

## Reflections on the Economy

Experts tell us that our present economic problem largely centers around the housing industry. More precisely, they inform us that the central issue in this industry is its financing.

Apparently the housing industry has driven the American economy, and, by extension, the economies of other nations financially linked to the U.S. Owning one's own home is the sine qua non of personal happiness, equaled only by possession of an automobile. This industry has prospered over the last several decades, but just within the past few years, it has shown signs of wear and tear.

There are a variety of ways to appreciate the factors involved in this developing problem. One pathway is in terms of the familiar virtue of justice. Justice has a long and venerable history in both secular and church society. Within the church tradition associated with the Catholic Church, it has occupied a central place among the four cardinal virtues, since it alone accounts a person virtuous in terms of relationships. Early on, it underwent scrutiny primarily in terms of interpersonal relationships, empowering a person to flourish by responding to obligations he or she assumed to another individual. Allowance was made for expanding justice obligations to include institutions of society, but, earlier on, a person's status as a just person was not ascertained with these as primary considerations.

But with Pope Leo XIII the reach of justice was extended into larger areas of human relationships, leading to the development of the term social justice. Though not a completely new emergent, it acquired new significance, largely because of the impact that Communist philosophy was making on the world. Communism devoted much of its attention to justice issues, starting with the plight of the working "man" and his role within the prevailing capitalist system of the time. In his response to the formidable challenge represented by Communism, Pope Leo significantly amplified the role that justice could play in reconceptualizing the lot of the worker.

Paul Jefferson, to continue with the mixed acronyms recently employed in these position guides, (where the apostle Paul is aligned with the American President, Thomas Jefferson, and James Hamilton is a combination of the apostle James and the American Treasury Secretary, Alexander Hamilton) would be comfortable in exploring the economic problems currently facing this country, and other countries of the world, in terms of justice, including social justice. His approach to the topic would especially highlight justice in its role of safeguarding equality in the exchange of this world's assets. Not that an absolute equality should prevail among people, as if the non-productive are in justice due the same amount of assets owing to the industrious, or as if the timorous should reap the same fullness of rewards as the risk-takers do, but that a more generic kind equity/fairness should be provided everyone, at least from among those goods called "common". A common good is to be available to everyone, in justice, who, in turn, has a right to it, since it is necessary to preserve one's humanity in a decent fashion. Sharing in common goods is a basic right flowing from human dignity, which, in turn, has risen to

the fore in recent church teaching as the foundation underlying the prominence that justice and other virtues acquire. Denying access to a common good is unjust because it violates a person's human dignity.

The common good, however, precisely because it is "common", involves both an expansive set of goods and the total membership of society. It has large dimensions. Precisely because of its size and dimensions, the common good requires a corresponding agency, equal to the task at hand. It seems that no other system is equipped to meet the requirements of social justice intent on providing for the common good, other than the body politic at large, that is, government on the national level. Within the U.S., even large governing units such as the individual states are unequal to the task of providing for all dimensions of the common good, on behalf of all members of society. Though the principle of subsidiarity is to be honored to the extent that it is adequate to the situation at hand, there are some dimensions to the common good that surpass the capacity of smaller units of society to meet them. In these cases, at least, the national government must become involved in providing the goods that the "commons" require. This, in turn, entails access to the means that can meet the need, and this usually involves a federal tax system. In a nation as large as the U.S., an enormous amount of money is called for on behalf of the common good. This lends itself to accountability and transparency problems, so that, through vigilance and competency, the just demands of the common good can be met by the just handling of tax receipts.

This has come host to roost in the current economic problem, centering largely around housing, as part of this common good. Everyone needs a place to live. Without this, a person is reduced to a sub-human level. Not everyone has a right in justice to identical housing. The industrious rightfully, and justly, have a claim upon better housing than the lackadaisical, the spendthrift, the incompetent. But a social system violates justice if it omits provision for suitable housing for every member of society. Housing is part of the common good due everyone in virtue of his/her human dignity.

This is why such turmoil has ensued with the devaluation of the housing industry, where the value of the house being purchased is surpassed by the mortgage he or she has taken out on the house, despite the equity one has invested in the house by an owner. Home-owners cannot even rid themselves of the burden of their homes because of the glut of homes on the market, awaiting sale. Nor is the equity their homes have accrued sufficient to enable them to borrow credit to meet expenses.

It is the unavailability of credit to home-owners, and to the mortgage companies as well, that has brought the largely housing-based U.S. economy to a standstill. This situation flagrantly violates the human dignity of each person suffering the loss of a house in this credit-deficient economy. The poor especially emerge into focus in this crisis, if for no other reason than that they are the most likely ones to be among the marginalized and the forgotten in efforts to provide for this (common) good.

Justice as fairness/equality requires that housing be as available to the poor as to the well-off, in an arrangement fostering the restoration of trust among the major players in

housing transactions. Indeed, such trust depends on the display of such fairness. This is Paul Jefferson's view of the current situation.

But there is another way of looking at this situation, one that James Hamilton espouses. He too champions the prominence of justice in rectifying the problems beleaguering the housing situation. And he would regard the justice in question as an example of social (and likely distributive) justice, involving not just interpersonal relationships, but those linking social units to one another, and to individuals. These social units, however, need not be just governmental.

In virtue of the principle of subsidiarity, there are other systems within society, starting with the family, but extending up the line through all the various layers of the social fabric: economic, educational, business, fraternal organizations, professional (medicine, science, military, legal, religion), all of which have a stake in the harmonious functioning of society at large, and contribute to it.

James Hamilton has high regard for the common good, and relies on justice to advance this esteem of his, but he prefers to rely on justice as freedom. When a society at large is set out in such a way that each member within it is empowered to freely pursue the goals he or she has set out for oneself, then each plays a part in advancing the common good. But the underlying pinning of this viewpoint is the availability, in justice, for each (person or social unit) to freely pursue one's personal good, which then cumulatively amounts to the common good, as, for instance, when everyone is enabled to seek suitable housing for oneself and one's family. In this view the common good always remains as a goal, but it adopts a way of achieving it via freedom, rather than via equality.

In this view, freedom is the foundation of human dignity: no freedom, no dignity. When God created man and woman, He made them free. Such is the sad lesson the Book of Genesis conveys in its story of the fall. Freedom was there; unfortunately, it was misused, and the common good ever after has suffered the consequences of this. Freedom is not to be dismissed as inconsequential in the task of securing everyone's well-being, and justice can play a significant role when it operates under the aegis of freedom.

The current housing crisis will be solved only when every person is freed up from restrictions that prevent one from securing for oneself something as basic to the common good as housing. In the proper conception of justice, everyone has a right for housing, less as something to receive, and more as something to pursue. The principle of subsidiarity provides adequate space for an individual or an institution to mobilize its capacities to attain suitable housing, whether for oneself, one's family, one's company, one's organization, etc. An atmosphere of freedom provides the energy needed to meet this need.

Having one's own home is a sign of the wealth production which is needed to attain the common good, illustrating one practical feature of the common good balancing out its status as a theoretical principle. It is an ingredient of humanness and its visible

expression. Wealth production is a singularly happy benefit resulting from free enterprise, and a major argument for the viability of the free market system. The common good prospers and thrives in the atmosphere of wealth production, and owes much to the exercise of justice as freedom. This understanding of justice prods the ingeniousness and industriousness of the human person, which play such an important role in wealth production, and expand access to the common good available to every person.

This setting ameliorates the problems associated with poverty. Opportunities for productive work, for example, increase as a society's well-being improves. It is out of this exercise of justice as freedom, when successfully deployed, that the call of justice for equality and fairness is met. However, there will always be abuses, in an atmosphere of freedom, as the Book of Genesis reminds us, such as those of greed, as witnessed in the practice of investors indulging in short-term profit-taking, and also those of inordinate consumption, a society fostering the exercise of freedom will provide for a better distribution of wealth, to offset these unfortunate encroachments on the performance of freedom. Hopefully, the continued exporting of the free enterprise system will replace attempts of other nations to provide good things for themselves by military armaments, as they succeed in the production of their own native wealth. It is the growth in wealth that fosters the availability of credit, and the underlying trust that must prevail in healthy credit activity.

But, as with the federal government itself, and its handling of revenues collected in the form of taxes, so with other units of society, operating under the mantle of the principle of subsidiarity, such as those cited above, there are large amounts of cash and its various derivatives which are involved in a successful economy of freedom. While this accumulation of money can support a very helpful credit system, recent economic events show that it too can get out of hand, when it engages people beyond their credit capacity. The mantra about the market system being self-regulating is not foolproof, as financial analysts now admit, and there is need of outside regulatory agencies to safeguard the continuing free flow of credit through transparency and accountability systems, for the benefit of all seeking to take advantage of it.

Justice as freedom can provide suitable housing for all segments of society, thereby securing access to an important dimension of the common good, due to every person in virtue of his/her human dignity. When circumstances are such that certain people are unable to secure this basic good for themselves and/or their families, then the government must intervene to provide a safety net for their well-being.