating a social practice or developing policy recommendations? This means that hardly any description and certainly no discussion or evaluation is “guaranteed detached, objective and value neutral” since each research(er) operates from a certain value system which explicitly or implicitly influences that which s/he presents. The decline of religious world views in western countries does not automatically imply a decrease of value systems from where social (mal-)practice is evaluated and judged. For many, stipulations of Constitutions or Human Rights or certain thought systems such as Neoliberalism can assume the role which in earlier time religion had in such debates.<sup>9</sup>

Value systems which influence the presentation and discussion of taxation issues are, for example:

- Catholic Social Teaching/Christian Ethics/other religious world views
- Values enshrined in Constitutional Law
- Human Rights, especially social and economical rights
- Values contained in non-faith based philosophies and world views, such as Utilitarianism, Pragmatism, Neoliberalism...

One needs to be aware that concepts taken from these backgrounds are not just rooted in some school of thought on how to organize economic activities among others between one might judge and choose ‘objectively’. They might as well be representatives of overarching moral and ethical systems at the same time.

### 2.2 Social debates in pluralist societies

In a society which is homogeneous in the way that people worship the same religion, practice the same philosophy, adhere the same (Constitutional) law there is a commonly agreed hierarchy of values and principles which assists in evaluating social (mal)practices and discussing and implementing remedies. If there are conflicts, the commonly agreed hierarchy of values and principles provides guidance on how to balance diverging values and prioritize them in a way that there is again consensus both about the analysis and the resolution. The problem is: This kind of society does no longer exist in this world. States and their respective societies are increasingly pluralist in composition, among which some believe in God or a Higher Being, others do not, some are Christians, other Muslims, others Atheists or Agnostics and so on.

---

<sup>8</sup> The argument in chapter 1 is largely based on the social ethical analysis on modern pluralist societies done in part 1 (“Empirical situation of departure”) of (Alt, 2001, S. 19-36).

<sup>9</sup> John Rawls discussion of liberalism as a system of “comprehensive moral ideals” in (Rawls, 1985, p. 245ff.)

## 2.3 Colliding policies because of differences in underlying value systems

In a pluralist society, the common ground for evaluating social (mal)practices and discussing and implementing remedies no longer exists. In the field of economy, for example, results coming from a church based institution are obviously different from those coming from a neoliberal institution. Even worse: Findings of both ‘schools of thought’ are neither “irrational” nor “without reason”, since both are firmly enshrined and consequentially-coherently deduced from their respective value system: Churches will argue, that markets need control in order to serve humanity, Neoliberals will argue that the Invisible Hand of the Markets knows best about supply and demand and functions best if not inhibited. There is no rational way to judge between those two approaches in terms of who is right and who is wrong: Both are right within their premises; and unless there is a commonly agreed frame of reference within which both approaches can be discussed and resolved, there is no solution to resolve the conflict between both approaches ‘reasonably’ or even ‘objectively’.

Here, it seems, Church has not awakened yet to the reality of a pluralist society: Some books argue, for example, as if recommendations of CST are utterly convincing and morally obliging to all members of a society and tend to forget that those members of society who are not members of the church, might not be inclined to listen to a Church whose values and beliefs they no longer share in the first place.<sup>10</sup> The church, too, has to argue their cases based on facts and figures nowadays on the market place of public opinion if she wants to keep influence in a pluralist, democratic society (see below#).

## 2.4 Example Taxation: A matter of moral justice debate or ‘just rules’?

How dependent the taxation issue is on a speaker’s world view and his views of justice illustrates a dispute in the United Kingdom in the wake of “Offshore Leaks”. At stake was the issue of tax avoidance by corporations.<sup>11</sup> The President of the Corporation of British Industry appealed to Prime Minister Cameron to keep morality out of the taxation debate: “Tax avoidance cannot be about morality, there are no absolutes ...” Sir Roger Carr protested .... “Tax payments are not, and should not, be a down payment on social acceptability.” ... (H)he urged David Cameron: “Avoid the moral debate – it's all about the rules”.

Not only church based activists and scholars protested, even the newspaper journalist stated that Sir Roger was wrong when noting and evaluating other statements of him, for example: ‘Carr suggests companies must make “responsible judgments” about how aggressive they are on tax, “finding a balance between fiduciary duty and [questions of] social awareness and corporate reputation”. If these aren’t moral considerations’, the journalist, Simon Bowers, wondered: ‘What are they?’

---

<sup>10</sup> This is one weakness seen with many authors writing in (Booth, Catholic Social Teaching and the Market Economy, 2007a): Whatever is said by those authors may validly apply to those in business or government, who are member of the church and may be binding for their private life. But in their roles in society they might be obliged to follow laws passed by a secular society which is not guided by religious convictions or they might even be ‘caught’ in “sinful structures” and practices, where they have to be part of the game of all, only being able to “redeem” their conscience after work by practicing private charity and deeds of love.

<sup>11</sup> Bowers, S. (2013, May 20) Multinational tax avoiders had better beware the ‘unappreciative taxpayer’. In: *The Guardian*. <http://www.theguardian.com/business/blog/2013/may/20/multinational-tax-avoiders-taxpayer-roger-carr>. Of interest are also the comments given online to that article.

This example illustrates how far views on taxation issues diverge from each other, due to different value systems on which they are based and from which they are deduced.

## **2.5 Resolution of contested issues by consensus, compromise or conflict**

Lasting resolutions to such conflicts can be found in three ways:

- Either in Consensus: Conflicting parties find common agreement to resolve their diverging position.
- Or by compromise: If no full and harmonious resolution to the diverging positions is possible, each party involved has to concede something towards the other, but in the end all agree on some sort of compromise acceptable for the respective parties.
- Or by Conflict: In one way or the other dialogue and deliberation breaks down, there is one winner who imposes his view on the ‘underdog’ of the debate.

The author of this paper holds, that in the field of taxation option one (agreement per consensus) is nowadays most unlikely to achieve. Desirable would be a resolution of disputed areas via compromise and contract. The problem especially in the taxation debate is, however, that the social weight of discussion partners is very different in what they effectively achieve normally: Social, political and economic elites are much more influential in the discussion process than trade unions or individual citizens. The situation of the latter is even worsened by the fact that taxation related issues are highly complex and “overtax” the analytical and creative ability of most. Therefore the debate on tax justice issues is also a debate on power and empowerment in a given society, which leads back to the conflict of world views which underlies today’s problems and discussions.

For example, the conflict regarding the “focal point” around which a given society is being built: Is it Man? Or is it the Market and (eventually) Money? Certainly, many of those who represent in the author’s view the “Money”-emphasis would claim, that all they want to achieve is the best possible outcome for the greatest number of people. Their declaration sounds good, but how is the impact of policies based on that on nations and populations?

## **3 Man, Market or Money? CST and neoliberal globalization**

### **3.1 Capital and markets have to serve, not to rule**

The conflict between Man, Market or Money is as old as the bible: Was it the Golden Calf in the Old Testament who symbolized opposition to God and his commands, it is nowadays the dominance of utility, profit margins or the growth of the GDP which serves as yardstick for important decisions.

Before going further, however, it is important to note that, for example the market is not bad as such. The market is indeed the best possible mechanism developed and applied so far to allocate resources, to produce and trade goods. But: The market is cruel, if it is left entirely free, if capital rules over labour, if competition is without regulation and amounts to

the survival of the fittest.<sup>12</sup> Or put it the other way round: Market and competition is good but within boundaries: Like the legal system is setting boundaries for the rule of the strongest, the market needs boundaries within which producing and trading has to be done.

The globalizing market economy did indeed decrease dramatically poverty worldwide and this is a good thing. But in the process there were side effects on which experts might disagree: a steep rise in inequality and the exploitation and degradation of the environment being the most obvious.

CST does also not criticize money or wealth as such. It does warn, as Jesus and the prophets, of the love of money for its own sake – which again leads to the problem of largely “unproductive” concentration of wealth in the hand of very few people or to the development of a “finance industry” which no longer sees in money an instrument to create jobs, reduce poverty and advance production of goods in the “real economy”, but tries to make more money out of money – an important development which led to the crash of the World Economic and Financial Crisis in 2008/2009.

### **3.2 Social Justice & the priority of labour above capital**

As will be shown further down (#), the concept of social justice is a comparatively recent one. Especially the aspect of social justice is of interest when thinking about the context in which it has been introduced into public debate and CST only by the middle of the 19<sup>th</sup> century:<sup>13</sup> When the effects of the Industrial Revolution became apparent it was felt by catholic thinker that it is no longer sufficient to reflect justice issues within existing society, but to question the justice of the existing society as such. Outcome of this reflection were proposals of taming excesses of finance and economy which threatened the social cohesion, social stability and social peace of existing societies by the dominance of financial, economical and political elites and their inequality-increasing activities. Arising from this reflection, recommendations arose to tame finance and economy and attempt a more just balance between financial, economical and social interests by introducing (at least in Germany’s social market economy) social security systems and other forms of redistribution in view of assisting the disadvantaged and improved democratic participation both in political and economical affairs. It could be argued, therefore, that the situation in today’s globalized world resembles the situation existing within society during the First Industrial Revolution: Inequality and poverty in today’s Global Villages requires similar lines of reflection and action by placing the Universal Nature of the Common Good in the centre of deliberation.

---

<sup>12</sup> Pius XI said about the market economy: ‘It is evident that this system is not to be condemned in itself. And surely it is not of its own nature vicious. But it does violate right order when capital hires workers, that is, the non-owning working class, with a view to and under such terms that it directs business and even the whole economic system according to its own will and advantage, scorning the human dignity of the workers, the social character of economic activity and social justice itself, and the common good.’ QA Nr. 101. Also John Paul II had strict criteria for a ‘good’ capitalism: ‘But if by “capitalism” is meant 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, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.’ CA 42. And Pope Francis said in his homily on 15 August 2014 in Daejeon: May Christian ‘combat the allure of a materialism that stifles authentic spiritual and cultural values and the spirit of unbridled competition which generates selfishness and strife. May they also reject inhumane economic models which create new forms of poverty and marginalize workers, and the culture of death which devalues the image of God, the God of life, and violates the dignity of every man, woman and child.’

<sup>13</sup> [http://en.wikipedia.org/wiki/Social\\_justice](http://en.wikipedia.org/wiki/Social_justice)

CST consistently put the interests of labourers above those of capital when aiming for the best possible balance between those two (Beretta, 2011). On this background, Pope Pius XII warning sounds very up to date:

How much capital is lost through waste and luxury, through selfish and dull enjoyment, or accumulates and lies dormant without being turned to profit! There will always be egoists and self-seekers; there will always be misers and those who are short-sightedly timid. Their number could be considerably reduced if one could interest those who have money in using their funds wisely and profitably, be they great or small. It is largely due to this lack of interest that money lies dormant. You can remedy this to a great extent by making ordinary depositors collaborators, either as bond or share-holders, in undertakings whose launching and thriving would be of great benefit to the community, such as industrial activities, agricultural production, public works, or the construction of houses for workers, educational or cultural institutions, welfare or social service.<sup>14</sup>

### 3.3 Liberal market economy or social market economy?

However: There are different approaches in evaluating these developments; and while the Anglo-Saxon tradition (also within CST) is more optimistic in the capabilities of markets, business and economics to right these wrongs, the European approach is more in favour of regulation.<sup>15</sup>

But the market ideology did not stop here. Over the past decades one can observe how market and money lead to efforts to “streamline” our entire social life to the requirements of economical production and growth. Today, almost everything on earth has a price tag to it, even those items which at one stage were considered to be sacred or beyond sale: Air, water, food, body parts, sacred burial grounds, slave trade, forced labour, sexual exploitation, real estate on the moon, the dictate of fashion and commercials devaluing our personal tastes social traditions, a two class health care, education, old age care for those with money and those without, the different social appreciation of paid work or unpaid work (or work done by men or women – never mind how heavy and draining they are)...

For (all too) many years – surfing on the success of the market to satisfy so many human desires – market ideology was the dominant school of thinking that the “Invisible Hand” of the market knows best on how to distribute and allot assets and how to create and distribute wealth. What this “victorious” paradigm did to western societies in particular and the world at large in terms of a shift in eminent values has been sufficiently examined in many places. There is agreement about the following issues which are, seen to be more critical than ever:<sup>16</sup>

- Excessive individualism
- Suspicion and resistance towards as well as depreciation of the state and its institutions

---

<sup>14</sup> For this paragraph and the quotation of Pius XII see (Percy, 2007)

<sup>15</sup> For an Anglo-Saxon „optimistic” approach see authors contributing to (Booth, Catholic Social Teaching and the Market Economy, 2007a), while the European, especially German, tradition follows more the idea of “social market economics” which implies a stronger element of regulation (see below#).

<sup>16</sup> Hengsbach, F. (2012) Die Zeit gehört uns. Frankfurt: Westend; Chapter 5 of (Collins & Wright, 2010)

- Decreasing influence of the nation states, increasing power of transnational economical and financial institutions as well as “the markets”, advanced and speeded up by technical achievements of “globalization”
- Materialism and consumerism
- Ecological crises due to exploitation of natural resources and climate change
- Global division of labour, decrease in decently paid fulltime-jobs, increase of the working poor, decrease of the value and ‘clout’ of labour as opposed to capital, global labour migration
- Wealth without work
- Increasing inequality nationally and globally

Increasingly, market ideology, logic and ethics permeates all sectors of private and public life, values such as solidarity, community, common and/or public goods are decreasing in importance and the cohesion of national and global society gives way to more and more competition. Just one example: The more (former) public goods and services are privatized and the more people can afford to pay the prize, the more ‘leftover’ public goods and services decline in quality. Coupled with these facts, it is important to realise that some services are just better off being provided by the state than private companies, keeping the sense of community and the social contract. When the “commonwealth” of public service and public institutions disintegrates, it impacts the cohesion of the community, makes solidarity decline and the “level playing field” of equal opportunities for all to disappear, since e.g. education or health care for the poor no longer permits them to compete at eye level with those who have more or all (Sandel, 2010).

The victorious train of neoliberalism revealed its shortcomings during the World Financial and Economical Crisis, when ‘the collapse of the banking sector in 2008 when the Lehman Brothers went bankrupt and others like Merrill Lynch, AIG, Freddie Mac, Fannie Mae, HBOS, Royal Bank of Scotland, Bradford & Bingley, Fortis, Hypo and Alliance and Leicester all came within a whisker of doing so and had to be rescued. It was the year the neo-liberal economic orthodoxy that ran the world for 30 years suffered a heart attack of epic proportions’<sup>17</sup>.

People suffer increasingly under the way things are running in today’s society. If one asks them about “What would be different, if the economy were organized to serve people, not people serve the economy?”, answers are given such as

- I would have more time to spend with people who matter to me
- I would feel less fear for my children
- Environmental concerns would rank higher
- I would spend less time on earning money and more time on playing with children or productive work for the community

---

<sup>17</sup> Matheson, N. (2008, December 28) Three weeks that changed the world. *The Guardian*. Retrieved from <http://www.theguardian.com/business/2008/dec/28/markets-credit-crunch-banking-2008>

Answers like this illustrate the widespread appreciation of values beyond economic reasoning and the calculation of market transactions (Collins & Wright, 2010, p. 23) and that there is a deep longing in people to “put things right” again. The question is: How to do it?

Obviously, even before the World Economic and Financial Crisis, neoliberalism and his emphasis on the individual, its liberties, preferences and choices has been countered by other philosophical approaches. One important approach is, especially in the United States, Communitarianism with authors such as John Rawls, Alasdair MacIntyre, Michael Sandel, Charles Taylor, Michael Walzer and others. It recognises the rights of the individuals and their dignity while emphasising their civic responsibilities and duties towards others. But also the Catholic Church offers analysis, guidance and alternatives.

### 3.4 Sample Papal Statements

For quite some time church institutions and officials recognized that one reason behind existing miseries is a conflict not just on ideologies, but fully fledged value systems with their respective ethical guidance for deliberations and decisions. Pars pro toto, three quotes from the last three popes on that issue follow:

Pope John Paul II in 2001: He perceived globalization, as it is developing under the influence of market ideology, as increasingly threatening towards the cultural achievements of humanity:

One of the Church's concerns about globalization is that it has quickly become a cultural phenomenon. *The market as an exchange mechanism has become the medium of a new culture.* ... We are seeing the emergence of patterns of ethical thinking which are by-products of globalization itself and which bear the stamp of utilitarianism. But ethical values cannot be dictated by technological innovations, engineering or efficiency; ... *Ethics cannot be the justification or legitimation of a system, but rather the safeguard of all that is human in any system.* Ethics demands that systems be attuned to the needs of man, and not that man be sacrificed for the sake of the system.<sup>18</sup>

Pope Benedict XVI puts it as follows

Economic activity cannot solve all social problems through the simple application of commercial logic. This needs to be directed towards the pursuit of the common good, for which the political community in particular must also take responsibility. Therefore, it must be borne in mind that grave imbalances are produced when economic action, conceived merely as an engine for wealth creation, is detached from political action, conceived as a means for pursuing justice through redistribution (Caritas in Veritate Nr.36).

Pope Francis took up this train of thought shortly after he was appointed Pope in an address to five newly accredited ambassadors to the Vatican, two of which represented countries who are accused of being Tax Havens:

---

<sup>18</sup> John Paul II (2001) Address of the Holy Father to the Pontifical Academy of Social Sciences Friday, 27 April 2001. Internetressource < [http://www.vatican.va/holy\\_father/john\\_paul\\_ii/speeches/2001/documents/hf\\_jp-ii\\_spe\\_20010427\\_pc-social-sciences\\_en.html](http://www.vatican.va/holy_father/john_paul_ii/speeches/2001/documents/hf_jp-ii_spe_20010427_pc-social-sciences_en.html) >



The worship of the golden calf of old (cf. *Ex 32:15-34*) has found a new and heartless image in the cult of money and the dictatorship of an economy which is faceless and lacking any truly humane goal. The worldwide financial and economic crisis seems to highlight their distortions and above all the gravely deficient human perspective, which reduces man to one of his needs alone, namely, consumption. Worse yet, human beings themselves are nowadays considered as consumer goods which can be used and thrown away. We have begun a throw away culture. ... Concealed behind this attitude is a rejection of ethics, a rejection of God. Ethics, like solidarity, is a nuisance! It is regarded as counterproductive: as something too human, because it relativizes money and power; as a threat, because it rejects manipulation and subjection of people: because ethics leads to God, who is situated outside the categories of the market. ... Ethics – naturally, not the ethics of ideology – makes it possible, in my view, to create a balanced social order that is more humane. In this sense, I encourage the financial experts and the political leaders of your countries to consider the words of Saint John Chrysostom: “Not to share one’s goods with the poor is to rob them and to deprive them of life. It is not our goods that we possess, but theirs” (*Homily on Lazarus*, 1:6 – *PG 48, 992D*). Dear Ambassadors, there is a need for financial reform along ethical lines that would produce in its turn an economic reform to benefit everyone. This would nevertheless require a courageous change of attitude on the part of political leaders. I urge them to face this challenge with determination and farsightedness, taking account, naturally, of their particular situations. Money has to serve, not to rule!<sup>19</sup>

Not surprisingly: Pope Francis stuck to his views. He incorporated parts of that which he told those ambassadors into his Apostolic Exhortation *Evanglii Gaudium* (see Nrs. 55+57) which was published on 24 November 2013.

### **3.5 Excursus on Pope Francis: Marxist, Pauperist or rooted in CST?**

The longer pope Francis is pope and the more he speaks about inequality, globalization and poverty, the more accusation are levelled against him which so far have not been levelled against previous popes. Torielli/Galeazzi look into this phenomenon and open their book with the Preface titled “Is the Pope a Marxist? Francis, the Economy that “kills” and the Catholic Amnesia” and argue that there is little noteworthy about Pope Francis positions if one knows concepts of Christianity and Marxism in General and Catholic Social Teaching in particular: Also the previous popes were strong on certain issues, e.g. the priority of labour over capital and financial imperialism (e.g. Pius XI in his *Octogesima Adveniens*), the relative position of private property as opposed to the common good (John Paul II in *Laborem Exercens*), outsourcing of labour, and capital flight (Benedict XVI in *Caritas in Veritate*).

Tornielli/Galeazzi point out that due to the long pontificate of John Paul II and the dominant struggle of his time, when the final battle between US Capitalism and Soviet State Socialism was raging, the impression could consolidate that Catholicism and the US form of free market capitalism and enterprise are allies and partners. This, however, would be a grave misconception and ignore the long strand of Catholic Social Teaching.

---

<sup>19</sup> Speech held 2013, June 16. Retrieved from <http://www.news.va/en/news/pope-financial-reform-along-ethical-lines>

Pope Francis is certainly special insofar that he comes from a country which experienced an extreme form of neoliberal capitalism and suffered various crises of poverty and unemployment. Here Bergoglio as archbishop of Buenos Aires was engaged in the debate and called out ‘We are tired of systems that generate poor people for the church then to look after.’<sup>20</sup> Pope Francis’ situation is also special that for the first time ideas can be spread and noted via electronic media including the Social Web with a speed unknown to earlier generations. This makes it easier to pick, choose and spread certain ideas on the expense of others or a more differentiated context – both in a positive and negative manner. The fact that Francis acquired a popularity which makes him a dangerous proponent of good catholic world views is certainly also behind the nervousness certain circles of society display when they feel obliged to attack Pope Francis as Marxist or Pauperist. Pope Francis takes it cool. In the interview he gave to Tornielli/Galeazzi in chapter 15 he says:

The sentence of *Evangelii Gaudium* that most struck a chord was the one about an economy that “kills.” And yet, in the exhortation I did not say anything that is not already in the teachings of the social doctrine of the church. Also, I didn’t speak from a technical point of view. I simply tried to present a picture of what happens. The only specific reference was to the so-called “trickle-down” economic theories, according to which every economic growth, encouraged by a free market, will inevitably bring about greater equity and global inclusiveness. The promise was that when the glass was full, it would have flowed over and the poor would have benefited from it. Instead, what happens is that when the glass is full it mysteriously gets larger, and so nothing ever comes out of it for the poor. This was the only reference to a specific theory. I repeat, I do not speak as an economical expert, but according to the social doctrine of the church. And this does not mean that I am a Marxist. Perhaps whoever has made this comment does not know the social doctrine of the church and, apparently, does not even know Marxism all that well either.

### 3.6 CST: The Catholic view of social life – in need of constant dialogue

Given the age of the Catholic Church, CST is a relatively new development of thought. Its roots can be traced back as 1740: It was then that the popes first applied the famous three step approach of “see-judge-act” to contemporary social and political questions: A thorough analysis of the problems at hand was followed by a reflection based on scripture and church teaching and resulted into policies and action which should guide the church both as an institution and its individuals on these matters.<sup>21</sup> Serious and systematic work on developing CST into an alternative view of human society started in 1891 with the Encyclical *Rerum Novarum* of Leo XIII, who addressed the plight of workers and their families, suffering under the conditions created by the forms of capitalism in those days. Still, this approach was and is not widely known and worked with and therefore it is correct to argue that Catholic Social Teaching, until the present day, is “Our best kept secret” (de Berri & Hug, 2010).

CST was and is not an own empirical science. It is, however, open towards and interested in a dialogue with other sciences, most importantly social and natural sciences, but also – in our case – economics, since taxation represents a direct state intervention into market

---

<sup>20</sup> Chapter 2 if (Tornielli & Galeazzi, 2015)

<sup>21</sup> In those days questions resulting from Enlightenment, see (Wijsen, Henriot, & Mejia, 2005, S. 9f.).

mechanisms. However: Insights gathered in empirical sciences are reflected on the background of divine revelation in the bible and the church's tradition, hence CST is 'knowledge illuminated by faith' (Pontifical Council for Justice & Peace, 2005, p. 32f.). The temptation with CST is, that there is a disbalance between philosophy and theology on the one hand and other scholarly or scientific disciplines on the other hand: The temptation is, not to give serious consideration to facts and arguments – even though guided by ones principles and values, but rather select and handpick facts and arguments in a way that it fits ones faith based theory. This is confusing the moral with the technical: Of course is an economic system open to moral evaluation. For example, one can legitimately judge that the present economic order harms the poor. How to improve this situation is, however, open to discussion and legitimate disagreement on technical instruments and approaches.<sup>22</sup>

To view CST statements to be generally on the same level as church statements e.g. on the right to life and abortion or the importance of families would not really invite dialogue with other scholars on social question, but nurture a missionary approach which one either likes or rejects without giving credit and merits to the arguments. By doing so it would forfeit an asset: Even though CST does not claim the authority of the *magisterium* in the same way as it is in the case of theological statements, it claims authority by its ability to reconcile traditional insight and anthropological wisdom with modern thinking and experience.<sup>23</sup> On that background, however, CST claims relevance not only for the members of the Catholic Church, but also beyond. CST documents, even the encyclicals of the Popes, are directed also towards all Christian Churches and beyond that to 'all people of good will who are committed to serve the common good' (Pontifical Council for Justice & Peace, 2005, p. 4).

Because of its foundation on the dialogue with current scholarly debates findings of CST are (at least to some extent) time bound, since conventional approaches or mainstream views of contemporary debate might impact on the formulation of CST documents – which may be outdated after a while because current scholarly debates move on if experience or empirical findings indicate the need to do so. For that reason, CST documents of past decades are not always the best possible approach to current problems. For example: The view of developmental aid expounded on by Paul VI in his encyclical *Populorum Progressio* is influenced by the kind of "Interventionist development" approach which was popular in the 1960s, many of whose recommendations would nowadays no longer shared by the expert community (Booth, 2007c, S. 69).

Nevertheless: The time might have come to re-discover vigorously the strengths and potentials of CST. After decades of largely unfettered global neoliberal market ideology and market capitalism, inequality increased dramatically both nationally and internationally. "Development" has taken a course which rather served the interests of particular groups, but

---

<sup>22</sup> A good example is Leo XIII's approach to the question of a "just wage": Against the promoters of the free market and defender of those saying that worker agree freely to the wages offered he argued that a paid wage is unfair if the worker has no bargaining power, is forced to agree and if the wage paid does not enable him and his family a decent life. Having passed this moral judgment, the Pope did not interfere into the discussions on way and means to improve the situation. Similarly: No Catholic would nowadays deny the Option for the Poor. But there is an open discussion on what is the best way to implement this option. (Woods, 2007, S. 91-96)

<sup>23</sup> See e.g. (Booth, 2007b, S. 29)

no longer the (global) common good and its centre piece, the human person. For that reason, it is of eminent importance to counter the cultural and ethical dominance of market economy with alternative sets of cultural and ethical values. If understood in its potential properly CST might be a widely acceptable way to bridge the widening gap between rich and poor. It always tried to steer a middle way between the extremes of capitalism and socialism and might therefore also be an alternative now, before it comes to harm and conflicts:

The Church's position 'radically diverges from the program of collectivism as proclaimed by Marxism,' and just as radically 'differs from the program of capitalism practiced by liberalism and the political systems inspired by it.' (LE 64) The Church's view avoids the twin evils of collectivism, which denies the private character of property, and of individualism, which denies the common good. (QA 46) The Church's critique of property, however, goes much deeper than the issue of ownership. The Church is guided by the principle of the Common Destination of Goods, a principle which impels the Church to comment on the unjust distribution of property. The poor distribution is condemned as a 'grave evil,' (QA 58) nor are we permitted to blame this poor distribution on either 'the fault of the needy people, and even less through a sort of inevitability dependent on natural conditions or circumstances as a whole.' (SRS 9.6) Further, this poor distribution inevitably leads to violence since 'Peoples excluded from the fair distribution of the goods ... could ask themselves: why not respond with violence to those who first treat us with violence?' (SRS 10.2).<sup>24</sup>

The situation of injustice in today's world is not the result of an unfolding natural law or the "end of history"<sup>25</sup>: The church reminds us that our world with all that is in it in terms of structures and institutions was and is shaped by choices of human beings/moral agents capable of deliberation and choice. Likewise it is maintained and reformed by choices of moral agents, hence the world we live in reflects the moral value systems of these agents and what they put first: Man, Market or Money. As time goes by, however, any original ideas and initial decisions consolidate into structures and institutions and those "emergent structures" complicate things: Those structures set up by the choices and decisions of moral agents have in turn an impact/imprint on the values and "conscience" of those moral agents. Hence: There is some sort of reciprocity between the personal and the structural, which is why Pope John Paul developed the expression of "structures of sin".<sup>26</sup> Put in a very simplistic way, it needs to be remembered that complex systems can develop a dynamic of their own, and the more this dynamics impacts on people it can carry people and institutions away from its origins. And the more this happens or is permitted to happen, the more difficult it is to catch it and put it on a lead again.

---

<sup>24</sup> (Medaille, 2002, S. 4-5), quoting from the papal encyclicals *Laborem Exercens*, *Quadragesimo Anno* and *Sollicitudo Rei Socialis*.

<sup>25</sup> Taken from Francis Fukuyamas book "The end of history and the Last Man"

<sup>26</sup> 'It is important to note therefore that a world which is divided into blocs, sustained by rigid ideologies, and in which instead of interdependence and solidarity different forms of imperialism hold sway, can only be a world subject to structures of sin. The sum total of the negative factors working against a true awareness of the universal common good, and the need to further it, gives the impression of creating, in persons and institutions, an obstacle which is difficult to overcome.' *Sollicitudo Rei Socialis* Nr. 36. In this context one should also take note of the work done by sociologists such as Niklas Luhman.

## 4 Impact of CST, related strands of thinking

### 4.1 Political impact and relevance of CST

In most cases, CST influenced debates in modern society via announcements of church leaders, social movements such as those of Christian workers or lay organizations such as those of students, economists or politicians. In some rare cases, however, CST inspired political constitutions and social structures of states and countries, most importantly the post World War II constitutions of Germany, Bavaria and Austria. For example: The Compendium of the Social Doctrine emphasizes that the ‘whole of the Church’s social doctrine develops from the principle that affirms the inviolable dignity of human persons’ (Pontifical Council for Justice & Peace, 2005, p. 50). Exactly this phrase is nowadays the foundational sentence at the beginning of the German Constitution, namely Article 1, paragraph 1 Sentence 1 of the Basic Law: “The dignity of humans is inviolable”, and it is the prime task of all state institutions to respect and protect this dignity. This principle, therefore, has an impact and imprint on all legal instruments, administrative practices and jurisdiction which is based upon and derives from the German constitution. There are other influences of CST as well, e.g. in Article 14 (‘Property obliges’) or Article 151 of the Bavarian Constitution (‘All economic activity serves the common good’).<sup>27</sup> CST also shaped the German social order, e.g. its Social Security system, the organization of welfare among non-state institutions, or the concept of the social market economy (*soziale Marktwirtschaft*), where capital and labour are no longer opponents, but cooperating “social partners”.<sup>28</sup> The “German way” is seen to be quite a success story, so much that the German Chancellor Angela Merkel recommended it as a promising orientation for reforming world economy after the World Financial and Economical crisis at the Davos Summit in 2009.<sup>29</sup>

Also non-western parts of the world awake to the potential inherent in CST for social analysis and transformation for their countries. In Africa, for example, Catholic Social Teaching inspires implicitly, by the choice of concepts and principles (Tarimo, 2005), or explicitly, in ethical writings dealing with injustice and social reconstruction in Africa (Opongo & Orobator, 2007). In Zambia, the Jesuit Centre for Theological Reflection builds his activities towards the new constitution on CST.<sup>30</sup>

### 4.2 CST and/or Liberation Theology on economics and taxation<sup>31</sup>

While there are some entries in Google responding to “liberation theology and economics”, there is hardly anything of substance on “liberation theology and taxation”.

---

<sup>27</sup> See Pehlemann, R. (2008) Die Verankerung der Klassischen Sozialprinzipien im Grundgesetz der Bundesrepublik Deutschland. Grin

<sup>28</sup> See Emunds, B (2010): Ungewollte Vaterschaft. Katholische Soziallehre und Soziale Marktwirtschaft. In: *Ethik und Gesellschaft* 1/2010: Wem gehört die ›Soziale Marktwirtschaft‹? Herkunft und Zukunft einer bundesrepublikanischen Erfolgsformel. Internetresource, retrieved from [http://www.ethik-und-gesellschaft.de/mm/EuG-1-2010\\_Emunds.pdf](http://www.ethik-und-gesellschaft.de/mm/EuG-1-2010_Emunds.pdf)

<sup>29</sup> ‘She lauded the German system, which mixes capitalism with a strong social safety net and potent regulators’ Dogherty, C. (2009, January 30) Merkel, at Davos, calls for a “global economical charter”. *New York Times*. Retrieved from [http://www.nytimes.com/2009/01/30/business/worldbusiness/30iht-davos.4.19817885.html?\\_r=0](http://www.nytimes.com/2009/01/30/business/worldbusiness/30iht-davos.4.19817885.html?_r=0)

<sup>30</sup> (Chiti, 2013) or the report “Global aber gerecht”

<sup>31</sup> This sub-chapter has been contributed by Pascal Andebo.

However, though generally a controversial area in the context of the church, the aspect of liberation theology focusing on the unjust social structure and emphasis on the dignity of the poor, seems to come back in relation to this topic. This seems practical in the sense that the Church emphasizes about the poor both in its teaching and its practice in the social institutions it establishes. In relation to the theme of tax justice and poverty, the concept of redistribution, which is so much in line with the principles of the Catholic Social Teaching, also rhymes with the basic tenets of the liberation theology.<sup>32</sup> Furthermore poverty and increasing inequality, seen as the result of unjust and sinful social structures,<sup>33</sup> is a theme that would be another intersection between the broader Catholic Social Teaching and one of the core arguments of Liberation Theology.

Therefore, in spite of the controversies and differences of opinion between Liberation Theology and CST in the general context they do share a common perspective on poverty as a social issue that affects the day to day lives of the Christians and people. Given the frequent conflicts between Liberation Theologians and Rome during past decades and given the fact, that with Pope Francis there seems to develop a more open stance in Rome, Liberation Theology might move from the Latin American context into the centre of Universal Catholic thinking. Whether this happens or how this might happen is, however, too early to tell.

For the time being, however, and until the taxation theme is more considered within Liberation Theology, the focus of this paper is on Catholic Social Teaching.

### 4.3 CST, Happiness Economics, Economics for the Common Good etc.

How “up-to-date” CST is nowadays illustrates the fact that many insights of CST are re-discovered in areas of reflection which at first sight have nothing to do with Catholic or Christian religion. Some examples:

First, “Happiness Economics”, which derives its insights from economics, psychology, sociology and findings of other scientific disciplines. Inspired from authors such as Richard Layard and Bruno Frey, it takes a fresh view on that which really matters to people, which cannot be measured in quantitative, let alone monetary terms and whose attainment is important to increase happiness of both individuals and societies. It has to do with values such as health, relationships, clean environment, leisure/work-life-balance etc. One important insight in Happiness Economics is expressed in the “Easterlin Paradoxon”, namely, that an increase in income does not necessarily increase the subjective happiness of people.<sup>34</sup> Very often the only satisfaction taken from an increase in income and wealth is the happiness of one competing against others and beating them in quantitative terms without really gaining in

---

<sup>32</sup> Matthew 25:40. 1983 CIC, [canon 222 §2](#). Option for the Poor, [Major themes from Catholic Social Teaching](#), Office for Social Justice, Archdiocese of St. Paul and Minneapolis. [Deus Caritas Est](#) §22 + 57. [Compendium of the Social Doctrine of the Church](#), Paragraphs 182-184. [Congregation for the Doctrine of the Faith](#); Joseph Cardinal Ratzinger (Prefect) (6 Aug 1984). ["Instructio de quibusdam rationibus "Theologiae Liberationis" \[Instruction on certain aspects of the "Theology of Liberation"\]](#) (English translation). *Acta Apostolicae Sedis* (Vatican City) **76**: 876–909. [ISSN 0001-5199](#). Retrieved 10 December 2011. Also preferential option for the poor; dealt with in greater detail later (Pontifical Council for Justice & Peace, 2005, p. 79).

<sup>33</sup> United States Conference of Catholic Bishops (USCCB). Social sin. *Justice, Peace and Human Development: Catholic Teaching and Principles*. <http://old.usccb.org/sdwp/catholicteachingprinciples.shtml>

<sup>34</sup> [http://en.wikipedia.org/wiki/Easterlin\\_paradox](http://en.wikipedia.org/wiki/Easterlin_paradox)

life-quality. One of its more popular achievements is the discussion surrounding the replacement of the “Gross National Product” by the “Gross National Happiness” Index.<sup>35</sup>

Second, the Integrative Economic Ethics approach of the St. Gallen Institute for Economics. It criticizes liberal market economy based on principles of philosophical ethics and tries to put man as moral agent in the centre of economic activities. It argues that individual and political ethics, aiming for the “good life of all”, is of more importance than the “logic of the market” which is said to be a “natural law”, but – in reality – only fiction and excuse.<sup>36</sup> This approach claims a universal and intercultural validity since it renounces religious and metaphysical beliefs as ultimate foundation (*Letztbegründung*). As a consequence, the St. Gallen Institute is very involved in developing programs and workshops for Corporate Social Responsibility.<sup>37</sup>

Third, “Economics for the Common Good”, which is increasingly popular in Germany and Austria. Here, more than 1400 companies annually evaluate their activities in a Common Good Balance Sheet, which takes into account their impact on Human Dignity, Cooperation & Solidarity, Ecological Sustainability, Social Justice and Democratic Co-Determination and Transparency. This approach is embedded in the support of hundreds of politicians, individuals and NGOs, thus creating a civil society movement.<sup>38</sup>

“The good life”, “happiness”, more comprehensive understanding of “welfare” links – fourth – with insights emerging from evaluation processes inquiring into the failure of developmental policies for Africa. The overemphasis on macroeconomical factors did not take into account cultural concepts of happiness and therefore did not “link” with traditional societies and habits.<sup>39</sup>

Re-thinking the link between economics and happiness is – fifth – even spreading into organizations which so far are not associated with “alternative thinking” when it comes to welfare models based on economical theory: Even the OECD launched a “Better Life Initiative” and publishes bi-annually the report “How is life – Measuring Well-Being.”<sup>40</sup> Countries such as the UK or Germany had already governmental institutions looking into the possibility to reform or replace the GDP as measure of welfare.<sup>41</sup>

Obviously: Putting all this into practice and reforming our global system of production and consumption along these lines would resolve many problems which are under

---

<sup>35</sup> <http://www.happyplanetindex.org/>

<sup>36</sup> Mayerhofer, Th. (2009) Integrative Wirtschaftsethik und Katholische Soziallehre. Ein zukunftsweisender Dialog? Dissertation, pp. 87-96. Internetresource retrieved from <http://www.opus-bayern.de/uni-passau/volltexte/2009/1283/>

<sup>37</sup> More information see <http://www.iwe.unisg.ch/en/Weiterbildung>

<sup>38</sup> More information see <http://www.gemeinwohl-oekonomie.org/en/content/idea-economy-common-good>

<sup>39</sup> For example: Andrews, N. (2009) Foreign aid and development in Africa: What the literature says and what the reality is. *Journal of African studies and Development*. VOI 1(1) pp. 8-15. Internet [http://www.academia.edu/202805/Foreign\\_aid\\_and\\_development\\_in\\_Africa\\_What\\_the\\_literature\\_says\\_and\\_wh\\_at\\_the\\_reality\\_is](http://www.academia.edu/202805/Foreign_aid_and_development_in_Africa_What_the_literature_says_and_wh_at_the_reality_is)

<sup>40</sup> <http://www.oecdbetterlifeindex.org/>

<sup>41</sup> Alt, J./Drempetic, S. (2011) Wohlstand anders denken. Echter: Würzburg. So far, only Bhutan replaced the GDP Index by a “National Happiness Product” Index.

examination in this research. Common to all is the questioning of one of the main principles of neoliberal economics, which links individual happiness with an increase of income and measures the wealth of a nation with the growth of GDP and that therefore the growth of the economy is the best and most just way to raise also income and wealth of the poor.

A reformed understanding of life-quality, contentment and happiness on that background could of course initiate another strand of “wealth-redistribution” besides taxation, namely based on voluntary self-restraint and sharing on part of the well off for the sake of the worse off can be fostered together. It would be a win-win situation, with some better off and nobody worse off. Clearly, this kind of voluntary and subsidiary charitable action would be much more in tune with traditional CST (and therefore preferable) than forced redistribution via taxation, imposed on the individual by the state.

Last not least: This parallel emergence of new initiatives promoting alternative measurements of happiness based on a new way of economics, labour, production and consumption and its overlapping with principles and values of CST should be taken into account when thinking about forming advocacy coalitions which are able to gain policy defining majorities inside pluralist and democratic societies (see#).

#### 4.4 CST and the limits to growth

A last strand of thinking converging with CST are those approaching arguing that our present way of production and consumption is already overtaxing the resources of our planet. Those strands of argument go back to the famous report “The Limits to Growth” which was first and prominently brought into discussion 1972 by the Club of Rome.<sup>42</sup> Ever since then, the basic insight was confirmed, even though timelines varied until then our planet would ecologically collapse or important resources would run out and either cause hardship or violent conflicts for the remaining resources. It is also this situation of finite resources without easy replacements and alternatives for production and consumption in sight which are calling to develop an alternative way to define (or: re-discover) standards of happiness and contentment.

### 5 CST Principles & Values

The most important vehicle of examining current injustices and suggestions proposing alternatives based on Catholic Social Teaching are the Principles of Catholic Social Teaching. They are

... the expression of the whole truth about man known by reason and faith, are born of “the encounter of the Gospel message and of its demands summarized in the supreme commandment of love of God and neighbour in justice with the problems emanating from the life of society”. In the course of history and with the light of the Spirit, the Church has wisely reflected within her own tradition of faith and has been able to provide an ever more accurate foundation and shape to these principles, progressively explaining them in the attempt to respond coherently to the demands of the times and to the continuous developments of social life. *These are principles of a general and fundamental character, since they concern the*

---

<sup>42</sup> For more information see [http://en.wikipedia.org/wiki/The\\_Limits\\_to\\_Growth](http://en.wikipedia.org/wiki/The_Limits_to_Growth)



*reality of society in its entirety ... Because of their permanence in time and their universality of meaning, the Church presents them as the primary and fundamental parameters of reference for interpreting and evaluating social phenomena, which is the necessary source for working out the criteria for the discernment and orientation of social interactions in every area.* (Pontifical Council for Justice & Peace, 2005, p. 71)

## 5.1 What categorization of CST principles and values exist?

Sadly, there is no unanimous consensus among various national churches, which principles are key or core among CST.

Germany, with a long tradition of CST research and eminent scholars who also drafted relevant encyclicals in this area for – e.g. – Pope Pius XII traditionally knew three principles (personality,<sup>43</sup> solidarity and subsidiarity) which, in the course of discussion and *aggiornamento* were augmented by four more: (Social) Justice, Common Good, Option for the Poor and Sustainability.<sup>44</sup> This listing is congruent with the German WIKIPEDIA entry on “Christliche Soziallehre”.

It is more complicated in the English language area. If one enters the words “principles catholic social teaching” into Google, a variety of lists is offered. Among the foremost are the following:

- English Wikipedia: 5 (Human Dignity, Solidarity & Common Good, Charity, Subsidiarity, Distributism & Social Justice)
- [UK](#): 5 (Dignity of human Person, Common Good, Solidarity, Subsidiarity, Option for the Poor)
- [US](#): 7 (Life & Dignity of Human Person, Family-Community-Participation, Rights & Responsibility, Option for Poor & Vulnerable, Dignity of Work & Rights of Workers, Solidarity, Care for God’s Creation)
- [AUS](#): 7 (Dignity of Human Person, Common Good, Option for the Poor, Participation, Solidarity, Stewardship, Subsidiarity)
- [NZ](#): 11 (Human Dignity, Human Equality, Respect for Life, Principle of Association, Principle of Participation, Common Good, Solidarity, Protection of the Poor, Stewardship, Universal Destination of Goods, Subsidiarity)

An additional confusion in the English language area is the mix-up between “principles” and (key) “themes”: Wikipedia talks of both, the United States Bishops Conference talks of “themes”, the others of “principles”. Additionally, the lists contain references to CST “values” (Australia).

## 5.2 The Compendium of Social Doctrine of the Church

It is universally agreed that ‘the principles of the Church’s social doctrine must be appreciated in their unity, interrelatedness and articulation’ (Pontifical Council for Justice &

---

<sup>43</sup> No outright equivalent for the German “Personalität” or the latin “personalitas”, who rather use descriptive terms such as Human Dignity, Human Equality... Also in German usage, “Personalität” is meanwhile expressed as “Würde der Person”

<sup>44</sup> Handout „Die klassischen Prinzipien der katholischen Soziallehre“. Online <http://www.digitale-schule-bayern.de/dsdaten/553/80.pdf>

Peace, 2005, p. 71) – which would indicate that it does not really matter with which one starts since in the end everything comes together anyhow. Still, it would help in our view if these “plenitudes” could be sorted out into some agreed-upon order and coherence which could claim universal acceptance. This is of particular importance in the case of a research which addresses problematic issues in different continents and countries: If the variety of principles remains, it may be unclear for any reader, which set is followed and applied or it would require repeatedly and lengthy preliminary explanations.

*It is proposed therefore to follow the concepts and arrangement offered by the Compendium of Social Doctrine of the Church.* It is, after all, the publication of the Papal Council on Justice and Peace and aims explicitly to provide an authoritative framework and approach for the universal church.<sup>45</sup> The Compendium is organized in three parts:

- Part I of the Compendium presents how the Social Doctrine of the Church is outflow of the divine redemption, of Gods Plan, the general mission of the church and its social doctrine. It contains the general principles and values **organizing and guiding** this engagement
- Part II of the Compendium goes into detail by **applying** those principles and values to various issues of human life and society
- Part III finally spells out specific recommendations for church action.

### 5.3 Distinguishing principles, themes, values and virtues

For the sake of clarification, and referring to the Compendium, the following distinctions and categorization are suggested:

A **theme** denotes areas of interest and concern. The treatment here is descriptive, answering the question: “What” (is at hand/at stake)?

A **principle** denotes guidelines which help an analytic researcher and politician to evaluate a given problem, providing criteria, balancing conflicting issues and getting priorities determined and arranged, answering to the question: “How” (is the problem composed resp. is it to be ranked/weighed/related to as compared with other conflicting and competing interests/issues)?

A **value** is both an organizing principle which can be used to assess conflicting issues, and at the same time an appreciated (ideal) state of affairs whose gradual implementation is aimed for.<sup>46</sup> In that manner, values can be seen to be instrumental and final, actual and potential (Kennedy, 2007, S. 173f.)

---

<sup>45</sup> (Pontifical Council for Justice & Peace, 2005, p. xviii.) and (Kennedy, 2007, S. 164)

<sup>46</sup> (Pontifical Council for Justice & Peace, 2005, p. 87). While “justice” in German or the English Wikipedia edition is listed as CST principle, the Compendium treats it, alongside freedom, truth and love, as an overarching value, however in strong connection with the CST principles.

A final relevant category is moral **virtues**, as is the case of “solidarity” which is both a CST principle and moral virtue. This is due to the link between solidarity and the value of justice, which results in an ever stronger obligation to everybody to implement solidarity.<sup>47</sup>

If one applies these distinctions, it follows, for example, that “family” or “rights of workers” should not be categorized as CST principles, because they are particular areas and “themes” of specification, results presented are outcomes of the application of CST principles.

Even though this paper leans from now on strongly on the Compendium, it needs to be said that the choices made by the authors of the Compendium are not at all times perfectly obvious and cogent. For example,

- From the present order of the Compendium one could infer that the Personalist Principle dealt with in chapter 3 is a category of its own, since the introduction to CST principles as such is given only at the beginning of chapter 4.
- It is unclear why the “Option for the poor” is contained under the principle of “Universal Distribution of Goods” rather than “Solidarity”.
- It is unclear why “Participation” is given a status as principle (instead being subsumed under subsidiarity) rather than “Stewardship” or “Sustainability” which would do justice to the rising awareness of environmental issues.

For the sake of authority and importance as universal point of reference, however, the structure of the Compendium is followed.

## 5.4 CST Principles

Since the Compendium is the yardstick of this paper, other authoritative CST documents – e.g. documents from the Councils or Encyclicals from the Popes – are not presented adequately. In the quotes from the Compendium presented in the following text, however, sometimes numbers in [square brackets] are contained, which indicate a footnote in the Compendium, referring to other CST sources. When looking up the Compendium's text in the [Internet](#), it is easy to check on these references.

### 5.4.1 The Personalist Principle

The Personalist Principle is the foundation of all other CST principles and receives therefore treatment in an own chapter of the Compendium, namely chapter 3: ‘All of social life is an expression of its unmistakable protagonist: the human person... “Human society is therefore the object of the social teaching of the Church since she is neither outside nor over and above socially united men, but exists exclusively in them and, therefore, for them”.’ (Pontifical Council for Justice & Peace, 2005, p. 49). ‘Every political, economic, social, scientific and cultural programme must be inspired by the awareness of the primacy of each human being over society[248]’ (Pontifical Council for Justice & Peace, 2005, p. 58f.). ‘This *‘socialization’* also expresses the natural tendency for the sake of attaining objectives that

---

<sup>47</sup> (Pontifical Council for Justice & Peace, 2005, p. 85). Equally, an interconnection exists between “Solidarity” and “Justice”, see e.g. ‘In fact, the Church's social doctrine places alongside the value of justice that of solidarity, in that it is the privileged way of peace.’ (Pontifical Council for Justice & Peace, 2005, p. 90). Different kinds of obligation/responsibility reference to Sandel in “Defining the terms”, i.e. Obligation from Natural Law, Solidarity and Moral.

exceed individual capacities. It develops the qualities of the person, especially the sense of initiative and responsibility, and helps guarantee his rights”.’ (Pontifical Council for Justice & Peace, 2005, p. 65f.).

Here, an important implication shines through already: The whole is more than the sum of its individual parts, which is why there are no absolute rights/entitlement/liberties, as is rather the emphasis in Anglo Saxon traditions, but the rights of the individual needs to be balanced with responsibilities towards the whole, the common good, the community. This is why human freedom is not unlimited.<sup>48</sup>

The Compendium warns: ‘In no case, therefore, is the human person to be manipulated for ends that are foreign to his own development’ (Pontifical Council for Justice & Peace, 2005, p. 59). The person cannot be a means for carrying out economic, social or political projects imposed by some authority, even in the name of an alleged progress of the civil community as a whole or of other persons, either in the present or the future. As mentioned already, such a manipulative (sinful) behaviour might consolidate into sinful structures which in turn can gain a life and reality of their own.

The consequences of sin perpetuate the structures of sin. These are rooted in personal sin and, therefore, are always connected to concrete acts of the individuals who commit them, consolidate them and make it difficult to remove them. It is thus that they grow stronger, spread and become sources of other sins, conditioning human conduct[228]. These are obstacles and conditioning that go well beyond the actions and brief life span of the individual and interfere also in the process of the development of peoples, the delay and slow pace of which must be judged in this light[229]. (Pontifical Council for Justice & Peace, 2005, p. 54)

Issues deriving from this Personalist Principle, emphasizing the value and dignity of the human person as being the centrepiece of all that is within society, are recurrent in the Compendium. Very often, the Compendium reminds that all that is created has to serve man and not the other way round. To illustrate this, the following piece is taken from the chapter dealing with the structure and organization of the economy

The market takes on a significant social function in contemporary society, therefore it is important to identify its most positive potentials and to create the conditions that allow them to be put concretely into effect. Market operators must be effectively free to compare, evaluate and choose from among various options. Freedom in the economic sector, however, must be regulated by appropriate legal norms so that it will be placed at the service of integral human freedom. “Economic freedom is only one element of human freedom. When it becomes autonomous, when man is seen more as a producer or consumer of goods than as a subject who produces and consumes in order to live, then economic freedom loses its necessary relationship to the human person and ends up by alienating and oppressing him”.[732] (Pontifical Council for Justice & Peace, 2005, p. 151).

---

<sup>48</sup> ‘(H)is freedom is not unlimited...., for it is called to accept the moral law given by God. In fact, human freedom finds its authentic and complete fulfilment precisely in the acceptance of that law” [258] (Pontifical Council for Justice & Peace, 2005, p. 60).

### 5.4.1.1 Human Rights

As a consequence and coherent “outflow” of the Personalist Principle, the church advocates and supports rights and structures protecting the individual from the misuse of power. ‘The movement towards the identification and proclamation of human rights is one of the most significant attempts to respond effectively to the inescapable demands of human dignity’ (Pontifical Council for Justice & Peace, 2005, p. 66).

But: it is emphasized, that no right is without limits by corresponding responsibilities and duties: ‘*Inextricably connected to the topic of rights is the issue of the duties falling to men and women. ... “Those, therefore, who claim their own rights, yet altogether forget or neglect to carry out their respective duties, are people who build with one hand and destroy with the other”.*[324]’ (Pontifical Council for Justice & Peace, 2005, p. 68f.).

It is in this context where one can find a first clear statement which might have importance and implication for the question of taxation and redistribution:

The Church's social doctrine ... repeats over and over that “the more fortunate should *renounce* some of their rights so as to place their goods more generously at the service of others” and that an excessive affirmation of equality “can give rise to an individualism in which each one claims his own rights without wishing to be answerable for the common good”.[333] (Pontifical Council for Justice & Peace, 2005, p. 70)

Nobody ever argues that paying taxes is fun. It is a sacrifice on part of the wealthy, but it is a sacrifice which benefits the common good, which means all, which means also the wealthy who are asked to contribute their share in form of taxation.

### 5.4.2 Common Good

Having first stressed the centrality of the human person for all social, economical and political planning, the second CST principle emphasizes explicitly the importance of community.

The principle of the common good, to which every aspect of social life must be related if it is to attain its fullest meaning, stems from the dignity, unity and equality of all people. According to its primary and broadly accepted sense, the common good indicates “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily”.[346] The common good does not consist in the simple sum of the particular goods of each subject of a social entity. Belonging to everyone and to each person, it is and remains “common”, because it is indivisible and because only together is it possible to attain it, increase it and safeguard its effectiveness, with regard also to the future.’ ... *A society that wishes and intends to remain at the service of the human being at every level is a society that has the common good — the good of all people and of the whole person* [347] — *as its primary goal. The human person cannot find fulfilment in himself, that is, apart from the fact that he exists “with” others and “for” others.* (Pontifical Council for Justice & Peace, 2005, p. 72f.)

What the common good means in each epoch and time remains a matter of deliberation at a given time since not only the desirable, but also the possible needs to be considered. It is the common good, however, which justifies the state and its institutions

(legislation, execution, jurisdiction): *'The responsibility for attaining the common good, besides falling to individual persons, belongs also to the state, since the common good is the reason that the political authority exists[355]. The state, in fact, must guarantee the coherency, unity and organization of the civil society of which it is an expression[356], in order that the common good may be attained with the contribution of every citizen. ...'* (Pontifical Council for Justice & Peace, 2005, p. 74)

Every citizen is in principle in a situation to contribute to the common good. But in order to make this possible factually, each citizen needs to be adequately educated and fed and needs to have access to health care and the labour market. Here the state has to make sure, that this is possible for all, especially the disadvantaged and poor. For that reason the Compendium argues: *'To ensure the common Good, the government of each country has the specific duty to harmonize the different sectoral interests with the requirements of justice[358]'* (ibid.). Meaning: Special interests of the few or lobby groups are of secondary importance when it comes to the common good. This, too, has an implication for taxation, because some implications require money, e.g. scholarships or special services for the poor which assist them to get out of poverty traps.

For the functioning of a society, for the creation and increasing of the common good the state has to organize and coordinate institutions and to create conditions which are not possible (or profitable) to organize and coordinate by individuals or small groups, e.g. a 'sound juridical system, the protection of the environment, and the provision of essential services to all, some of which are at the same time human rights: food, housing, work, education and access to culture, transportation, basic health care, the freedom of communication and expression, and the protection of religious freedom[350] (Pontifical Council for Justice & Peace, 2005, p. 73)

The compendium finally reminds its reader that there is a universal dimension to the common good and that 'every nation is required in duty to make towards a true worldwide cooperation for the common good of the whole of humanity and for future generations also[351].' (ibid.)

### 5.4.3 Universal Destination of Goods

This opens the way to CST Principle Nr. 3, that of the Universal Destination of Goods, whose origin goes back as far as the moment, when God created "the earth and all it contains for all men and all peoples so that all created things would be shared fairly by all mankind under the guidance of justice tempered by charity." [360] (Pontifical Council for Justice & Peace, 2005, p. 75)

It is perhaps because of the developments under the neoliberal market economy, that the Compendium emphasizes the universal right of all to use the goods of the earth as the "first principle of the whole ethical and social order."<sup>49</sup> This right, says the Compendium, is a 'natural right, inscribed in human nature and not merely a positive right connected with changing historical circumstances' and it 'has priority with regard to any human intervention

---

<sup>49</sup> Compendium Nr. 172, quotation taken from Laborem Exercens Nr. 19

concerning goods, to any legal system concerning the same, to any economic or social system or method.’ (Pontifical Council for Justice & Peace, 2005, p. 76)

The question is, however, what this means for any particular society and context. This, the Compendium concedes, needs thorough discussion and a precise definition of methods, limits and objectives. Therefore, ‘(t)he principle ... is an invitation to develop an economic vision inspired by moral values that permit people not to lose sight of the origin or purpose of these goods, so as to bring about a world of fairness and solidarity, in which the creation of wealth can take on a positive function.’ This needs a universal and international perspective, as the word “universal” implies already, and the Compendium continues:

The universal destination of goods requires a common effort to obtain for every person and for all peoples the conditions necessary for integral development, so that everyone can contribute to making a more humane world, “in which each individual can give and receive, and in which the progress of some will no longer be an obstacle to the development of others, nor a pretext for their enslavement”[367]. (Pontifical Council for Justice & Peace, 2005, p. 75)

#### **5.4.3.1 Universal Destination of Goods and Private Property**

The question jumping to mind reading these “socialist” sounding statements is: What about private property and ownership? Private property, the Compendium argues, is legitimate as far as it is the outcome of individual work and the application of one’s own intelligence and endeavour and as far as ‘ownership of goods be accessible to all’. Whenever ownership is not accessible to all, but merely for the few, amendments are needed and this is why:

‘Christian tradition has never recognized the right to private property as absolute and untouchable: “On the contrary, it has always understood this right within the broader context of the right common to all to use the goods of the whole of creation: the right to private property is subordinated to the right to common use, to the fact that goods are meant for everyone” [372].... *The Church's social teaching moreover calls for recognition of the social function of any form of private ownership* [376] that clearly refers to its necessary relation to the Common Good[377].’ (Pontifical Council for Justice & Peace, 2005, p. 77)

The Compendium reminds its reader that globalization brought forth a whole range of new forms of property, such as advantages based on intellectual property, patents or technology and that the “the wealth of the industrialized nations is based much more on this kind of ownership than on natural resources”[379]. (ibid. 78)

Not forgotten should be the famous expression of Pope John Paul II, namely, that every private property comes under a “social mortgage” which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods’ (Sollicitudo Rei Socialis, Nr. 42), a fact which should also stimulate everybody’s willingness to practice Solidarity (see below#)

#### **5.4.3.2 The preferential Option for the poor**

Since it is (mostly) the power of the wealthy which afflicts the poor, the subchapter on the “preferential option for the poor” is inserted in the chapter of the Universal Destination of Goods. The word “preferential” indicates that the church does not love the wealthy persons

less than the poor. It does emphasize, however, that the poor need advocacy and support in attaining their entitled place in this world. To work towards this goal and objective is the obligation of each individual Christian. This obligation results into works of alms and charity, ‘but it applies equally to our *social responsibilities* and hence to our manner of living, and to the logical decisions to be made concerning the ownership and use of goods.’ Based on the interdependence of a globalizing world, ‘given the worldwide dimension which the social question has assumed, this love of preference for the poor, and the decisions which it inspires in us, cannot but embrace the immense multitudes of the hungry, the needy, the homeless, those without health care and, above all, those without hope of a better future’[385].’ (Pontifical Council for Justice & Peace, 2005, p. 79)

And because these structural problems cannot be resolved by alms and charity alone, we need to address the social and political dimensions of the problem of poverty.

In her teaching the Church constantly returns to this relationship between charity and justice: “When we attend to the needs of those in want, we give them what is theirs, not ours. More than performing works of mercy, we are paying a debt of justice”[392]. The Council Fathers strongly recommended that this duty be fulfilled correctly, remembering that “what is already due in justice is not to be offered as a gift of charity”[393]. (Pontifical Council for Justice & Peace, 2005, p. 80)

#### 5.4.4 Subsidiarity

With the principle of subsidiarity the church addresses the way “how” things need to be done when it comes to structuring society and organizing social, political and economic activities: It addresses the balance and tension between that, which the individual is obliged and able to do<sup>50</sup> and that, which needs to be addressed on a superior level because the tasks involved surpass the ability of the individual. It is here, where social groups and structure come into play which mediate between the individual persons and the impersonal and abstract forces and institutions of economy or state:

It is impossible to promote the dignity of the person without showing concern for the family, groups, associations, local territorial realities; in short, for that aggregate of economic, social, cultural, sports-oriented, recreational, professional and political expressions to which people spontaneously give life and which make it possible for them to achieve effective social growth[396]. ... On the basis of this principle, all’ (entities) ‘of a superior order must adopt attitudes of help (“subsidiarity”) — therefore of support, promotion, development — with respect to lower-order societies. (Pontifical Council for Justice & Peace, 2005, p. 81)

The principle of subsidiarity protects individuals and small groups from the abuse of power and strengthens their position against entities of any superior order.

This principle is imperative because every person, family and intermediate group has something original to offer to the community. Experience shows that the denial of subsidiarity, or its limitation in the name of an alleged democratization or equality of all members of society, limits and sometimes even destroys the spirit of freedom and initiative. (Pontifical Council for Justice & Peace, 2005, p. 82)

---

<sup>50</sup> This is very important, because CST does not simply degrade human beings to recipients of charity! Nobody is that poor or depraved that he cannot be obliged to contribute that which is possible to him or her.



In this chapter, the compendium again reminds that entities of superior order should only intervene in exceptional situations (ibid.).

What is missing here is an explicit treatment of the importance of the principle of subsidiarity for the international order. Here, too, the freedom and ability of states to act should not be dominated by the powerful and the potentials of civil society organisations and NGOs should be respected.

#### 5.4.5 Solidarity

Solidarity stands out at the end of the Compendium's part presenting the CST principles, leading the way into the chapter dealing with CST values. It explicitly deals with the responsibilities and obligations which human beings have towards each other as being social beings and where they have to cooperate because of goals that cannot be achieved by individuals alone: 'Solidarity highlights in a particular way the intrinsic social nature of the human person, the equality of all in dignity and rights and the common path of individuals and peoples towards an ever more committed unity.' Nowadays, solidarity acquires a new importance due to the interrelationship and interdependencies which world society attained due to the processes of globalization.

Never before has there been such a widespread awareness of the bond of interdependence between individuals and peoples, which is found at every level[413]. The very rapid expansion in ways and means of communication "in real time", such as those offered by information technology, the extraordinary advances in computer technology, the increased volume of commerce and information exchange all bear witness to the fact that, for the first time since the beginning of human history, it is now possible — at least technically — to establish relationships between people who are separated by great distances and are unknown to each other.

In the presence of the phenomenon of interdependence and its constant expansion, however, there persist in every part of the world stark inequalities between developed and developing countries, inequalities stoked also by various forms of exploitation, oppression and corruption that have a negative influence on the internal and international life of many States. The acceleration of interdependence between persons and people's needs to be accompanied by equally intense efforts on the ethical-social plane, in order to avoid the dangerous consequences of perpetrating injustice on a global scale. This would have very negative repercussions even in the very countries that are presently more advantaged[414]. ...

*Solidarity must be seen above all in its value as a moral virtue that determines the order of institutions.* On the basis of this principle the "structures of sin"[417] that dominate relationships between individuals and peoples must be overcome. They must be purified and transformed into *structures of solidarity* through the creation or appropriate modification of laws, market regulations, and juridical systems. (Pontifical Council for Justice & Peace, 2005, p. 84f.)

Solidarity has this horizontal aspect of being interconnected, that we "all sit in one boat" and that the damage being done here or occurring there will have repercussions also to people and regions separated by political borders. But: The Compendium reminds its reader

also that there is an obligation of solidarity arising from history, going back in time – once more appealing to those who are more advantaged and privileged:

The principle of solidarity requires that men and women of our day cultivate a greater awareness that they are debtors of the society of which they have become part. They are debtors because of those conditions that make human existence liveable, and because of the indivisible and indispensable legacy constituted by culture, scientific and technical knowledge, material and immaterial goods and by all that the human condition has produced. A similar debt must be recognized in the various forms of social interaction, so that humanity's journey will not be interrupted but remain open to present and future generations, all of them called together to share the same gift in solidarity. (Pontifical Council for Justice & Peace, 2005, p. 86)

This reminder will have importance later on when it comes to the obligations the wealthy people, groups and nations have towards poor.##

#### 5.4.6 Participation

A practical complementary to the Principle of Subsidiarity is the Principle of Participation:

The characteristic implication of subsidiarity is participation[402], which is expressed essentially in a series of activities by means of which the citizen, either as an individual or in association with others, whether directly or through representation, contributes to the cultural, economic, political and social life of the civil community to which he belongs[403]. Participation is a duty to be fulfilled consciously by all, with responsibility and with a view to the common good[404]. (Pontifical Council for Justice & Peace, 2005, p. 83)

The Compendium emphasizes the importance of democratic structures and, at the same time, calls to attention the deficit, that democratic entitlements are empty if people cannot or do not on their own volition and ability make use of them by actively participating in the discussion of their societies. The Compendium warns that democratic institutions are misused by certain groups: ‘For example, one thinks of attempts by certain citizens to “make deals” with institutions in order to obtain more advantageous conditions for themselves, as though these institutions were at the service of their selfish needs.’ (Pontifical Council for Justice & Peace, 2005, p. 84)

This can be interpreted as some implicit criticism against lobbyism, even though the word itself is not used – which might be of importance when it comes to the justification (or critique) of “preferential tax regimes”, “tax holidays” and other privileges benefitting e.g. Transnational Corporations more than others.

#### 5.5 CST values

As mentioned above (#), values are both organizing principles which can be used to assess conflicting issues or choose between competing issues and at the same time an appreciated (ideal) state of affairs whose gradual implementation is aimed for.

All social values are inherent in the dignity of the human person, whose authentic development they foster. Essentially, these values are: truth, freedom, justice, love [427].

Putting them into practice is the sure and necessary way of obtaining personal perfection and a

more human social existence. They constitute the indispensable point of reference for public authorities, called to carry out “substantial reforms of economic, political, cultural and technological structures and the necessary changes in institutions” [428]. Respect for the legitimate autonomy of earthly realities prompts the Church not to claim specific competence of a technical or temporal order [429], but it does not prevent her from intervening to show how, in the different choices made by men and women, these values are either affirmed or denied [430]. (Pontifical Council for Justice & Peace, 2005, p. 88)

While the value of “Truth” is – e.g. – often applied to matter of education and the value of “Freedom” is an important point of reference for evaluating the areas of political/public life and jurisdiction, the more relevant values for this research are “Justice” and “Love”.

### 5.5.1 Justice

In the following passage, the Compendium informs the reader about the four main dimensions of justice within the church tradition. At the same time it distinguishes church reflection from other widespread and popular concepts of justice in today’s socio-political debate:

According to its most classic formulation, (justice) “consists in the constant and firm will to give their due to God and neighbour”[442]. From a subjective point of view, justice is translated into behaviour that is based on the will to recognize the other as a person, while, from an objective point of view, it constitutes the decisive criteria of morality in the intersubjective and social sphere[443]. The Church’s social Magisterium constantly calls for the most classical forms of justice to be respected: commutative, distributive and legal justice[444]. Ever greater importance has been given to social justice[445] ... Justice is particularly important in the present-day context, where the individual value of the person, his dignity and his rights — despite proclaimed intentions — are seriously threatened by the widespread tendency to make exclusive use of criteria of utility and ownership. ... The full truth about man makes it possible to move beyond a contractualistic vision of justice, which is a reductionist vision, and to open up also for justice the new horizon of solidarity and love.’ (Pontifical Council for Justice & Peace, 2005, p. 90)

Sadly, the four categories of “justice” are not further explained in the Compendium, Due to the importance of this concept, other sources need to be consulted here:

#### 5.5.1.1 Commutative Justice

For the Catechism of the Catholic Church, commutative justice is the most basic form of justice, without which no other form of justice can be.<sup>51</sup> While Merriam-Webster emphasizes the “bearing on the relations between individuals esp. in respect to the equitable exchange of goods and fulfillment of contractual obligations”,<sup>52</sup> the US Legal Dictionary puts commutative justice for clarification into context with the other concepts of justice mentioned above:

Commutative justice refers to that which is owed between individuals, such as in conducting business transactions. Commutative justice calls for fundamental fairness in all agreements

---

<sup>51</sup> Nr. 2411 of the Catechism of the Catholic Church.

<sup>52</sup> <http://www.merriam-webster.com/dictionary/commutative%20justice>

and exchanges between individuals or private social groups. It is distinguished from other forms of justice, such as contributive justice, which refers to what individuals owe to society for the Common Good; legal justice, which refers to rights and responsibilities of citizens to obey and respect the rights of all and the laws devised to protect peace and social order; and distributive justice, which refers to what society owes to its individual members, i.e., the just allocation of resources. Restitution in moral theology signifies an act of commutative justice by which exact reparation as far as possible is made for an injury that has been done to another.<sup>53</sup>

According to Fr. John A. Hardon's *Modern Catholic Dictionary*, commutative justice refers to:

‘(t)he virtue that regulates those actions which involve the rights between one individual and another individual. For instance, if a person steals another's money, he or she violates commutative justice. Any violation of commutative justice imposes on the guilty party the duty of restitution, that is, the duty of repairing the harm caused. In fact, strictly speaking, only violations of commutative justice give rise to this duty of restitution’<sup>54</sup>.

It regulates the relationship between equals, e.g. insofar that work done by one person is rewarded with a “just wage” or that a product will be sold for a “just price”.

The economic well-being of a country is not measured exclusively by the quantity of goods it produces but also by taking into account the manner in which they are produced and the level of equity in the distribution of income, which should allow everyone access to what is necessary for their personal development and perfection. An equitable distribution of income is to be sought on the basis of criteria not merely of commutative justice but also of social justice that is, considering, beyond the objective value of the work rendered, the human dignity of the subjects who perform it. Authentic economic well-being is pursued also by means of suitable social policies for the redistribution of income which, taking general conditions into account, look at merit as well as at the need of each citizen. (Pontifical Council for Justice & Peace, 2005, p. 133)

Its relevance for the topic of taxation and tax justice lies in the area of distribution of income and wealth in a given society: If inequality grows in a society, some balancing is justified due to the fundamental equality, equal rights and equal dignity of all humans. This is even more important, if any unequal distribution of income and wealth originates in “unfair” advantages of some over others or their exploitation of “unjust” structures. This is the situation, where restitution is called for.<sup>55</sup>

In the case of redistribution of income and wealth, commutative (what individuals owe each other), contributive (what the individuals are obliged to contribute to the common good) and distributive (what the community owes to its members, independently of their ability to contribute to the community) justice come together.

---

<sup>53</sup> <http://definitions.uslegal.com/c/commutative-justice/>

<sup>54</sup> Hardon, J. A. (1980). *Modern Catholic Dictionary*. Doubleday.

<sup>55</sup> Nr. 2411f. of the Catechism of the Catholic Church.

### 5.5.1.2 Distributive Justice

Since neither the Catechism nor the Compendium expounds the principle of distributive justice in detail, one could assume that its importance for society has been (re-)discovered only recently. Even though the principle has been mentioned by Leo XIII and John Paul II with name, a major application of this principle can be found only in the Encyclical *Caritas in Veritate* of Pope Benedict XVI:

The market is subject to the principles of so-called *commutative justice*, which regulates the relations of giving and receiving between parties to a transaction. But the social doctrine of the Church has unceasingly highlighted the importance of *distributive justice* and *social justice* for the market economy, not only because it belongs within a broader social and political context, but also because of the wider network of relations within which it operates. In fact, if the market is governed solely by the principle of the equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well. *Without internal forms of solidarity and mutual trust, the market cannot completely fulfil its proper economic function.* (Nr. 35)

Pius XI argues in his Encyclical *Divini Illius Magistri* for a good school system for all on the grounds of distributive justice (e.g. Nr. 81f.), which brings back the requirement of redistribution in a society characterized by increasing inequality.

Fred Kammer, a Jesuit social ethicist, writes with a view to implement social policies advancing distributive justice and redistribution: ‘Those social policies might include progressive taxation, financial assistance to families and the poor and vulnerable, minimum wage legislation, provision of public education or health care, social insurance, and other measures designed to reduce inequalities in income or wealth—and, especially, to insure “the priority of meeting the basic needs of the poor and the importance of increasing the level of participation by all members of society in the economic life of the nation”.’<sup>56</sup> All this is far from easy, Kammer concedes: ‘The practice of distributive justice is a delicate balance of various competing economic, social, political, and prudential concerns’ (Kammer, 2011b). For that reason applies that ‘those in authority should practice distributive justice wisely, taking account of the needs and contribution of each, with a view to harmony and peace. They should take care that the regulations and measures they adopt are not a source of temptation by setting personal interest against that of the community’ (Catechism Nr. 2236). The latter could be interpreted as yet another warning against the lobbyism of all sorts, be it on the part of wealthy individuals or private and business groups.

For the taxation issue and for any arguments in relation to the redistribution of wealth, distributive justice is of central importance. Monsignor Edward J Ryle, writing on the taxation policy debates in the United States, considers distributive justice as ‘the virtue that should motivate, and guide public policy makers in their allocation of the benefits and burdens of living in a state. Distributive justice calls for proportionality in this allocation, i.e., those in need are to receive proportionately more of the benefits in accord with their needs, while the more affluent, e.g., are to be taxed at higher rates in accord with their greater resources’ (Ryle, S. 5).

---

<sup>56</sup> Quoted from (United States Conference of Catholic Bishops, 1986) Nr. 185

### 5.5.1.3 Legal Justice

Following Fr. John Hardon's *Modern Catholic Dictionary*, legal justice is

the virtue that regulates those actions which society justly requires of the individual for the common good. According to legal justice, the State may institute just laws and perform such acts as further the welfare of the community. Thus import duties, fire and traffic regulations, anti-pollution laws, and similar provisions of the State concern legal justice.

Here it is obvious that legal justice is seen within the broader concept of social justice and its function/role for the common good as such. The important point here for our topic is that the welfare of the community as such should be the concern of the state, its legislation and its execution of laws – yet another access where also legislation and administration of taxes comes to its bearing.

Clearly, more narrow views of legal justice are possible, e.g. those who are limited to the laws of the state its procedural administration, i.e. that each citizen has fair access and fair treatment within the juridical system. But this concept is not of interest for this study.

### 5.5.1.4 Social Justice

Social justice is a central issue of CST and therefore the Compendium. It states in chapter 2 that the more the rights of the poor are inflicted, the more violence and injustice gives rise to “social questions” and upheaval, the greater the church feels compelled to denounce this and remind the world that ‘a large part of the Church's social teaching is solicited and determined by important social questions, to which *social justice* is the proper answer.’ (Pontifical Council for Justice & Peace, 2005, p. 36).

The Papal, continental, national and diocesan Commissions on Justice & Peace were established exactly with this purpose in mind.

The Compendium confirms an observation of Pope XI which today is more valid than ever: “The distribution of created goods, which, as every discerning person knows, is labouring today under the gravest evils due to the huge disparity between the few exceedingly rich and the unnumbered propertyless, must be effectively called back to and brought into conformity with the norms of the Common Good, that is, social justice” (Pontifical Council for Justice & Peace, 2005, p. 74).

Social justice on that background, ‘represents a real development in general justice, the justice that regulates social relationships according to the criterion of observance of the law. Social justice, a requirement related to the social question which today is worldwide in scope, concerns the social, political and economic aspects and, above all, the structural dimension of problems and their respective solutions[446].’ (Pontifical Council for Justice & Peace, 2005, p. 90)

Footnote 446 at the end of this quotation links this text back to chapter 2 of Pope John Paul II Encyclical *Laborem exercens*: The Pope reminds his reader that CST originally was conceived to find guidelines to how to address injustices done towards workers and their families within certain nations and to find “just solutions” to mitigate their plight. Nowadays,

however, the Pope argues, this scope needs to be widened dramatically, to encompass the whole world:

The disproportionate distribution of wealth and poverty and the existence of some countries and continents that are developed and of others that are not call for a levelling out and for a search for ways to ensure just development for all. This is the direction of the teaching in John XXIII's Encyclical *Mater et Magistra*, in the Pastoral Constitution *Gaudium et Spes* of the Second Vatican Council, and in Paul VI's Encyclical *Populorum Progressio*.

World inequalities are once more the yardstick for the Church's urgency, and John Paul II backs up his commitment by referring to major documents of CST in the past and establishing thus the continuity and development of the Church's doctrine on social justice.

The reader might wonder what exactly and specifically "social justice" designates and how it is defined. As in the case of the common good or the universal destination of goods it needs to be remembered that CST provides its principles and values to be put into practice in specific situations and social questions which then are being analyzed and examined. CST itself does not do empirical research, but cooperates with those who do and is happy to be in contact and 'friendly dialogue' with them (Pontifical Council for Justice & Peace, 2005, p. 32ff.).

For this study, therefore, poverty, inequality and public dependency are the "social questions" at stake which needs to be analyzed in cooperation with other researcher, institutions and NGOs of a similar interest. Doing this, injustices at stake (especially unjust structures) need to be identified, more just solutions, benefitting the Common Good rather than some few people or groups, need to be developed and it is the task of this study to demonstrate, that taxation is one possible tool leading to greater social justice.

When doing this, the warning of Leo XIII towards any discussion aiming to correct inequalities nationally and internationally needs to be borne in mind: It is as relevant in the discussion about taxation today as it was in the earlier days regarding the conflicts between capital and labour:

The discussion is not easy, nor is it void of danger. It is no easy matter to define the relative rights and mutual duties of the rich and of the poor, of capital and of labor. And the danger lies in this, that crafty agitators are intent on making use of these differences of opinion to pervert men's judgments and to stir up the people to revolt (*Rerum Novarum*, Nr. 2).

#### **5.5.1.5 Restorative/reparative Justice**

One further concept of justice has not been mentioned in the Compendium, but might be of relevant in the context of our research: Restorative Justice. It connects to the concept of commutative justice and the idea that those, who have been disadvantaged might be entitled to restitution (see above#). The Second African Synod and Pope Benedict recommend it, for example, as an established African praxis of reconciliation, as alternative to death penalty.<sup>57</sup> In perspective one wonders, however, whether this concept could also be used to heal

---

<sup>57</sup> 'Pastoral workers have the task of studying and recommending *restorative justice* as a means and a process for promoting reconciliation, justice and peace, and the return of victims and offenders to the community.' *Africae Munus* Nr. 83.

injustices and hurts done historically between rich and poor states, addressing the fact that the wealth of northern states is at least to some considerable part based on exploitation or unfair trading with poor states.<sup>58</sup> Likewise this concept could be used towards the wealth and fortune those heads of states, who use their term in office primarily for the fact of personal enrichment. This concept is even more important if this personal enrichment was done by piling public debts on the ruled nation.<sup>59</sup>

### 5.5.2 Love/Charity

Every endeavour to bring more justice towards our world of injustice must be guided and directed by the value of love.

Love, often restricted to relationships of physical closeness or limited to merely subjective aspects of action on behalf of others, must be reconsidered in its authentic value as the highest and universal criterion of the whole of social ethics. ... Love presupposes and transcends justice, which “must find its fulfilment in charity”[452]. If justice is “in itself suitable for ‘arbitration’ between people concerning the reciprocal distribution of objective goods in an equitable manner, love and only love (including that kindly love that we call ‘mercy’) is capable of restoring man to himself”[453]. Human relationships cannot be governed solely by the measure of justice: “The experience of the past and of our own time demonstrates that justice alone is not enough, that it can even lead to the negation and destruction of itself ... It has been precisely historical experience that, among other things, has led to the formulation of the saying: *summum ius, summa iniuria*”[454]. ... In order that all this may take place, however, it is necessary that care be taken to show love not only in its role of prompting individual deeds but also as a force capable of inspiring new ways of approaching the problems of today's world, of profoundly renewing structures, social organizations, legal systems from within. In this perspective love takes on the characteristic style of social and political charity. ... It is undoubtedly an act of love ... by which one responds here and now to a real and impelling need of one's neighbour, but it is an equally indispensable act of love to strive to organize and structure society so that one's neighbour will not find himself in poverty, above all ... when it takes on the proportions of a true worldwide social issue. (Pontifical Council for Justice & Peace, 2005, p. 91f.)

### 5.6 What about a principle of sustainability?

At that stage, one critical comment needs to be done regarding the Compendium: It seems to the authors that emerging need for the principle of sustainability as an important guiding principle in its own right is not clearly enough stated. The need for this principle is seen, e.g., in the degradation of the environment, the overutilization of natural resources and issues arising from demographic development.

Given the development of insight and reflection there is, however, a justification to introduce this particular principle and there would be no shame to build on “secular” literature in this field as the Brundtland Report<sup>60</sup>, calling for 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs' or the consensus emerging from there, being confirmed by numerous UN conferences,

<sup>58</sup> [http://en.wikipedia.org/wiki/Restorative\\_justice](http://en.wikipedia.org/wiki/Restorative_justice)

<sup>59</sup> Ndikomana/Boyce discuss this issue in relation to the “Odious Debts” of the DR Congo, amassed by Mobutu Sese Seko, see [http://www.peri.umass.edu/fileadmin/pdf/ADP/Congo\\_s\\_Odious\\_Debts\\_01.pdf](http://www.peri.umass.edu/fileadmin/pdf/ADP/Congo_s_Odious_Debts_01.pdf).

<sup>60</sup> See [https://en.wikipedia.org/wiki/Brundtland\\_Commission](https://en.wikipedia.org/wiki/Brundtland_Commission)



for example the 2012 Rio Conference, where the Outcome Document confirms the commitment of states to ‘sustainable development and to ensuring the promotion of an economically, socially and environmentally sustainable future for our planet and for present and future generations.’<sup>61</sup> Important is also that the principle does not merely covers the present, but, facing the limitation of resources, also the wellbeing of future generations (“intergenerationality”).

Of course, it can be argued that sustainability is part of the principle of common good which summarizes, after all, ‘the sum of all social conditions’ (see above, 5.3.2). Likewise, could be included in the principle of the Universal Destination of Goods, if “Universality” includes future generations or it can be seen as emerging from Chapter 10 (Safeguarding the Environment). But if, e.g. the principle of Universal Destination of Goods is paired with the demands arising from “Solidarity” or “Justice”, practical consequences can endanger the foundations needed for the life of future generations.

On this background, the explicit definition of a principle of sustainability makes sense because it may clash with other established CST principles and values. For example: The temptation is big that requirements of justice for the living is going against the need of taking into account problems arising from the limited availability of resources and the need of future generations to have a basis of living as well.

Clearly, the discussion, whether sustainability merits a place in its own right besides the established universal principles of solidarity, personality and subsidiarity is recent and ongoing. On the other hand: Especially in view of the ecological interdependence of the world and the unequal distributed profits and damages of e.g. climate change compels the adoption of this principle also for the discussion of social, economical and other norms worldwide (Pehlemann, 2007, p. 38ff)

For that reason it is proposed to follow all those who include “Sustainability” already into the list of guiding CST Principles and Values, e.g. Germany, Australia or New Zealand (see#) or even Catholic NGOs such as the German Federation of Catholic Entrepreneurs (Bund Katholischer Unternehmer, 2012).

## **5.7 Building balanced policies by applying CST to specific problems**

If looking at the list of principles and values, it is apparent that some principles outline extreme positions within which specific assessments and evaluations of problematic situations has to take place. For example:

- Requirements of Personalism are in tension with the Common Good/Universal Destination of Goods
- Solidarity with Subsidiarity
- Justice with Sustainability

---

<sup>61</sup> See <http://www.uncsd2012.org/content/documents/814UNCSD%20REPORT%20final%20revs.pdf>

- Love (of everybody) with the Option of the Poor<sup>62</sup>

But exactly in trying to balance certain realities about human nature and trying to prevent extreme positions shows the wisdom contained in CST. While, e.g., exaggerated individualism is one problem of western culture, an overemphasis on community is an obstacle to development in the African context. Structures of solidarity may lead to the overemphasis of a caring Welfare State which, in wanting to do good, stifles the need for own initiative and effort, which is why Solidarity needs to be balanced with the principle of Subsidiarity and (one may add) why the principle of Participation is very important to engage as many citizens as possible in the endeavour to develop the common good. The command of God to Love ALL our neighbours is unambiguous in the Bible, but at the same time there is the need to devote extra care to the poor and vulnerable.

## 5.8 CST themes

Deriving from the principles and values presented in chapter 3 and 4 of the Compendium are those themes which are of specific importance for the Catholic Social Teaching and who are frequent topics of church statements. The Compendium lists the following:

- The Family (Chapter 5)
- Human Work (Chapter 6)
- The Economy (Chapter 7)
- The Political Community (Chapter 8)
- The International Community (Chapter 9)
- Safeguarding the Environment (Chapter 10)
- The Promotion of Peace (Chapter 11)

Insofar the Compendium contains criteria and guidelines helpful for the research on Tax Justice & Poverty, relevant quotations and references will be inserted and discussed later in the text.

## 6 Tasks of the Church regarding CST related issues

With the insights and instruments of CST, the church from top (hierarchy) to bottom (individual faithful) perceives its task and duty to intervene into the proceedings and discussions of society.<sup>63</sup> Deriving from Gods incarnation and Jesus' life and teaching the church has an ongoing task to help people on their path to salvation, which does not exclusively deal with transcendent realities such as heaven, but has implications for life on earth.

Because of the public relevance of the Gospel and faith, because of the corrupting effects of injustice, that is, of sin, the Church cannot remain indifferent to social matters: "To the Church

---

<sup>62</sup> See also Mayerhofer, Th. (2009) Integrative Wirtschaftsethik und Katholische Soziallehre. Ein zukunftsweisender Dialog? Dissertation, pp.183ff. Internetresource retrieved from <http://www.opus-bayern.de/uni-passau/volltexte/2009/1283/>

<sup>63</sup> That's at least what the Compendium tells us. In practice this is, of course, not implemented.

belongs the right always and everywhere to announce moral principles, including those pertaining to the social order, and to make judgments on any human affairs to the extent that they are required by the fundamental rights of the human person or the salvation of souls". (Pontifical Council for Justice & Peace, 2005, p. 31)

This does not mean 'that the Church ... intervenes in technical questions with her social doctrine, nor does she propose or establish systems or models of social organization.' (Pontifical Council for Justice & Peace, 2005, p. 30). This is and remains the task and duty of the (elected) leaders of the people. The church's task and duty is, however, to comment and criticize situations and policies, if the dignity of people or the common good is endangered, where structures of sin and evil try to overcome the power of good.

The church wants to make difference in this world, especially for the poor. Accordingly, the motto written over the concluding Part III of the Compendium (dealing with church action) is taken from *Centesimus Annus*: 'As far as the Church is concerned, the social message of the Gospel must not be considered a theory, but above all else a basis and a motivation for action' (Nr. 57).

## 6.1 The national and the global Common Good

Both the complexity and interdependence of today's world begs the question, whether today's institutions and institutionalized practices are adequate to deal with today's problems.<sup>64</sup> Clearly, national governments first duty is to busy themselves with addressing national injustices and inequalities. However, in today's globalizing and interdependent world, many issues can no longer be regulated and solved by single states – not even the most powerful. Additionally, pressure created by market transactions and communication, which ignores the increasing complexity of problems, there seems to be no forum or institution able to guarantee adequate analysis and policies. National egoism and the brevity of legislative periods in democracy always contain the temptation to limit public/state thinking and acting to short sighted, short term initiatives and policies. For example, protectionist policies for one's own farming industry might save jobs in the own country, but endangers twofold agriculture in poor countries: First, because those producers cannot compete with the artificially low prices created by subsidies, second because of wealthy countries dumping their surplus in poor countries, thus destroying local industries.

Here the church as the oldest and one of the largest Global Player, with Pope and Bishops being sources of inspiration and moral weight, and presence in most countries of the world is well placed to assume a larger responsibility in the attempt to nurture and foster the global common good.

This does not mean that the church wants to neglect national common goods – here national bishops' conferences will maintain responsibility. Nevertheless also national bishops' conferences should, when issuing national guidelines, always consider global interdependence and influences and take them into account as possible and as appropriately.

---

<sup>64</sup> Wallacher Johannes Global Financial Governance nach der Finanzkrise: Herausforderungen und Perspektiven, in: M. Heimbach-Steims (Hrsg.), Jahrbuch für Christliche Sozialwissenschaften, 51. Band/2010, Münster (Aschendorff) 2010, 277-299

## 6.2 Endangered welfare of future generations due to long-term developments

In the same manner as the Church fights for the protection of the unborn life, e.g. by fighting abortion, the church should adopt a more outspoken approach towards the endangerment of the welfare of future generations due to public debt, strained public security systems or dangers arising from ecological degradation. Here it is becoming increasingly obvious that market mechanisms in the present form are not able to prevent this degradation from happening since some costs are not factored in the pricing of produced goods, such as the costs of pollution in the process of production or adequate prices for the use of non-renewable raw materials or water. Also appeals to the individual conscience of business owner or consumer do not work: Even though quite a number are willing in principle to pay those extra costs, they are not prepared to bear the costs alone while others would benefit from cheaper rates. A common solution is needed. Here, a system of taxes and levies could contribute to a better understanding of the real costs of production and consumption.

Here again, the present short lived attention span which public discussion and public institutions have is not adequate to find appropriate solutions to these complex and long-term developments: More often than not, short term interests win in debates by increasing long-term damage: For example, national subsidies for industries or the abolition of Carbon Taxes might provide short term advantages for one's own industry and employment situation, but middle- and long term disadvantages due to the effects of climate changes will hit one's home nevertheless and do damage to rich and poor communities alike.

A final problem: When addressing environmental problems there is danger that relevant legislation and policies is pushed through without due consideration for issues arising from social justice. For example: It is not enough to place rain forests under strict protection from exploitation while ignoring traditional rights of people living in these habitats.

## 6.3 Provide global ethical guidelines

Because the Catholic Church is spread all over the world, at home in most countries and has unique human and social resources she it is well placed to overcome national short-sightedness. The Church and her institutions can judge ethically the course globalization has taken globally, asking questions such as: "Who is profiting?", "Who is losing", and especially: "How is this or that policy suitable to benefit the common good and the poorest home and abroad?" This involves questions of distributive justice and, of course, taxation of wealthy individuals or corporations and Tax Havens.

Especially Pope John Paul II was very outspoken on the negative effects of globalization: "If globalization is ruled merely by the laws of the market applied to suit the powerful, the consequences cannot but be negative"<sup>65</sup> On that background he was calling for a "globalization of solidarity."<sup>66</sup> Clearly, not even a papal encyclical can do justice to all that there is in globalization processes since Globalization contributed greatly to the decrease of deject poverty worldwide. But there is always room for improvement and certainly the Pope is

---

<sup>65</sup> Address given in Mexico City, 23 January 1999. Quoted in (Collins & Wright, 2010, p. 106)

<sup>66</sup> Quoted in (Pontifical Council for Justice & Peace, 2005, p. 156)

right in arguing that Globalization could achieve more for the poor than it is the case when he published his encyclical.<sup>67</sup>

Today's problems call for a global, differentiated approach beyond simplifications. Among this is the abandonment of the idea that problems nowadays arise in the simple constellation of "the rich" against "the poor", "north" against "south": Wealth and poverty exists side by side in rich countries, but also poor countries: The top Billionaire of the world is not an US citizen, but Carlos Slim of Mexico, i.e. citizen of a predominantly catholic country.

It deserves reminding here that Pope John Paul was also critical and differentiated in his view towards the role of the state when it comes to poverty reduction and the creation welfare<sup>68</sup> – which leads to the next chapter.

#### **6.4 Reform of governance by applying the principle of subsidiarity**

A first practical consequence of global ethical guidelines is the advocacy for good governance structures which are suitable to regulate better global affairs and address more adequately contemporary global inequalities and imbalances. This is even more urgent, since many global injustices thrive exactly because the nation states are either bound in their scope of action by (national) law, or are declining in power and influence, or are competing with each other instead of cooperating. That way, wealthy individuals and Transnational Corporations (TNCs) or International Financial Institutions (IFIs) can set the global agenda by their sheer weight, their options to act and their efficiency or they pick those conditions which are most profitable for their own activities and their shareholders.

Here first of all global governance structures are needed to act at par and at eye level with those Global Players. For that reason, e.g., the Papal Commission on Justice & Peace responded to the World Economic and Financial Crisis with the proposal of a World Financial Authority (Pontifical Council for Justice and Peace, 2011). Why should it be utterly inconceivable, therefore, to imagine bodies to collect and distribute revenue arising from transnational taxation or the international collection of charges, levies and duties?<sup>69</sup>

On the background of that which has been said above, the church needs to challenge governments constantly to think also outside their national box. This implies that the hierarchy might have to act on behalf of the ordinary citizen, the ordinary faithful, who normally does not busy him/herself with international complexities and injustices and the reciprocal repercussion which actions done or not done might have here or there.

Certainly, one also has to constantly evaluate other governance structures and their usefulness of international assistance or monitoring tasks, e.g. civil society movements,

---

<sup>67</sup> A more positive view of globalization and a critical view of the encyclical is taken by (Booth, 2007c)

<sup>68</sup> E.g. *Centesimus Annus*, Nr. 48: "In recent years the range of such intervention has vastly expanded to the point of creating a new type of state, the so-called "Welfare State" ... excesses and abuses ... have provoked harsh criticisms. ... Malfunctions and defects ... are the result of an inadequate understanding of the tasks proper to the state."

<sup>69</sup> One example, supported by state and non-state agencies for at least a global distribution mechanism of money is the Global Fund to AIDS, Tuberculosis and Malaria <http://www.theglobalfund.org/en/>

churches, NGOs, cooperatives whose potential to report problems, to act or at least to monitor developments increase due to the emergence of new communication techniques based on the Internet. Those networks are often (first of all) are better placed and more flexible to engage in cross-border cooperation and (second) may be better placed to address needs on the spot: One of the strong arguments from subsidiarity is that ‘social issues are best addressed by those closest to the problem and that the higher order should be enlisted only in cases of obvious failure’ (Sirico, 2007, S. 59).

In all that, transparency and accountability plays an important role: As authors such as Moyo or Booth (2007c) point out, ODA in the form of budgetary aid strengthens corruption because receiving institutions cannot efficiently being held accountable on that which they do with financial assistant received. Here, one has to remember that the American Revolution was about taxation AND representation: A better taxation system in Africa may also spark off a closer monitoring of African Governments as it comes to spending the revenue collected. A second positive effect under the aspect of subsidiarity: African governments would be accountable to their own people, and no longer to foreign/external donors and financiers.

A final note on an important aspect of the German/Austrian system of “burden sharing” between state and civil society, also developed on the basis of subsidiarity: While there is no immediate alternative to state institutions collect revenue, there is when it comes to the spending of the money. Church and non-church welfare organisations or other civil society groups are engaged in developing programs which are funded by this money with the result that a certain diversity exists and various “cultures” of spending compete with each other.<sup>70</sup> Here it is noteworthy, that especially church run hospitals, homes for the handicapped or schools have a much better reputation than its state run counterparts.

## 6.5 Advocating for the poor and democracy vs. Lobbyism

The second practical consequence of global ethical guidelines, based on gospel values, is advocacy for the poor. This responsibility is as old Encyclical *Rerum Novarum*, where Leo XIII argues that the poor are in special need of attention while other “classes” are better placed to take care of their own needs.<sup>71</sup> This hasn’t changed much, since also today, the poor are most easily overlooked: They have no value as consumers, they are not educated enough and live too isolated to be of value for political powerbroker, they are too busy with organizing their daily needs as that they were able to organize themselves and fight for their rights. This is good for all undemocratic regimes and does damage also to any democratic government which at least potentially would give the chance to strengthen a system of checks and balances.

---

<sup>70</sup> This seems to find support by (Booth, 2007d, S. 125+139) ‘It seems clear that Catholic Social Teaching supports giving the poor the means to purchase education and health provision, although this should not necessarily mean universal free access and certainly not state provision of these services’

<sup>71</sup> Here Leo sees this even as the task of the state: ‘It lies in the power of a ruler to benefit every class in the State, and amongst the rest to promote to the utmost the interests of the poor’ (RN Nr. 32, see also 54). This is of importance when we discuss the question of redistribution (see#)

If the church (and other likeminded NGOs) were not acting on their behalf, it would be much easier for powerful interest groups to lobby for their interest with governments by using corruption, subtle or not so subtle blackmail or manipulation of public opinion in their favour.

For that reason, the church has to use all the means and assets at her disposal for this purpose: Global connections to all countries worldwide, the advantages coming out of her internal networks of communication, her presence at international bodies of governance, her research institutions, her media and, most importantly, her institutions of health care and education.

## 6.6 Challenge the economic order

That the church is realistic and pragmatic about where real power in today's world lies can be seen in the amount of recent CST statements dealing with the fast changing economic order, and the influence and impact this has in all areas of public, social and individual life. After the breakdown of the Communist order, increasing attention has been given to the effects and mechanisms of neoliberal globalization, beginning with the many statements of Pope John Paul II:

It is the task of the state to provide for the defense and preservation of Common Goods such as the natural and human environments, which cannot be safeguarded simply by market forces. Just as in the time of primitive capitalism the state had the duty of defending the basic rights of workers, so now, with the new capitalism, the state and all of society have the duty of defending those collective goods which, among others, constitute the essential framework for the legitimate pursuit of personal goals on the part of each individual. (*Centesimus Annus* 40)

Regarding the creation of food, consumer goods and wealth, the institution of the “market” is yet unparalleled in its usefulness.

There are good reasons to hold that, in many circumstances, “*the free market is the most efficient instrument for utilizing resources and effectively responding to needs*”.[726] ... *A truly competitive market is an effective instrument for attaining important objectives of justice: moderating the excessive profits of individual businesses, responding to consumers' demands, bringing about a more efficient use and conservation of resources, rewarding entrepreneurship and innovation, making information available so that it is really possible to compare and purchase products in an atmosphere of healthy competition.* (Pontifical Council for Justice & Peace, 2005, p. 150f.)

But history has proven that exaggerated faith into market mechanism can lead to idolatry, based on a reductionist vision of person and society. For that reason the church, ‘*while recognizing the market as an irreplaceable instrument for regulating the inner workings of the economic system, points out the need for it to be firmly rooted in its ethical objectives, which ensure and at the same time suitably circumscribe the space within which it can operate autonomously.*’[729]’ (Pontifical Council for Justice & Peace, 2005, p. 151).

Some authors argue for strengthening a “Christian Culture” within which then business leader can be made more aware of their own moral obligation to do “good business”

and follow their conscience in doing the right and the good.<sup>72</sup> The problem with CSTs appeals towards economy and business leaders operating in an pluralist society are threefold, as already indicated above (#):

- The first results from the decreasing number of “Christian business leaders” where the church can appeal to their morals and conscience in conducting their business, treating their laborer or defining their terms of trade. If the number of church members declines, it can be assumed that the number of those business leaders declines as well.
- The ownership of modern TNCs is pretty anonymous: Large number of shareholder hold paid officials accountable for the amount of profits they generated over the past year. It is difficult to develop a sense of personal responsibility under these circumstances and put it into practice.
- Thirdly, world economy is nowadays driven according to rules which no longer are coherent with CST. Some of those in business responsibility might (rightly) argue that if they don’t play that game according to the rules, they might lose their job and are replaced by somebody else who is more inclined to do so.

## 6.7 The challenge of taxation

Interesting enough, it is in the chapter on Economic Life (and not the one dealing on the Political Community) that the Compendium deals first and explicitly with the need of taxation. In Nr. 355 it states:

Tax revenues and public spending take on crucial economic importance for every civil and political community. The goal to be sought is public financing that is itself capable of becoming an instrument of development and solidarity. Just, efficient and effective public financing will have very positive effects on the economy, because it will encourage employment growth and sustain business and non-profit activities and help to increase the credibility of the State as the guarantor of systems of social insurance and protection that are designed above all to protect the weakest members of society.

Public spending is directed to the common good when certain fundamental principles are observed: the payment of taxes [739] as part of the duty of solidarity; a reasonable and fair application of taxes;[740] precision and integrity in administering and distributing public resources.[741] In the redistribution of resources, public spending must observe the principles of solidarity, equality and making use of talents. It must also pay greater attention to families, designating an adequate amount of resources for this purpose.[742] (Pontifical Council for Justice & Peace, 2005, p. 153)

Today the state has to use the “force” of law because individuals and businesses would normally not be inclined to donate the amount needed out of their free decisions. Some Moral Theologians and Ethicists are unhappy with this. They argue that, while solidarity ‘calls each member to be available to assist others, individuals should not be forced to do so; otherwise, aspects of Human Dignity are undermined.’ (Jones, 2010, S. 289). In the eyes of the author,

---

<sup>72</sup> The approach favoured by authors contributing to (Booth, 2007a)



however, they do not make a compelling case how in a pluralist society adequate resources for the needs of all could be raised without the “force” of laws.<sup>73</sup>

In order to increase the acceptability of taxation, the church has to educate and remind the public that there are areas essential for the functioning of any society which are not profitable to invest in for individuals and groups and where the state has to step in (see above#Common Good). To enable him to do so, a reliable source of income and revenue is needed; for this to be the case, adequate laws and enforcement rules are needed. Here the church has to educate the public and to stimulate discussion on what tasks need to be financed by all and what not.<sup>74</sup> If this is clearer, people might be more inclined to accept tax laws and adopt tax honesty once more.

### 6.8 “Combat” or “Compromise” for policy influencing majorities?

As the world society becomes more and more pluralistic with people holding multiple competing ethical views and having options to choose for themselves what ethical beliefs they wish to hold, it becomes a challenge for every individual or group to take a publicly influential stand on issues that are considered very important for individual and social life. However, leaving all to chance would be even more detrimental for important institutions and value systems like Christianity in general and the Catholic Church in particular – all the more, since groups and representative of neoliberalism try to influence democratic decisions with aggressive and cunning lobbyism. The Church has to play its part in today’s conflict for shares in scarce resources – for the sake of the common good and especially for the benefit of the poor; and church leaders have to be at the forefront and lead the way by educating, sensitizing and mobilizing church members and other people of good will.

The Church in Germany is trying to do that e.g. by appealing to politicians to align their policies along the value set underlying German society, especially embodied in its post war constitution, the Basic Law. But: key concepts such as the “obligation of property” the constitutional guarantee of “human dignity” is nowadays interpreted differently than it was in the days when the Founding Fathers and Mothers were predominantly Christian.<sup>75</sup> On that background, it is one of the biggest disadvantages of democracy that the majority gets right,

---

<sup>73</sup> Besides Jones, also authors contributing in (Booth, Catholic Social Teaching and the Market Economy, 2007a) argue that way. But to the mind of the author, their approach based on voluntary charity would only work in a society where a solid majority would follow the doctrines of the church. In a minority situation it can be assumed that voluntary donations by Christians would not be enough to be sufficient for all needy people. This would have two undesirable side effects: Either, charitable gifts by catholic individuals, businesses and foundations would be limited to Catholics, i.e. their Charity would only benefit the own groups. This would be pretty unjust and unfair towards other needy people. Or the burden of adequate Charity for all in a given society would be borne of a minority group, which would be pretty overtaxing to their abilities. This would be unjust and unfair regarding the goodwill and abilities of this group.

<sup>74</sup> This does not automatically imply, however, that the state is the one who spends the money collected (see above#governance & subsidiarity)

<sup>75</sup> An example in case is the question whether the guarantees arising from the concept of human dignity in Art. 1 Basic Law applies to all human beings living in Germany (i.e. also refugees and asylum seekers), even to those living de facto in Germany, but without legal title, or to German nationals only (Alt, 2001). Similar it is with the “obligations arising from property” in Art. 14 Basic Law: If the wealth of Germans results from deals done outside Germany, is there an obligation towards those who are affected by that?

even though the majority might not be in the right.<sup>76</sup> And politicians have the task to enact the majority will, not to educate the public about values. The latter is task of the Church and other religious groups, not the task of politicians.<sup>77</sup>

If the Church wants to be again in the position to have some sort of policy defining majority and enter her own values and principles into policy discussions, there are two options for the Church to choose:

First, fighting for regaining a policy defining majority based on a Christian set of values alone. Here the Church would first focus on her own faithful and try to win “conferts”. She could also align herself with other Christian Churches (perhaps even other religions), whose values are similar to CST, and try to obtain again a policy shaping majority in a pluralist society – e.g. by educating and mobilizing their own members (see below#). If the Christian/religious segments of society could regain this credible democratic power, they could put forward their ideas both in Advocacy and by influencing national parties and elections. It could be assumed, however, that this process would take quite some time.

Second, seeking common ground and forming coalitions in view with other groups, trying that way to implement policies which at least in part can effectively oppose neoliberal market economy. Here the church could enter in strategic or (depending on the topic under discussion) tactical coalitions with other “people of good will”, namely people adhering to other religious, moral and ethical world views.

A very broad and widely accepted framework for cooperation with non-Catholic or even non-Christian groups is nowadays the Human Rights framework. This set of rights is not only useful to advance individual rights, but, because of its set of social and political rights, also useful to advance issues of social or international justice. For the Church, Human Rights (if corresponded by responsibilities and obligations) are highly appreciated (Pontifical Council for Justice & Peace, 2005) and quite a number of church based scholars and political activists frame, therefore, their political interests rather in the language of Human Rights than the language of principles and values of CST.<sup>78</sup>

This second approach represents some sort of compromise, some concession to the changed character of society, but it promises quicker results than the first approach which effectively would be based on a middle and long term effort to “re-evangelize” a society. There are two advantages: First, there is debate among the different groups of a pluralist society what exactly the content and meaning of certain Human Rights is. Here the church could, for example, push for most inclusive and comprehensive interpretation (Alt, 2001).

---

<sup>76</sup> ‘So ist das eben in der Demokratie, in der die Mehrheit recht bekommt, auch wenn sie nicht recht hat’ (Schmidt, 2011, S. 48)

<sup>77</sup> Es wird „regelmäßig der Vorwurf erhoben, der Staat gebe die Grundwerte preis... Dann folgt der Appell an die Träger staatlicher Gewalt: Rettet die Grundwerte! ... Haben sich Aufrufe der Bischöfe... nicht in allererster Linie in den Innenraum der Kirche... zu richten?“ (Schmidt, 2011, S. 41f.).

<sup>78</sup> (Chiti, 2013) or the research “Global aber Gerecht”. Publications like that explain, of course, their underlying framework of faith based values and principles somewhere else, but their main argument phrased in Human Rights terminology clearly aims for allies outside the church.

And: Topic-orientated coalitions can be formed flexibly and quickly and, if organized coherently and persistently, achieve still some remarkable results in a democratic society.<sup>79</sup>

This proceeding might strengthen the state and its institutions. But under today's circumstances the modern democratic state might become the forum which moderates consensus or compromise in modern pluralist society. Because of the Church's minority position in society, seeking improvements in society via the rule of laws negotiated within a given democratic society the church might even open once more rooms to act for their own member to practice their Christian values. If, for example, a neoliberal influences could be pushed back, Christian business leader might once more be able to actually put Christian values in his enterprise into practice without losing out to 'immoral' competitors who would otherwise just undercut and ruin him: He could practice his felt responsibility towards his workers if the law prohibits dumping wages or he could practice his responsibility for the environment if also others are obliged to do so.

## **6.9 Educate and challenge the own and the broader public**

The central piece and cornerstone of CST is the belief of the church in the equal dignity and ability of each human person. For that reason, the principle of subsidiarity cautions against any superimposing structures which deprive a person of its own capabilities and options. Fact is, however, that too many people, especially among the poor, are not able to develop and exercise their potentials and are therefore caught in dependency (→ see definition paper#). Here the church has to do whatever is in her power to empower those people, so that they are able to claim and do what is their inalienable prerogative. Here, naturally, is a big task for the church's many educational institutions.

But there can more be done regarding a general public discussion and sensitization towards these injustices nationally and globally, e.g. by the church's institutions of social or academic research, church owned media etc. Given the widespread ignorance or lack of interest regarding issues and complexities of global justice or frustration towards these issues (because of the feeling that nothing can be done against it) with people of all level of education, those institutions have to develop and advance two sets of arguments:

First, towards her own church members:

Whether students of Catholic schools or ordinary churchgoer: People need to be made aware of global injustices, the need to act, the abilities to act and the opportunities of the Church to be a motor of change and catalyst of activity. People have to be educated again about the basic meaning of virtues, values, natural and moral law which might then increase their willingness to act in a greater solidarity and charity. This implies, of course, taxation issues. For example, how important for taxation is the ideathat the strong are obliged to carry a load for the common good which is in accordance to their ability to contribute. Or: Since also among the church-goers cheating on the tax man is so widespread, that education about the necessity of tax revenue and the ethics underlying this area needs to be done. Here it

---

<sup>79</sup> Take, for example, the international Campaign to Ban Landmines, which gained momentum after the Churches allied with NGOs, the European attempt for a "Tax Against Poverty" or the German movement towards social rights for undocumented migrants.

might be enough to elaborate the foundations and implication of the Christian faith and educating the public about CST principles and values.

Second, towards members of a pluralist society at large:

At least for Germany, there is enough common ground hidden in the social fabric – e.g. the Basic Law and other structural elements of German society – where the Church could link in and educate/conscientize also non-Christians. For example, the Human Rights movement has its roots (among others) in the Judaeo-Christian tradition and people could be reminded of it. Equally, the ecological movement can be linked to the Church's concept of “stewardship”, the task to handle creation's treasures responsibly and preserve them also for future generations. If public education is starting from these areas of overlapping interest and understanding, also a non-church public might be inclined to listen. If public education is starting with Church language and principles, too many people might turn away because they no longer make a connection between those “exotic” ideas and their own values – even though they might still be closely related.

## Literaturverzeichnis

---

- Alt, J. (2001). Die Verantwortung von Staat und Gesellschaft gegenüber 'illegalen' Migranten. In J. Alt, & R. Fodor, *Rechtlos? Menschen ohne Papiere* (S. 15-124). Karlsruhe: von Loeper.
- Beck, U. (1986). *Risikogesellschaft. Auf dem Weg in eine andere Moderne*. Frankfurt: Suhrkamp.
- Beretta, S. (2011). Gratuitousness and Work. The Priority of Labour Over Capital in a Globalized Economy. *Jahrbuch für Christliche Sozialwissenschaft*, 52, S. 117-141.
- Booth, P. (2007a). *Catholic Social Teaching and the Market Economy*. London: The Institute of Economic Affairs.
- Booth, P. (2007b). Introduction. In P. Booth, *Catholic Social Teaching and the Market Economy* (S. 27-42). London: Institute of Economic Affairs.
- Booth, P. (2007c). Aid, governance and development. In P. Booth, *Catholic Social Teaching and the Economy* (S. 63-90). London: Institute of Economic Affairs.
- Booth, P. (2007d). Taxation and the size of the state. In P. Booth, *Catholic Social Teaching and Market Economy* (S. 111-141). London: Institute of Economic Affairs.
- Bund Katholischer Unternehmer. (2012). *Markt-Staat-Bürgergesellschaft. Für eine Ordnungspolitik der Nachhaltigkeit*. Köln: Bund Katholischer Unternehmer.
- Chiti, L. (2013). *The Common Good and Constitutionalism*. Munich: Institut für Gesellschaftspolitik.

- Collins, C., & Wright, M. (2010). *The Moral Measure of the Economy* (2 ed.). Maryknoll: Orbis.
- de Berri, E., & Hug, J. (2010). *Catholic Social Teaching: Our Best Kept Secret* (4. Ausg.). Maryknoll: Orbis.
- Jones, P. A. (2010). A Model of Catholic Social Teaching: Assessing Policy Proposals. *The catholic Social Science Review* 15 (2010), 283-296.
- Kammer, F. (2011b). Catholic Social Teaching and Distributive Justice. *JustSouth Quarterly*, IV.
- Kennedy, R. G. (2007). Business and the common good. In P. Booth, *Catholic Social Teaching and Market Economy* (S. 164-189). London: Institute of Economic Affairs.
- Medaille, J. C. (2002). Distributivism and Catholic Social Teaching. In P. Harrington, *Catholic Social Teaching* (S. 3-9). Third Way Publications.
- Opongo, E., & Orobator, A. E. (2007). *Faith doing Justice*. Nairobi: Paulines.
- Pehlemann, R. (2007). *Die Verankerung der klassischen Sozialprinzipien im Grundgesetz der Bundesrepublik Deutschland*. Grin.
- Percy, A. (2007). The entrepreneur in the life of the Church and society. In P. Booth, *Catholic Social Teaching and Market Economy* (S. 190-209). London: Institute of Economic Affairs.
- Pontifical Council for Justice & Peace. (2005). *Compendium of the Social Doctrine of the Church*. Rome: Libreria Editrice Vaticana.
- Pontifical Council for Justice and Peace. (2011). *Reform of the International Financial System with a view toward a General Public Authority*. Rome.
- Rawls, J. (1985, Summer). Justice as Fairness: Political not Metaphysical. *Philosophy and Public Affairs*, 14(3), pp. 223-251.
- Ryle, E. J. (kein Datum). *Tax Policy and Justice: Some Perspectives from Catholic Social Thought*. Von [www.rylefund.org](http://www.rylefund.org): <http://www.rylefund.org/pdf/TaxPolicy&Justice-SomePerspectivesfromCatholicSocialThought.pdf> abgerufen
- Sandel, M. (2010). *Justice: What's the right thing to do?* New York: Farrar, Straus & Giroux.
- Schmidt, H. (2011). *Religion in der Verantwortung*. Berlin: Propyläen.
- Sen, A. (2010). *The Idea of Justice*. London: Penguin.
- Sirico, R. A. (2007). Rethinking Welfare, Reviving Charity: A Catholic Alternative. In P. Booth, *Catholic Social Teaching and the Market Economy* (S. 47-62). London: Insitute of Economic Affairs.
- Tarimo, A. (2005). *Applied Ethics and Africa's Social Reconstruction*. Nairobi: Acton.

Tornielli, A., & Galeazzi, G. (2015). *This Economy Kills - Pope Francis on Capitalism and Social Justice*. Amazon-Kindle.

United States Conference of Catholic Bishops. (1986). *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the US Economy*. Washington.

Wijsen, F., Henriot, P., & Mejia, R. (2005). *The Pastoral Circle Revisited*. Maryknoll: Orbis.

Woods, T. E. (2007). The unanswered questions of the just wage. In P. Booth, *Catholic Social Teaching and the Market Economy* (S. 91-110). London: Institute of Economic Affairs.