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Will 'wealth creation' liberate the poor?

The annual David A Penner Debate took place on September 13, 2000 at Wheaton College. Ron Sider and Michael Novak exchanged viewpoints on the topic of "The Ethical Challenges of Global Capitalism."

Both presenters are well known in the area of social justice. Neither possesses the typical philosophical or ideological credentials customarily associated with advocates of peace and justice.

Ron Sider takes his foundations from Evangelical Christian theology. A professor of Christian ethics at Eastern Seminary, he is the founder and president of Evangelicals for Social Action. He has published extensively in the area of Christian social ethics from an evangelical, biblically-based perspective. The 20th anniversary edition of his *Rich Christians in an Age of Hunger: Moving from Affluence to Generosity* was published in 1997.

Michael Novak, a Catholic, is a prominent neo-conservative intellectual who is steeped in the Catholic philosophical and theological tradition. He holds a chair in religion and public policy at the American Enterprise Institute. Among his many works, his *The Spirit of Democratic Capitalism* appeared in 1994, *The Catholic Ethic and the Spirit of Capitalism* in 1993, and more recently *The Universal Hunger for Liberty* in 2004.

The summaries of the 2000 Penner Debate

presentations were printed in *Discernment*, a newsletter of the Center for Applied Christian Ethics at Wheaton College (Summer / Fall 2001).

Ron Sider agrees that capitalism is clearly a better economic arrangement than its now deceased 20th century rival --- communism. In setting forth his conception of the biblical norm of social justice, Professor Sider notes: "God wants every able-bodied person and family to have access to the productive resources they need..." There is a correlative duty incumbent on society "to offer a generous sufficiency to those --- for example, the disabled and the elderly --- who are unable to care for themselves."

Although biblical justice does not demand equality of income or equality of wealth, it does "require equality of opportunity, up to the point where everyone has genuine access to the capital needed to enjoy a decent life." On that count, i.e., equality of opportunity, Sider indicts capitalism at the national and global levels for significant failures.

In framing a counterpoint position, Michael Novak regards "(t)he vocation of enterprise, of business," as "strategically the most important vocation of Christians, of Jews, of Muslims, of all people who want to help the poor." He argues that the biblical doctrine of creation grounds the basic principle of economic progress, namely, that the Creator "gave us the

calling to create more in our lifetimes than we consume."

Novak believes that the question about the causes of poverty is misplaced. Rather, the right question should focus on "the cause of the wealth of nations." One word responds to that question --- "wit-human <caput>, or capital."

Novak interprets globalization in terms of a threefold revolution: a moral revolution rooted in the defense of human rights, a political revolution identified with the growth of democracy, and an economic revolution. The latter development has transformed some of the poorest regions of the world into some of the richest as witnessed by the advanced economies of "the Four Little Tigers" of Southeast Asia. [South Korea, Taiwan, Hong Kong, and Singapore]

The 2000 Penner Debate was an ordered conversation, a mutually insightful exchange on a perplexing issue. As a matter of record, Sider and Novak share a broad consensus on the promise and the challenge of a global economy. But, their diverse emphases stem from noticeable differences in philosophy, catalytic insights from either side that call for further exploration.

Throughout his career, Michael Novak has made and continues to make a formidable case in favor of democratic capitalism as a solution to poverty. In the light of that thesis, his contribution in the Penner Debate stresses the need for "live capital," access to credit, and education.

Ron Sider articulates a convincing rationale on behalf of the cause of biblical justice. His critique of the perceived deficiencies of capitalist economies is persuasive. Thus, he espouses a more realistic integration of free market dynamics with the sustaining of a strong civil society and proportionate government activity.

According to Sider, while significant progress on a global scale is undeniable, the overall state of affairs contravenes the norms of biblical justice. The harsh reality that 20% of people in the developing nations remain malnourished cannot be morally tolerated. The reduction of global poverty from 29% to 26% in the period from 1987 to 1998 cannot subsist as an excuse for complacency.

Sider concludes that capitalism is failing "both at the global and national level."

Centesimus Annus (1991), the encyclical commemorating a century of Church social teaching, lays down a framework for ethical analysis of economic and political arrangements. On the one hand, Pope John Paul II affirms the free market as "the most efficient instrument for utilizing and effectively responding to needs." But, on the other hand, he also teaches that for many human needs which are not "marketable" there is "a strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied, and not to allow those who are burdened by such needs to perish." (CA n. 34)

While acknowledging the failure of the Marxist solution, the Holy Father at the same time confronts the ongoing dehumanizing conditions of marginalization and exploitation in the Third World along with the alienation pervasive in the developed nations. He observes that "(v)ast multitudes are still living in conditions of great material and moral poverty." (CA n. 42)

Pope John Paul II, then, cautions against capitulating to "a radical capitalistic ideology which refuses even to consider these problems, in the *a priori* belief that any attempt to solve them is doomed to failure, and which blindly entrusts their solution to the free development of market forces." (CA n. 42)

December 2004