

EQUITY POLICIES FOR PRODUCTION AND DISTRIBUTION OF WEALTH

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EQUITY POLICIES

TOPIC:

- “What policies are necessary for a proper balance at the regional, national and global levels in view of the production and distribution of wealth?”

THESIS:

“There is no sustainable economic growth (*production*) without significant appreciation of social equity (*distribution*).”

EQUITY POLICIES

METHODOLOGY:

- See – Judge – Act
- “There are three stages which should normally be followed in the reduction of social principles into practice. First, one reviews the concrete situation; secondly, one forms a judgment on it in the light of these same principles; thirdly, one decides what in the circumstances can and should be done to implement these principles. These are the three stages that are usually expressed in the three terms: *see, judge, act.*” *Mater et Magistra* #236

EQUITY POLICIES

SEE – *contact* and *analysis* of Pastoral Circle

- “What is happening and why is it happening?”
- ***Contact***: gross imbalance of globalisation
- ***Analysis***: gross distortion of social equity
- Not “equality” of sameness in both starting point and outcome
- But “equity” of equal opportunities and avoidance of disparities in outcome

EQUITY POLICIES

INEQUITY

- Imbalance of increase in production of wealth without significant distribution of wealth
- Shown when *economic indicators* rise (e.g., GDP growth) without significant impact on *social indicators* (e.g., life expectancy)
- Highlighted in 2005 UNDP and World Bank reports: ***no future sustainable economic growth without more widely shared social improvement***

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JUDGE

- Evaluative step of assessing under guidance of CST the improper balance that we have seen
- Four pillars:
 - Human dignity and rights
 - Solidarity and common good
 - Option for the poor
 - Integrity of creation

EQUITY POLICIES

Missing element in comprehensive CST

- Dignity, rights and role of women
- *Gender equity* in church policies as well as economic, political and social policies

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CST EMPHASIS ON EQUITY

- “Economic progress must be accompanied by a corresponding social progress, so that all classes of citizens can participate in the increased productivity. The utmost vigilance and effort is needed to ensure that social inequalities, so far from increasing, are reduced to a minimum.” MM #73
- “...everything must be done to ensure that social progress keeps pace with economic progress.” MM #168

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CST EMPHASIS ON EQUITY

- “...the question of equitable agrarian reform in developing countries should not be ignored.” CV #27
- “Just and equitable international trade in agricultural goods can be beneficial to everyone, both to suppliers and to customers.” CV #58

EQUITY POLICIES

ACT

- How do we respond with “active policies necessary for a proper balance”?
- Thesis: “There is no sustainable economic growth (*production*) without significant appreciation of social equity (*distribution*).”
- Three levels of response: *conceptual, action, pastoral*

EQUITY POLICIES

1. CONCEPTUAL

- *intrinsic/constitutive level* – steps that are validated by their own merits, on their own, as inherently good and worthwhile. (*Moral*)
- *instrumental/functional level* – steps that are validated by their fruits, on their outcomes, as engendering of social progress. (*Pragmatic*)

EQUITY POLICIES

2. ACTION

- a) Put poor first in design and implementation, e.g., basic question is “what is impact on poor?”
- b) Promote wider distribution of public goods, e.g., information, education, health, legal rights
- c) Deal pro-actively with extreme inequalities, e.g., through tax policies
- d) Level global economic and political playing fields, e.g., governance in UN and IFIs

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3. PASTORAL

- Local churches advocate for equity, e.g., budget analysis, tax policies
- International efforts of Pontifical Council for Justice and Peace, United Nations Vatican representative , papal encyclicals

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CONCLUSION

Thesis: “There is no sustainable economic growth (*production*) without significant appreciation of social equity (*distribution*).”

- **“See, Judge, Act”** advances active policies to advance equity policies for proper balance of production and distribution of wealth

EQUITY POLICIES

- But please avoid the all-too-common:
“See, Judge, File”!
- *Too much of our future as a global human community is at stake when we deal with the issue of equity!*

EQUITY POLICIES

THANK YOU!

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