

The War of the Powerful against the Pope

An Economist's Response to George Weigel's view of *Caritas in Veritate*

By Arthur Gibbs*

After reading George Weigel's online article, '*Caritas in Veritate* in Red and Gold', my immediate thought was to send poor old George a Get Well card. Naturally I was concerned about him and enquired among friends and colleagues what the problem might be. None of the medics could work it out until one of them, an old bloke like myself, had a vague recollection from years back about a rare condition known as encyclicalitis. Its rarity seems to stem from the fact that hardly anyone spends enough time reading encyclicals to be put at risk.

One of the symptoms of the ailment seems to be a difficulty reconciling what one is writing with the subject one is addressing, or is under the impression one is addressing. In this case George is critiquing a document on charity and truth, but not once in the course of his article does he get around to dealing with or even acknowledging the idea that either of these exist. In point of fact he does not seem to be interested at all in the content matter or the issues raised in *Caritas in Veritate*. So is the problem the ailment? Or is there some other reason for the attack?

I have to admit to having spent only fifty years in economics, so I am still pretty much at the learning stage. From what understanding I do have of the subject, however, I cannot detect any attempt to raise any relevant economic issues, even though these formed an extremely important part of Pope Benedict's letter to the world. We are left then wondering why George tapped out his tirade – and tirade it certainly seems to be. He does not come across as a disenchanted Catholic venting his rage on the Church for not accepting same sex marriage, contraception, abortion or euthanasia. Nor does he seem to be trying to represent those kinds of views on behalf of others. So the question remains, what are you really on about George?

The answer on closer examination seems to be the poor blighters who for their sins have landed themselves the unenviable job of trying to get a better deal for the world's most disadvantaged, and



seemingly least cared about people. So, George, why on earth would anyone want to attack people who are trying to help the poor? Have a go at the blokes fiddling with the Liturgy, appointment of Cardinals, or choosing next in line for Beatification by all means. They could all be sent on Sabbatical for five years and no one would miss them, but why such an important area? Why the justice, peace and development team for goodness sake?

After extensive consultation with friends in various places, I have good news and bad news for you George. The good news is that we believe you have written your little

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piece in good faith. Even though you called the Pope's encyclical 'a duck-billed platypus' at least you didn't use any bad language. You still haven't got around to truth, but you are starting to make it towards love and that is nice. The bad news is that you have missed the point about who has been conned.

You inferred that Pope Benedict had been conned by Justice and Peace. The unfortunate reality George is that it is you, I believe, who has been conned. The Neocons are very experienced at conning people as they have done with Globalization, so don't feel badly about it. We've given them a holy sounding name in spite of the problems they seem to have with the first, fifth and seventh commandments. We feel Devotees of the Bottom Line is rather fitting for them.

From my own point of view, I believe that *Caritas in Veritate* is enormously underrated. I know we won't agree, but on the basis that each encyclical or other such like document is meant to come to terms with problems of its time, relating of course to the common good of all people (as distinct from sectional interests), I believe it is one of the better documents to come out of the Vatican in the past four decades.

Although it happens all too often, it seems to me that an encyclical or other similar document should not be thought of as a final product to be put away on the shelf as reference material only. I believe it has another very important purpose, and that is to serve as a working guide to further areas of research and study to be undertaken with a view to public debate and action. This should of course involve as many people of as many faiths as are interested. The problem as always is to convert wise words into useful action. Sometimes a visual analogy can help.



If we can visualise an automotive combustion engine, on one side we have electrical power coming from the battery to the spark plugs. On the other side we have the cylinders with the fuel and air mixture waiting to explode into action. If we think of the encyclical as the electrical power, and the poor of the world waiting for take off as the fuel mix, we need only to transform the electricity into a spark to arc across the spark plug gap to bring our engine to life. Easy in the case of the auto engine of course. We just turn the starter switch and off we go. No problem! But now we have to go back to the encyclical and real life. Everything is in place and ready. Now for the tricky part. How do we get the spark that converts encyclical power into explosive action. How do we contribute to the process of starting the journey from poverty to development.

Globalization, the Neocons say, provides trickle-down benefits to the poor. The problem is that it has had three decades for the theory to produce some tangible results and all we have is hundreds of millions more dead Africans. Nothing trickled down for them. The dollar a day we hear about is actually a bit misleading. I have just recently completed some research which shows that the hundred odd million people in the lowest 20% income group in Africa, excluding the petroleum rich nations, have to try to survive on 25 cents per capita per day.

No wonder nearly 12 million kids die each year before their fifth birthdays. Ask them about how the integrated global market is the answer to all their problems. And please don't talk about aid and debt relief looking after the problem of the underdeveloped countries and people. The aid flow is getting smaller each year because of aid fatigue and corruption and, as far as debt relief is concerned, if the debt of all Sub-Saharan Africa was written off today, within seven years it would be back again at the same level because of continuing trade deficits.

The globalization policies which you hold so close to your hearts have produced some results that Neocons don't like talking about but I know you all have open minds, so I'll run them off for you. The per-capita income growth figures cover the first period, before globalization policies came into operation (1961- 80), followed by the second period (1981- 99). Not only did developing countries

suffer, the rich nations didn't do so well either, although we know the rich within them did very well.

Per capita income growth

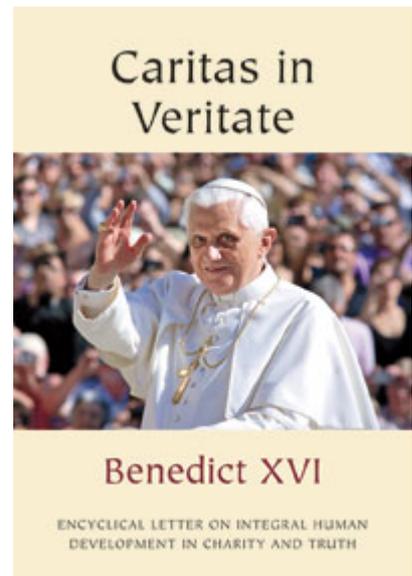
	1961-80	1981-99
Industrial OECD countries	3.5%	2.0%
Undeveloped countries (excl. China)	3.2%	0.7%

The globalization network claims free market growth has lifted billions out of poverty. This is totally untrue. Open market and free market policies have never lifted a country in recent history out of underdevelopment to industrial status. Only when government-assisted development has taken place first have open markets been able to achieve any reasonable degree of success. Current development policies are intentionally discriminatory.

If you have any doubts about this, then let me ask you a question. Why does the Washington Consensus, which lays out the policies to be followed by debtor nations, prohibit government assistance to industrial development and government-assisted import replacement? We know that industrial development is the key to poor nations working their way out of poverty, yet wealthy western nations will not allow them to undertake the measures which would enable them to help themselves, with some assistance of course.

IMF policies have been well documented and are nothing to be proud of. As a result of the Structural Adjustment Programs, farmers are forced off their land and deprived of their subsistence living. The 'lucky' ones become available for work at deregulated wage levels for TNCs, whose extraordinary generosity provides them with incomes, often as low as a third to a quarter of what they previously earned on their farms.

If we look at the current global financial crisis there is much talk of greed as a cause of the problem. This is true of course, but what allowed the greed to eventuate? Your globalization policies George, and the \$300 million campaign, identified by Kevin Rudd, mounted to obtain the repeal of the Glass-Steagall Act, removing the prohibition on commercial banks owning investment banks, allowed the creation of huge conglomerates too big to fail, and without the necessary regulation to control their massive speculation. An estimated \$11 trillion was lost world wide following the deregulation brought into effect as a result of neo-liberal globalization. Wall Street suffered relatively little. Ordinary people suffered severely. Casualties of war.



On the question of war, you have quoted extensively from Pope John Paul II, especially your six references to his 1991 encyclical, *Centesimus Annus*, seeming to believe he somehow supported your globalization policies. That kind of suggestion is a slur on a great leader and needs correction. In his 2003 document, *Pastores Gregis*, John Paul included some thoughts on globalization and its effects on the world. You have not made reference to them so I thought I might include one particularly pertinent thought for you.

The war of the powerful against the weak has, today more than ever before, created profound divisions between rich and poor. The poor are legion! Within an unjust economic system marked by significant structural iniquities, the situation of the marginalized is daily becoming worse. Today in many parts of the world, people are starving, while in other places there is opulence... How can we keep silent when confronted by the enduring drama of hunger and extreme poverty, in an age where humanity, more than ever, has the capacity for a just sharing of resources?

The whole idea of globalization is for markets to take over from governments in controlling the world

economy. In other words the ideology of neo-liberalism would rule, giving us a world run by free, i.e. government-free, markets. Karl Polanyi the great Canadian-Hungarian scholar and author of *The Great Transformation*, had fears about this towards the end of the Second World War: 'To allow the market mechanism to be the sole director of the fate of human beings and their natural environment... would result in the demolition of society'. Susan George tells us however that he was convinced this would not happen because 'Within the nations we are witnessing a development under which the economic system ceases to lay down the law to society and the primacy of society over that system is secured.' Globalization has changed all that and Polanyi's worst fears are being realised.

In her address to the Conference on Economic Sovereignty in a Globalizing World, Susan concludes:

Polanyi's optimism was misplaced – the whole point of neo-liberalism is that the market mechanism should be allowed to direct the fate of human beings – the economy should dictate its rules to society, not the other way around. And just as Polanyi foresaw, this doctrine is leading us directly towards the 'demolition of society'.

She goes on to tell us that neo-liberalism is not a force like gravity but a totally artificial construct created by people with a purpose.

Neo-liberals have bought and paid for their own vicious and regressive 'Great Transformation' creating a huge international network of foundations, institutes, research centres, publications, scholars, writers and public relations hacks to develop, package and push their ideas and doctrines relentlessly.

The result of this is that neo-liberal globalization 'is made to seem inevitable like an act of God, the only possible economic and social order available to us.'

Neo-liberal globalization has as its main aim the subordination of man to the integrated global economy or market, firmly under corporate control, and more so by the day. Pope Benedict in *Caritas in Veritate* has set his sights firmly on establishing the guiding principles needed for a decent world for us all:

I would like to remind everyone, especially governments engaged in boosting the world's economic and social assets, that the primary capital to be safeguarded and valued is man, the human person in his or her integrity. Man is the source, the focus and the aim of all economic and social life.

This in short is really what the economic thrust of the encyclical is all about, and this is what neo-liberal globalization and its henchmen are trying to reverse. The economy is there for the benefit of mankind, not the other way round.

Part of the ongoing work of members of the network is what we might call 'fire fighting' – hosing down opposition as it arises, before it becomes too troublesome. George, I suspect this is your area, and tackling the Church before it can mobilise too much opposition is your specific task. There are too many billions and billions of dollars at stake for the world's richest and most powerful business and financial institutions to let their money tree be put at risk of damage or destruction.

Pope Benedict, in my humble opinion, has produced a document which when closely analysed can be seen to have hit every economic button that needs to be hit. He has pointed the way in what I believe is an outstanding and courageous encyclical. I say courageous because he has quite obviously been under considerable pressure to take a different line to the one he has taken. The document is not an easy read. The big problem is that the theological language can be a bit overpowering for the laity. We have to make sure we get through it to the economic parts we have to work on.