Acton Commentary

bringing moral reflection to bear upon current events

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No Man is an Economic Island

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As fallout from the financial crisis continues to drift through the economy, it may be time to pause and consider the disaster's larger meaning.

Free-market advocate Leonard Read wrote a remarkable piece in 1958, "I, Pencil." A paean to the wonders of the market economy, it is still read among students seeking to appreciate the value of the market. The essay traces the numerous components of a simple writing instrument from their various points of origin (e.g., graphite from Sri Lanka, cedar from Oregon) to the finished product that now rests in my hand.

The point of Read's essay is that the market economy facilitates the cooperation of an extraordinary number of stunningly diverse individuals in the common cause of the creation of a vast array of products and services. The production of the pencil, in short, encapsulates the social nature of the economy.

Read was not a theologian and used different terms, but Catholic social teaching has highlighted the same point. "By means of his work...," Pope John Paul II wrote, "each person collaborates in the work of others and for their good. Man works in order to provide for the needs of his family, his community, his nation, and ultimately all humanity." Interdependence with fellow employees, suppliers, and customers, the pope observed, led to a "progressively expanding chain of solidarity."

"I, Pencil" exhibited the positive side of the social nature of the economy. But if humankind benefits when all work cooperatively through economic institutions embedded in a rule of law, human beings suffer collectively when personal vice capitalizes on faulty institutions and exerts significant influence.

Greed, irresponsibility, and irrational reactions to a faltering economy will not affect only those who are culpable of the offenses. Much popular opposition to the recently passed $700 billion bailout package was expressed in terms such as "Why should I pay for the mistakes of others?" It is a legitimate objection. Yet there is no avoiding the fact that sin has social consequences. When it is widespread, the impact is immense. Those who carried reasonable debt loads and played no part in greed-induced high-risk financial maneuvers will nonetheless lose education and retirement savings, lose jobs, and lose peace of mind as a result of a broad and deep economic downturn.

It is a mysterious truth that the decisions of people we do not know, sometimes far away, can so affect our own lives. Confronting this mystery, mistaken philosophers have counseled despair. Personal responsibility is a myth, they say, because our lives are dictated by forces outside our control. Some no doubt feel the attraction of this view as they contemplate the economic debacle unfolding before them.

It is a decidedly non-Christian vision. Our interdependence on others is a reality, and its potential is for bad as well as good. All the more important then, is our personal responsibility to articulate, encourage, and most crucially live the conviction that virtue is vital to the wellbeing of society. The decisions of a great many people led to the current economic conditions. Governments violated trust by inflating the money supply. Lenders irresponsibly entrapped borrowers who irresponsibly took the bait. Consumers exhausted savings and plunged into debt in pursuit of physical comfort. CEOs urged and oversaw the exploitation of excessively risk-laden financial instruments. There is blame enough to go around.

The more urgent question is what do we do now. Panic and depression may be valid economic terminology, but they are not options for a Christian determining how to respond to economic hardship. Each of us must examine our own financial practices in light of the obligations of honesty, temperance, and justice. Each of us, moreover, must consider the current difficulty not as an opportunity to lash out at real or imagined enemies, to shirk responsibility by fleecing taxpayers, or to wallow in self-pity, but as an opportunity to manifest the hope that is in us. Material challenges are a reminder that material goods are but one part of reality, and not the most important.

Although morality does not lead to economic prosperity in a simple, linear fashion, the two are not wholly unrelated. If we refocus on conducting ourselves with integrity, moderation, and generosity, we may just find that the economy takes care of itself.