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as here described would be a major contribution to global economic stability and open the way for much needed improvement in the most poverty-stricken parts of the world. Whatever one's view of the relationships in the world economic system, and the degree of blame for the current situation to be allocated to both richer countries and poorer, the world needs desperately if not a panacea at least a practical answer to the problem of the backlog of the unpayable debt of the governments of poorer countries, which gravely and chronically impedes their self-confidence and economic development. Jubilee 2000 provides a means, radical certainly, but also, we believe, sensible and realistic, of fulfilling this need.

It is time to abandon the short-leash approach to Third World debt of repeated rescheduling for a different, more compassionate, more generous, more sweeping and less administratively burdensome approach; for a benign beginning of the Third Millennium the world needs debt remission of a magnitude which forestalls the continuing build-up of arrears of debt service on top of an overhang of debt stock and permits investment to occur at levels which enable real growth per capita of at least 3% per annum in the SILICs.

#### ENDNOTES

- 1 See also, "An Ethical Approach to the International Debt Question," Vatican, *Justitia et Pax* Commission, 27 Dec 1986: "She (the Church) restates the priority to be granted to people and their needs, above and beyond the constraints of financial mechanisms often advanced as the only imperatives." For a parallel Anglican exposition see Timothy J. Gorringer, *Capital & The Kingdom: Theological Ethics and Economic Order* (Orbis, 1994).
- 2 Ethics in economics is being re-examined in several fora, as can be seen in a number of recent publications, including Gorringer (cited above), Ronald Preston, *Christian Capitalism and Chris-*

*tian Socialism* (Institute of Economic Affairs, London, 1994), John Atherton, *Encompassing the Poles Beyond the Common Good*, (Anglican Association of Social Responsibility, Wetherby, 1993), Christa Springe and Ulrich Duchrow, *Beyond the Death of Socialism* (Mainz and Heidelberg, 1990), and William Temple Foundation, Manchester Business School, 1991).

## Charles K. Wilber Comments on Peters

Bill Peters' article on the Jubilee 2000 Campaign for international debt remission is fundamentally a moral document. It is not a treatise on economics. It is concern for the effects of international debt on the lives of millions of human beings that motivates the campaign. This is not to say that there are not tough economic issues regarding the best way to relieve the debt burden, but the issue of debt forgiveness is a moral one.

As a Christian and as an economist, I believe that every perspective on economic life that is human, moral and Christian must be shaped by three questions: What do economic institutions and policies do for people? What do they do to people? And how do people participate in the economy? Furthermore, in pursuing the common good, we must pay special attention to the economy's impact on the poor and powerless because they are particularly vulnerable and needy.

In order to implement these principles, we must develop a set of moral values against which we can measure economic performance. The claim that economic analysis can provide a scientific, value-free means of evaluating the performance of economic institutions and policies, thus obviating the need for moral values,

misunderstands the nature of economics. Despite its claim to be value-free, economic theory contains within its very structure a vision of the good society based on the attainment of individual goals. That is, economic theory embodies an individualistic, philosophic position that both damages its credibility as a science and frequently places it in opposition to the very idea of social goals.

After a 40 year hiatus, during which Keynesian economics provided a rationale for public intervention into the economy, much of the world has readopted a free market approach to economic development. In both economic theory and economic policy-making, the implicit goal is clear: individual freedom to pursue self-interest. The supposed icing on the cake is that the greatest good for the greatest number will result. In the most fundamental sense, free market theory implies that there are only individual goals. Society is seen as merely an aggregation of individuals.

The Christian tradition sees society as more dense and complex than a simple aggregation of individuals. Society is composed of individuals and groups (families, neighborhoods, parishes, ethnic groups, associations, and so on), and is characterized by *interdependencies* among these individuals and groups. This interdependence makes sole reliance on individual goals inadequate. The difference in power among individuals and groups, and thus differences in the degree of interdependence, means that total reliance on the free market will lead to unjust outcomes.

There is no escape, therefore, from enumerating moral values with which to evaluate economic institutions and policies. To do so we must create a new social consensus. This creation can take place only within a moral context, one in which the too easy separation of moral values and economic behavior is realized for what it is—impossible and destructive. A key starting point is a moral stance consistent with our underlying value structure, but which can guide us in making eco-

nomical decisions, both individually and as a society.

There are many possible central moral values. Let me suggest three which could receive widespread acknowledgment as points of departure for rethinking the international debt issue and the functioning of our economy generally: stewardship, jubilee, and subsidiarity.

### Stewardship

This is a profound moral value in the Judeo-Christian moral tradition. A steward or trustee conception of property differs from the market economy's theory. John Locke argued that private property was justified by and derived from the labor of its owner. Because someone had wrested the soil from the state of nature and had cut the trees and improved the land, the land should be theirs and they should be entitled to use it for whatever purpose they saw fit. In contrast to the Lockean theory of property, stewardship holds that private individuals may own and use property for their own interests, but only as long as it does not result in harm to the common good. For example, the right of poor Africans to food and other necessities of life outweighs the right of lenders to repayment. How this is to be arranged, of course, can take many forms—from outright forgiveness to debt-equity swaps and the like.

I do not mean to suggest that property rights be interfered with capriciously; but where the evidence shows that some interference or change is necessary to improve the welfare of the poor, the demands of stewardship should rule.

### Jubilee

Good human relationships do not thrive in the context of extreme and unrelieved competition. An alternative approach is the biblical concept of jubilee which grew out of the practice described in Leviticus (Leviticus 25:8–55) when every fifty years was a time of celebration but also a time of restitution, remission, and release, where slaves were released and

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land and houses that had been sold reverted to the original owners or their heirs. In this fashion, society had a mechanism which allowed inequality (competition) but also redressed its detrimental tendencies in the interest of maintaining social cohesion.

An ethic of jubilee does not mean an immediate and massive redistribution of income, but the adoption of policies, such as debt forgiveness, that enable the poor to attain a new start. Clearly this must be done with care so as not to encourage future defaults by corrupt national rulers.

### **Subsidiarity**

Solutions to economic problems are best found when citizens are willing to cooperate in the difficult adjustments necessary to change the economy and build a new social consensus. That requires policies to be developed and implemented at the lowest feasible levels, an embodiment of the principle of subsidiarity.

The development of modern industrial economies has created a fundamental division of social, political, and economic life. Put most simply, the dichotomy is between mega-institutions (governments, corporations) and the private life of the individual. People could cope with these mega-institutions if the development process had not so deinstitutionalized their private life. People have always found their identity through and, in turn, impressed their values on, the mega-institutions through what Peter Berger calls "mediating structures." This is where freedom is nurtured and protected, where the counter to bureaucracy lies, where moral values can play a role in resource allocation. However, this interlocking network of mediating institutions—family, church, voluntary association, neighborhood, and subculture—has been severely

weakened by the growth of the mega-institutions that have taken over many of their traditional functions.

Liberals will point at the corporations and the market as the dominant factor in the erosion of these instruments of subsidiarity, and will look to government for protection and countervailing power. Conservatives will point the accusing finger at government itself, exonerating the private sector, and will look to individual effort for the source of rejuvenated mediating institutions.

I feel that both approaches are partial and will be unsuccessful. The goal should be a social consensus in which individual needs and possibilities can be fully realized, and in which both government and mediating institutions can take their proper and important roles.

What does subsidiarity have to do with debt forgiveness? First, the Jubilee 2000 Campaign itself is evidence of the importance of mediating institutions. Second, debt forgiveness merely makes a new start possible. The new start needs to be guided by the principle of subsidiarity. Intermediate groups need to be involved in a new development program and not leave it solely to individuals and governments; that way lies a repeat of the past.

The Jubilee 2000 Campaign is an important one but its success may well depend on creating a new social consensus. The underpinning of the whole effort must be moral canons such as stewardship, jubilee, and subsidiarity. For only if individual and social behavior is guided by moral concerns which transcend self-interest, can we exercise our Christian duty to evaluate what economic institutions and policies do for people, what they do to people, and how people participate in the economy.