

A Just Economy?

Catholic Social Thought, Mutualism and Roads Not Yet Taken

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1. The legacy of 1889

I will begin with a quote: “The capitalist is invulnerable in his wealth. The working man without bread has no choice but either to agree or to hunger in his hungry home. For this cause 'freedom of contract' has been the gospel of the employers, and they have resented hotly the intervention of peacemakers. They have claimed that no one can come between them and their men; that their relation to them is a private, almost a domestic affair. They forget that when thousands of women and children suffer while they are refusing to grant a penny more in wages, or an hour less in work, there is a wide field of misery caused by their refusal to negotiate in this strike. It is not a private affair; it is a public evil...” [end of quote].

Not Karl Marx or some far-left firebrand in the 21st century. No, those words were spoken by Cardinal Manning in 1889. The reference is of course to the Great Dock Strike – coming at a time of political turmoil, economic insecurity linked to low pay, a growing popular backlash against the elites. Sounds familiar, doesn't it? Then, as now, an unjust economy with low wages and inhuman working conditions led to all these strikes and worker self-organisation.

Yet whereas we seem to be stuck in an economic cycle of boom and bust as well as political paralysis, 1889 reminds us that it does not have to be this way. The peaceful resolution of the Dockers Strike not only gave rise to the Labour movement, which permanently changed British politics. It also inspired Catholic Social Thought (CST), which – as I will argue in this lecture – is the most coherent body of ideas for social renewal. CST is a gift to the world and a map of roads not yet taken towards a more just economy – one anchored in the dignity of the person and of work, and reconciling the estranged interests of capital and labour as well as the estranged interests of finance and production. All of this for the common good.

The history of how the strike led to the emergence of CST reminds us that – thanks to the mediation by Cardinal Manning and William Booth, the founder of the Salvation Army – a new alliance was forged for the common good of community and country. In London’s East End, not very far from here, the Jewish community organised a solidarity march with the dockers, many of whom were Irish Catholics so relations hadn’t always been very cordial. Together with the Salvation Army, Jewish groups set up soup kitchens for the dockers and their families. What we have here is an alliance of Catholics, Protestants and non-Conformists. Christian and Jews. Working-class and middle-class. There is much to learn for our age of polarisation.

The events of 1889 did have a vital influence on Pope Leo XIII who was told by Cardinal Manning about the social reality of Britain after the Industrial Revolution, and in the middle of the first wave of globalisation at the end of the nineteenth century and let’s not forget a few decades before World War One (some parallels with today are unmistakable). It was the harrowing conditions of the working classes in poor communities up and down the country reported by Cardinal Manning that in large part led the Pope to write the first social encyclical *Rerum Novarum* – ‘Of New Things’ – which focused on the dignity of working people and constructive alternatives to both laissez-faire capitalism and also collectivist state communism as it was beginning to take shape. Once again we can see the importance of these ideas for today when we are seemingly locked in a struggle between US-led market capitalism on one hand and Chinese state capitalism on the other hand with potentially unforeseeable consequences and a descent into some global conflagration if we are not very, very careful.

No doubt the differences between 1889 and 2023 far outweigh the similarities. Perhaps the greatest single difference is that our problems today are as big as our politics is small. The two main political parties here in the UK seem to be engaged in restoration rather than renewal. The Conservatives at the moment seem to be harking back to a Thatcherite world of deregulation and liberalisation as a means ultimately to a small-state, low-tax economy in which apparently wealth will trickle down from the City of London down every provincial gully. Meanwhile the Labour Party is currently retreating to the Blairite and Brownite model of public sector investment to compensate for private market failure yet in ways that leaves the Thatcherite economic settlement of global finance and deindustrialisation entirely in place.

Neither party I think faces up to the reality that we have here in the UK one of the highest levels of socio-economic inequality between and within regions and one of the most centralised yet also ineffective governance systems. Currently we are with few exceptions stuck in a low-wage, low-skill, low-growth, low-investment, low-productivity impasse – I think economists call it a low-level equilibrium trap. I think I prefer to call it a vicious circle. With our political parties at least for the moment offering little energy and little purpose, I think a sense of anger and abandonment across the country is palpable. Yet across the political and indeed the cultural spectrum I think there is an extraordinary consensus that a new model is needed, but no consensus as to what that new model should be. What I will suggest in this lecture is that CST provides both the principles and practices on which a new model can and indeed should be built.

2. What is Catholic Social Thought?

It is really crucial here to realise that CST is not another ideology; not something that can be reduced to a single set of values or interests – unlike the particular ideologies of conservatism, socialism and liberalism that are all in crisis in different ways. CST is not primarily concerned with a Christian defence of the market against the state. Nor can it be equated with social justice and a focus on poverty relief based on public welfare. Rather, CST - and I think is true for Christian social teaching more generally – is a holistic way of thinking and acting to bring about the common good of all, not just individual profit or aggregated utility but rather personal fulfilment combined with mutual flourishing. It has deep roots in Christian anthropology, ethics and indeed metaphysics – it is about the nature of the person as a relational being, embodied and embedded in relationships and institutions and pursuing mutual recognition in society based on contribution rather than domination over others or pursuing the accumulation of abstract wealth.

As human beings, if it is true that we are on a quest for a more purposeful life, I think we realise that actually at the heart of ourselves there is what the late Jonathan Sacks, the former UK chief rabbi, called the greater human ‘we’ – that is to say that the collective, the we, the communal, precedes the individual. Not in some kind of hierarchy but rather in a covenantal fusion of all the ties binding us together as human beings who are really social beings, more than economic entities or administrative units. This of course builds on a long legacy going back to biblical times but also to Greco-Roman philosophy and Aristotle’s notion of the political being. St Thomas Aquinas makes the point that even more than political beings we are social beings as *animale sociale*. That is more fundamental than even our political belonging.

This conception in no way denies the reality of vice and sin, of a fallen world in which we are all too often selfish, greedy, distrustful of others and prone to violence. Yet is our sinfulness really more fundamental than our capacity to pursue the good? Does vice characterise us more than our capacity to be virtuous? CST believes that whilst it is important to recognise the reality of evil, with St Augustine evil is somehow secondary, it is the privation of good; the good is primary. The good of God’s creation is primary and has not been destroyed entirely by the Fall; in fact it has been renewed again and again and certainly by Christ’s Incarnation and Resurrection as prefigured in the first Testament. Psalm 104:30: “You send forth Your Spirit, they are created; And You renew the face of the ground”. The good is real and we can discern it. In 1 Timothy we read: “For every creature of God is good, and nothing is to be refused, if it be received with thanksgiving”.

Gift, gratitude – these are the fundamental things that characterise us as human beings. The same goes for society and, yes, for the economy as well. CST is so important because it reminds us again and again to resist the extremes whether it is collectivisation or commodification. It charts an alternative economics beyond just the pursuit of purely private profit or public utility towards a something like the plural search for goods in common that are open to all. The common good, something that we all here think is important, is what? It combines a sense of individual fulfilment of our talents, of our vocations, but also mutual flourishing that I cannot be fulfilled in any way unless you are too and vice versa. It does not impose a single conception of goodness on absolutely all, nor

does it represent the ‘greatest good of the greatest number’ in some quasi-utilitarian manner.

Pope Benedict XVI put it very well in *Caritas in veritate* his social encyclical published in the middle of the financial crash, when he wrote that the common good is “the good of ‘all of us’, made up of individuals and intermediary groups who together constitute society. It is a good that is sought not for its own sake, but for the people who belong to the social community and who can only really and effectively pursue their good within it”. That is the common good. Therefore it is *not* the total mathematically measurable good – it is not the sum total of individual utilitarian happiness in some artificial aggregate like, for instance, GDP. I’m not going to rubbish GDP altogether; it tells us something. Clearly GDP counts goods and services one by one, it doesn’t tell us anything about the relational goods that are in fact necessary to produce goods and services and necessary to sustain us human beings. It certainly does not account for real relationality. The common good is just that. It is the truest good that we share together as human beings and members of society – things like work, family, community, but also tangible things or indeed sometimes more intangible things like health, education, housing and welfare. These are not individual goods that we just consume; these are in fact things we produce, we create together.

Likewise, against the extremes of egoism and abstract altruism, Catholic Social Thought charts an alternative ethics too, one that focuses very clearly on human virtue. To speak of virtue does not mean a pious new demand for more morality in public life - as if somehow we need to keep on injecting ethics to make things a little nicer than they are. Not at all. There can be no human practice, private or public, individual or social, unless it is always already shared and communal, unless we are aiming for the good, the good that is internal to whatever it is we are involved in, and have some idea how to recognise and successfully pursue that internal good. As St Paul says in the *Letter to the Romans* (8:28), “And we know that all things work together for good to them that love God, to them who are the called according to his purpose”.

For CST, morality is not a kind of optional extra that we add on to the political economic process. Instead, virtue ethics is in continuity with all human activities, including finance and business. It is not external to it at all. Pope Francis in *Evangelii Gaudium* puts this succinctly: “ethics – a non-ideological ethics – would make it possible to bring about balance [in the marketplace] and a more humane social order”.

It is also important to recognise that CST always balances rights with obligations. The preferential option for the poor is a very important part of CST and so is the value of work and in fact the more fundamental value of contribution. Reciprocal obligations mean that the wealthy have a duty to help, to respect, and to support the poor and there this also an ethical imperative that essentially tries to attain the common good for all. That means we uphold the dignity of the person by emphasising that everyone can make a contribution to society, however poor or however ill or infirm, contribution is true for all of us. Financial help for the poor, as Pope Francis says in *Laudato Si* “must always be a provisional solution in the face of pressing needs. The broader objective should always be to allow the poor a *dignified life through work*” (*Laudato Si*, §128, my emphasis).

This is why entrepreneurship is so vital. Again to quote Pope Francis: “business is a noble vocation, directed to producing wealth and improving our world. It can be a fruitful source of prosperity for the areas in which it operates, especially if it sees the *creation of jobs as an essential part of its service to the common good*” (*Laudato Si'*, §129, my emphasis).

In short, CST is pro-worker and pro-business both at once. That may come across as a paradox but only if we accept secular assumptions. It is not a paradox if you think of it in Christian terms. In short, CST is founded upon the principles we all know well - subsidiarity, solidarity, dignity, participation and the common good:

- 1) **Subsidiarity** is the devolution of power to the lowest appropriate level in line with the dignity of the human person; sometimes that can be the national or the international level. For the environment, for financial regulation, you cannot do that locally; in fact you want to work together across borders but for other things you do want to decide at lower levels than perhaps the international or the national.
- 2) **Solidarity** is with those who cannot help themselves, at least for now. But we also want to enable them to help themselves once more and to make that contribution they are called to make.
- 3) The **dignity** of all humans is central to CST but also the dignity of labour and the dignity of what Pope Francis calls the ‘common home of nature’.
- 4) **Participation** in the economy, the polity and society should always be the thing we should promote based on our agency and on human creativity.
- 5) The pursuit of the **common good** is so vital because that is actually what makes us more truly human.

In the remainder of the lecture, I want to try and illustrate how those principles can help us transform our current economic model towards a more just economy.

3. Reconciling capital and labour

The first area is how we might possibly reconcile capital and labour. Our prevailing politics has for some time treated capital and labour as opposed to each other and involved in some zero-sum game where there have to be apparently winners and losers. Notions of mutual interest and mutual benefit are almost entirely absent from both ideology and public policy, which perpetuates a cycle of conflict as we can see with industrial action again and again and again. It is really true with industrial action that everyone is a loser and very, very few people stand to gain anything at all. Even more fundamental is the pattern of labour’s share in the national economy declining for the past 25 years but not somehow to the benefit of higher growth in aggregate terms. According to calculations by the International Labour Organisation, productivity growth has been both low but also has outstripped wage growth by the biggest margin since 1999. Here in the UK, we have seen 15 years of stagnant wage growth between the financial crash and Covid, and now the sharpest fall in living standards since the 1950s. At the national institute where I work we have found that people are on average about 8% worse off than before Covid. For certain income groups, it’s far worse than that. If you are

in the lowest income decile, the lowest 10% or lowest 20%, you would have to have something like £4,000 - £5,000 more than you now do in disposable income to be at the same level as in 2019/2020. That is a huge drop and much of that is to do with stagnant wages then exacerbated by inflation, exacerbated by the economic low growth that we've had.

This is really what is underpinning the cost-of-living crisis. Not just a temporary spike in prices - but that is very real - but the fundamentals of the economy are not delivering for millions and millions of people.

To raise wages in line with productivity, we need to bring together the interests of capital and labour in some negotiated settlement. One core aspect is a renewed partnership between government, business, trade unions and local communities. Whether nationally or regionally, we need to broker negotiations so that we can actually start identifying our mutual interests and our mutual benefits. Collective bargaining is not the worst place. Where there are organised labour unions in unionised sectors, and where everyone around the table can be thought of as responsible, we should certainly have more collective bargaining, not less. Not because it's a panacea but because it's a good start in bringing people round the table rather than having the strikes that are so costly to all. This is something that works already in Germany, Scandinavian countries, the Netherlands and elsewhere, so why not learn from it?

This means creating more tripartite bargaining so that we can give Government the right role as an honest broker, as a force for the common good, opening up space in which capital and labour can again be brought together. It is illusory to expect individual workers to be able to negotiate wages or working conditions in large businesses, entirely alone. It is equally illusory and dangerous to think that state control or ownership of the means of production by the central state will somehow empower employees and lead to better outcomes. Neither works. What we need is the tripartite alliance - something that was foreshadowed by 1889. What we need in the end is a balance of interests between capital, labour and government. That extends to some strategic investment decisions where it is better to have people on board rather than to see them somehow as opponents or enemies.

4. Injecting participation into corporate governance

In the area of corporate governance, another arrangement that would help bring about better business, economic and social outcomes would be to have a clear social purpose for each business but to do it in a way that is negotiated with the workforce. Co-determination is one such way and again it works well in some continental European countries such as Germany or the Netherlands. Worker representatives on company boards can help shape some of the key strategic decisions and improve trust and cooperation within the workforce in the long-term interest of all stakeholders. This is not just true for the continent. We have had good examples here in our history. John Lewis, in trouble now, but still a valuable example of employee coalition but let's not forget all of the mutuals. The mutual banks and the insurance companies we used to have, they were an important part of the institution ecology. I think in the end they were only wiped out because we changed the incentive

structure. We can come back to that later in discussion. No-one proved that these models were not capable of generating value over time. They did, but when we changed incentive structures we ended up destroying something very, very precious.

I would also go as far as saying that we should consider some form of Wage boards in service sectors that have low levels of unionisation, especially when it comes to small employers and some of the people who are paid the lowest wages. Wage boards can be local, regional or even national and representatives can be chosen by workers through elections or enterprise work councils. This can be a more effective way to represent the labour interests than the old-fashioned site-based collective bargaining where the union simply do not exist, or where union bosses can be true obstacles in a negotiated settlement.

In relation to businesses, corporate governance reform I think should begin with workers on remuneration committees and on company boards but also extend to some form of participation of other stakeholders. Is it not conceivable that we have some participation in at least discussions around aims and objectives from people who represent customers, from people who represent suppliers and also local communities where businesses operate. To make this more specific one policy we should consider, which would enable workers to have some say in the running of companies, is to introduce a legal requirement that a minimum amount of shares be held by employees. That could be 10% or 20%; it wouldn't be a blocking stake ever but it would try and diversify ownership and with ownership comes not just rights but, crucially, obligations. That is what I think we need to emphasise here.

More generally, co-participation in governing businesses will not just improve mutual understanding and thereby reduce the potential for conflict and strike; it will also create a greater sense of common purpose and that is something both democracy and the functioning economy need.

If we are serious that businesses are not just economic units but social organisations – and I would be surprised if there is anyone who would disagree with that – then the demand that corporate bodies exercise some form of social responsibility must be matched in all justice by a recognition that businesses and individuals as workers deserve some form of participation and representation. I think some form of - let's call it 'corporatism' for a moment - is not completely displaced. Not state corporatism which led to us terrible outcomes in the '20s and '30s; not market corporatism, which is just a form of empowering executives and institutional shareholders, but a kind of non-state, non-market corporatism. A civic corporatism, one where the different stakeholders negotiate around the same table and that could be done very locally but even internationally where businesses operate in different countries. We have some organisations that could support some of this. The International Labour Organisation is one, but crucially trade unions and businesses that often operate internationally should be involved and we could even think of governments and the civil service taking the lead here with their international partners.

5. Making welfare more mutual

Moving on to welfare. Our politics, I would submit to you, does not understand poverty or the poor or how to help them very well. For too many on the right of the political spectrum, the poor are either necessary sacrifices to the win-lose logic of the free market or else in the most extreme cases, a bunch of lazy misfits who need disciplining through state coercion. For many people on the statist left, welfare is the only way to help these passive victims of capitalist exploitation who can only be saved by the state because clearly the state knows best.

In reality, we know that this is not true. The poor, like all human beings, are subject to the vagaries of moral fortune; that means circumstance, inheritance of talent and wealth or poverty, in addition to the exercise of effort and virtue. But anyone who is unfortunate, including through their own fault perhaps, remains a part of society, they remain our neighbours, so the poor are us and let us not forget we are also the poor. Ultimately material wealth is not what distinguishes us. If they are part of our society and are our neighbours, they deserve our support to meet their needs and also to develop their ability to help themselves. Rather than thinking of welfare as some form of entitlement handed out or merely handed down to compensate for failure, true compassion in the Christian sense means welfare that is hand-up. The poor can legitimately “be expected to make what contribution to the community they can, because to ask for this contribution is to respect their continued dignity as human beings”.

Therefore we need to think of it in terms of participation and contribution, both at the heart of CST. How then will we transform the welfare state? Let us not forget that our economy at the moment is low-wage, high-welfare. It seems difficult to justify that in the long term because we are essentially saying that work is not paying enough to feed ourselves and our families, and that can't be a good state of affairs. I think transforming the welfare state in line with CST and participation and contribution would mean moving away from a centralized bureaucracy that ends up often outsourcing public services to private providers and to move towards a mutualized system with a much greater element of contribution. At the moment our current system seems broken: top-down, target-driven and based on payment by results, with efficiency and ‘value for money’ imposing a managerial bureaucracy of Byzantine complexity that makes Whitehall simultaneously over-centralised and weak at the core. It is wasting money and it is wasting people resources, their talents and their vocations. It is reducing citizens to administrative units while public sector workers are often debased and just impersonal cogs in a machine. It services an utterly impersonal system where apparently all we do is pursue some form of key performance indicator. We're testing, we're assessing, we're auditing and we unleash a tidal wave of forms, questionnaires, surveys and reports. Means testing is extremely expensive and can be utterly humiliating; what we need instead is an insurance system that honours contribution.

That has to start with decentralisation. We have to offer people the chance and more scope to top up their coverage with private insurance, but doing it in a mutual way where you pay into a system that pools resources and risks. At the same time, we have to fund welfare institutions both regionally and

locally so that they can actually be aware of needs and help people in a much more place-based and people-based way. That is particularly true for social care and also other parts of the welfare system. Contributory welfare within the national insurance model means that what people take out depends in large part on what they have put in. But this doesn't just concern people who have paid jobs. Unpaid work at home, mostly performed by women, both historically and now, would of course be recognized as a vital contribution. This is not about whether people have jobs or not; this is about who makes a contribution and, as I said, almost all make a contribution almost all of the time. Decentralisation and contribution are the principles around which we can link more bottom-up, community-based solutions for care and for training to larger-scale models of delivery. We could bring together voluntary associations and social enterprises under the guidance of local government, or a city region or indeed national government where appropriate. What happens now is that local councils seem to be either providing public services but often don't have the resources to pay for proper care, or outsource them to the cheapest for-profit supplier. What we need instead is a more mutual arrangement bringing together different providers and participants.

6. Integral ecology and economy

Before I conclude, let me say a few words about how the idea of integral ecology is also part of CST and its approach to the economy.

In *Laudato Si'* – 'our common home of nature' – Pope Francis stresses again and again the importance of natural law and a divinely created cosmos not reducible to the human will but instead requiring careful judgement and prudence. That means economically we need to be very wary of claims about measureless acquisition and endless growth because after all we do live in a finite world in which humankind all too often transgresses all manner of physical and moral boundaries at our own peril, but also at the peril of the natural world. What is missing from purely secular thought is any sense of limit based on some form of individual and communal self-restraint – some limits on our seemingly insatiable desires but really they are not naturally given. Insatiable desires are often artificially produced including by our economic system which, as the Anglican writer R.H. Tawney more than 100 years ago, described as the acquisitive society. It is not something that is naturally given; it is something that we have artificially brought about and that's where we need to start - with the end of this limitless acquisition.

The fundamental issue here is the loss of meaning – we have lost the sense of intrinsic worth and purpose for ourselves, but also for animals and the entire biosphere. Linked with this absence of limit is a new culture of what Pope Francis calls 'disposability' in which everyone and everything that does not satisfy our immediate desires can so readily be dispensed with precisely because it has already been turned into a commodity. All commodities are ultimately worthless; they have no intrinsic value. So at some point when they cease to satisfy desires or cease to have any utility we just get rid of them. That now includes people who are written off as not being economically useful any more. Is it a surprise that millions of people are now inactive because they have lost all hope of actually getting a job that gives them any kind of proper wage or any kind of meaning. We have brought about these

things not because they are inevitable but because we have created a system that commodifies everything and everyone. Hence we find ourselves in a world in which too much power is centralised, a lot of wealth is concentrated and everyday existence is increasingly commodified.

The tragic paradox we face is that the materialism which characterises a lot of the modern ideologies is in fact deeply anti-material and destroys both us and nature. The natural world is anything but just a physical monolith, an external reality against which we must either protect ourselves or which we must exploit at will. On the contrary, nature is full of symbols and nature itself is profoundly relational.

To reflect that relationality, I think what Pope Francis in *Laudato Si'* is trying to bring about is restored relationships with creation – the creation we belong to and with the creator who made us to share in that bliss of communion. It is about the unbreakable links between contemplation, the eucharist, justice, and social transformation. It's a call for re-enchantment so that we have a flourishing of body, mind and spirit all at once.

That seems a long way away from where we are but we can start with the politics of place to recognize just how important the land is to people's affections for their locality and their attachment to their country. A politics of place it is an integral part of our sense of belonging and the economy needs to reflect that. Nature and the countryside are sources of beauty and well-being as well as economic resources. Instead of talking about some abstract Green Deal that just focuses on the aggregate, what we really require is an ecological politics that is embedded in local communities and speaks to people's concrete existence – not some bourgeois environmentalism decided on somewhere far from people but an environmentalism attuned to both urban and rural communities, to food production and distribution, the welfare of animals and the creation of a more renewable energy supply. It's a very different sense of ecology to the one we get from so-called green politics.

Let me conclude with some very brief reflections on how to move from capitalism to a social market and to a gift community.

7. From capitalism to a social market and gift economy

30 years ago this was written:

“It is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the absolute predominance of capital, the possession of the means of production and of the land, in contrast to the free and personal nature of human work. In the struggle against such a system, what is being proposed as an alternative is not the socialist system, which in fact turns out to be state capitalism, but rather a society of free work, of enterprise and of participation. Such a society is not directed against the market, but demands that the market be appropriately controlled by the forces of society and by the state, so as to guarantee that the basic needs of the whole of society are satisfied.”

Yes, this was Pope John Paul II in *Centesimus Annus*. In concrete terms, what I think Pope John Paul's call means is trying to build the everyday economy, shifting the emphasis from some abstract global economy or some central structures at the national level to those economic sectors that actually serve our needs. The production and the social goods that sustain our daily lives. That means a greater focus again on agriculture and food, on retail, on hospitality, but also on some manual jobs that a lot of us thought were going to go out of fashion. Construction, security and care. These are all sectors where we actually need more people not fewer. Our needs are growing and the key workers who were more prominent during Covid should not be forgotten. This part of the economy is characterized by low wages, low productivity and low skills, which prevent stronger growth and more human flourishing so national renewal has to start with those sectors and those workers.

Building a foundational economy that determines the well-being of most people is also critical for ideas such as a 'universal basic infrastructure', which is the real Christian response to calls for universal basic income where such an income would be hugely regressive, incredibly expensive and ultimately defeating the purpose of providing security and meaning. Universal basic infrastructure would ensure that all parts of the country ultimately have access to adequate housing, transport, education, health and social care, built on work, family and local community. That is what we should aim for, not universal basic income.

Yet we do find ourselves in a situation where our economy is still too much built on debt, speculation and abstract money. As we saw during the 2008 financial crash, it's a system that privatises profit, nationalises losses and socialises risk. It's a model that lacks virtues and provides incentives to vice – cheating, greed and avarice. The cycle of boom and bust that Margaret Thatcher's Big Bang unleashed and Gordon Brown vowed to abolish but didn't, embodies the destruction that our current economic system can bring about - of industry, of work, of human lives and of nature.

We don't build enough any more. Instead, we extract excess profits — often underpinned by speculation and debt — while we have a low-wage, high-welfare model. Income from work apparently needs to be supplemented and subsidised by the taxpayer, so that working people can feed themselves and their families – totally unsustainable. The dominant economic model has severed money and finance from relations of production based on work and ingenuity. We have actually replaced creativity and reciprocity with an ugly monoculture of consumerism, and that is not ending well. The inherent competition between financial speculation and production is just as endemic to capitalism as the conflict between capital and labour. That is what we need to resolve.

To re-embed capital in institutions, we need to recreate a whole host of institutions. To name a few: regional and sectoral banks that are constrained to lend within particular areas or sectors, so that we can transform the centralising power of capital, provide access for businesses outside of financial centres and actually limit the higher rates of return that ended up destroying our mutual banking sector. We also need to undercut all the usurious lending that is still going on as well as that which is fuelling debt and gambling, which are sadly among the few growth sectors in the economy at present. CST reminds us again and again that money need not be mammon – that money infused with the notion of reciprocal giving can be a source of wealth, of common resources and of

generosity; it should not be an instrument of debt and sacrifice to just one form of power. Many more institutions could be added to this list - vocational colleges, chambers of commerce, completely different trade unions and so forth.

I will end with a paradox. The late cultural critic Mark Fisher, in his book 2009 book *Capitalist Realism*, contrasts the seeming impossibility to imagine an alternative to capitalism “it is easier to imagine the end of the world than it is to imagine the end of capitalism”, with the paradox that “only senseless hope makes sense”. The paradox of our time is that only the seemingly impossible vision of Catholic Social Thought may now be remotely realistic.

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