

EVERYONE'S BUSINESS

DEVELOPING AN INCLUSIVE AND SUSTAINABLE ECONOMY

SOCIAL JUSTICE STATEMENT 2017-18



Australian Catholic Bishops Conference

Chairman's Message

On behalf of the Australian Catholic Bishops Conference, I present the 2017–2018 Social Justice Statement, *Everyone's Business: Developing an inclusive and sustainable economy*.

This Statement is inspired by the teachings of Jesus and by the unwavering vision of Pope Francis: that the most vulnerable and excluded are the ones who need to take first place in our hearts and in our actions as individuals and as a society. As this Statement makes clear, our Pope draws on Christ's message of love and ministry to the poor. He also draws on the wisdom of his predecessors, Popes Benedict and John Paul II, and on a tradition that stretches back to Pope Leo XIII in the 19th century.

Another source of inspiration was the major research project that culminated 25 years ago in the 1992 Statement by Australia's Catholic Bishops, *Common Wealth for the Common Good*. In that Statement the Bishops warned of growing household poverty and employment insecurity. Most importantly, they stressed that the economy is something that exists not for its own sake but for the benefit of an entire society.

Over the two and a half decades since *Common Wealth for the Common Good*, Australia has been blessed by a period of uninterrupted growth. We are a far richer nation than we were 25 years ago. Yet there are still too many among us for whom this wealth remains a dream. Hundreds of thousands of people find themselves in poverty even though they have a job. Meanwhile, for those who depend on welfare payments, life has been made far harder.

Our Indigenous sisters and brothers continue to be over-represented in key areas of disadvantage, including life expectancy, illness and imprisonment.

For many Australians, the spectre of homelessness is becoming too real. In major cities and towns the prospect of buying or even renting a home is moving out of reach, even for those with decent jobs. Emerging groups such as older Australians, particularly women, are at risk of becoming homeless.

The ideas behind our Social Justice Statement for this year find strong support among international scholars and policy makers. The United Nations' Sustainable Development Goals, and the vision of inclusive growth and shared prosperity, reinforce our call for a society in which justice and equity are foundational to the economy, not afterthoughts.

Throughout the Statement runs the theme of Jesus' parable of the workers in the vineyard, recorded in the Gospel of Matthew. In this passage, all find a place in a fruitful world and are rewarded according to their intrinsic dignity. We pray for the grace to bring this vision about in our own world.

With every blessing,



A handwritten signature in black ink, which appears to read 'Vincent Long'.

Most Rev. Vincent Long Van Nguyen
DD OFMConv
Bishop of Parramatta
Chairman, Australian Catholic Social
Justice Council

The Australian Catholic Bishops Conference thanks those involved in the drafting of the Social Justice Statement for 2017–2018 including Bruce Duncan CSsR, John Ferguson, David Freeman, Gerard Moore, Paul Smyth, the Australian Catholic Social Justice Council and ACSJC Diocesan Contacts.

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Australian Catholic Bishops Conference

The Australian Catholic Bishops Conference is the permanent assembly of the bishops of our nation and the body through which they act together in carrying out the Church's mission at a national level. The ACBC website at www.catholic.org.au gives a full list of Bishops Conference commissions as well as statements and other items of news and interest.

EVERYONE'S BUSINESS

DEVELOPING AN INCLUSIVE AND SUSTAINABLE ECONOMY

Jesus said to his disciples: 'The kingdom of heaven is like a landowner going out at daybreak to hire workers for his vineyard. He made an agreement with the workers for one denarius a day, and sent them into his vineyard. Going out at about the third hour he saw others standing idle in the market place and said to them, 'You go to my vineyard too and I will give you a fair wage.' So they went. At about the sixth hour and again at about the ninth hour, he went out and did the same. Then at about the eleventh hour he went out and found more men standing round, and he said to them, 'Why have you been standing here idle all day?' 'Because no one has hired us' they answered. He said to them, 'You go into my vineyard too.'

Matthew 20:1-7

The Gospel reading for Social Justice Sunday 2017 is Jesus' parable of the workers in the vineyard. Using an everyday example of economic hardship, Jesus teaches how the reign of God is open to all, generous, and especially mindful of those left behind. God provides sufficiently and fairly for each person, all the while attentive to the needs of those who experience exclusion and have little hope.

The vivid image of market place and vineyard still resonates. That the employer goes four times during the day to find workers in desperate need speaks of the precarious existence of the day labourer, and a market that fails to serve the whole community.

This Social Justice Statement considers Australia's economic priorities. We draw from the teachings of Pope Francis and his predecessors, highlighting how extreme versions of free-market economics have failed to serve all. Inequality has been growing in Australia. Many have missed out on opportunities to secure stable employment and a just share in income and wealth – even after 26 years of continuous economic growth.

When it comes to the social justice of the entire economic system, we draw on new understandings of human

development from economics and social policy that emphasise how the wellbeing of humans and all of creation must be an economy's central purpose.

The Church has been part of a global movement for 'inclusive growth'. It is not just about improving sections of the economy that have failed the poor. It is not about continually picking up people who have fallen through the system and placing them back into a market place that cast them aside in the first place.

We call for a new approach that prevents exclusion from the outset and, like the owner of the vineyard in our Gospel reading, engages all people as dignified, active contributors to sustainable and inclusive growth.

AP Photo/Bob Edme



OUR ECONOMY: JUST OR UNJUST?

Before all else, I would restate my conviction that a world economic system that discards men, women and children because they are no longer considered useful or productive according to criteria drawn from the world of business or other organisations, is unacceptable, because it is inhumane. This lack of concern for persons is a sign of regression and dehumanisation in any political or economic system.

Pope Francis¹

The Holy Father has consistently called for the restructuring of the economic system to ensure that people always remain the centre of concern, avoiding the social and economic exclusion of individuals or entire communities 'when money becomes the end and motive of every activity and every venture'.²

In Australia, despite many years of national prosperity, a consistent dynamic has been in play. Vulnerable groups have been the ones who have suffered most during economic downturns, but have also had inadequate access to new prosperity when the economy recovers.

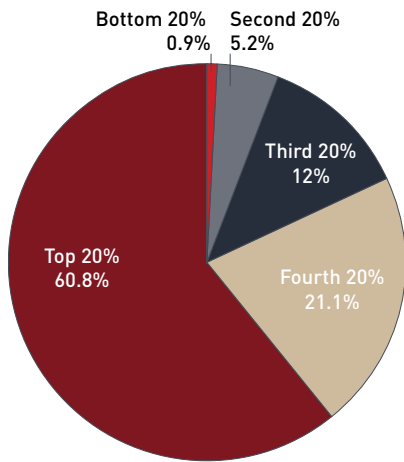
In 1992, as the nation emerged from its last recession, Australia's Catholic bishops reported on a four-year inquiry into the distribution of wealth in Australia. Their report, *Common Wealth for the Common Good*, identified increased household poverty and unemployment, declining farming communities, and greater hardship for disadvantaged groups.

They warned of an 'economic rationalism' that would fail to adequately serve those most affected by the recession:

Its advocates believe strongly in the free market and the need to reduce government spending and intervention. They argue for the principles of privatisation and user-pays. They call for lower welfare payments and tax and less trade union influence. Taken to extremes, this ideology promotes individualism, the survival-of-the-fittest philosophy and the greed is good mentality.³

Since 1992, Australia's national income has increased dramatically.⁴ During the 'peak boom' of 2001 to 2009, Australia had the highest growth in Gross Domestic Product among affluent nations.⁵





WEALTH SHARES 2012



AVERAGE WEALTH 2012

Source: ACROSS (2015), *Inequality in Australia*.

Australians now have the world's second-highest average net wealth per person.⁶

The problem for those who believe in a just society is that the benefits of more recent growth have been spread so unevenly. The top 20 per cent of households received far greater increases in income than the poorest 20 per cent.⁷ In 2015 the Australian Council of Social Service wrote:

Over the last 20 years the share of income going to those at the top has risen, while the share flowing to those in the middle and at the bottom has declined ... The wealth of the top 20% wealth group increased by 28% over the period from 2004 to 2012, while by comparison the wealth of the bottom increased by just 3%.⁸

Nearly three million Australians, including over 730,000 children, are living in poverty.⁹ If inequality in Australia is less extreme than in some other developed countries, it is still serious and widening.¹⁰

As people of the Gospel, we have to be concerned about growing inequality, and especially about the situation of the more vulnerable in our community.¹¹ Among them are the lowest-paid in the workforce, those forced to subsist on meagre income support, people suffering housing stress and homelessness, and our Indigenous brothers and sisters who continue to endure chronic levels of hardship.

An insecure workforce

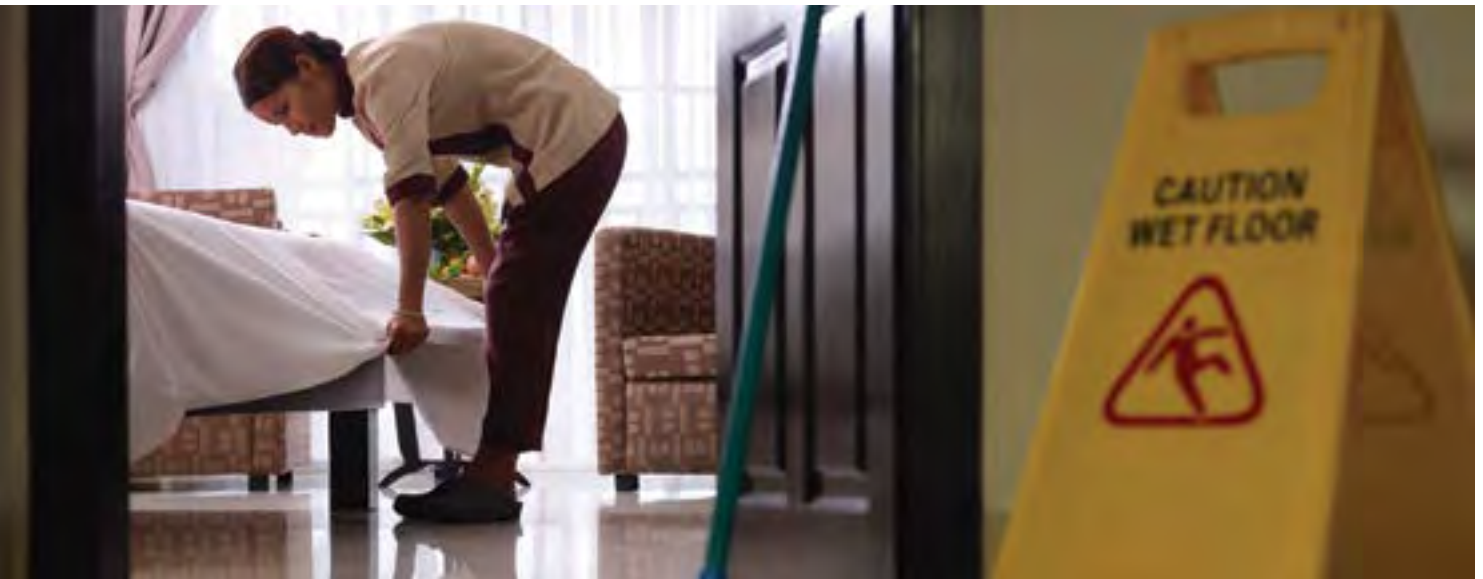
These changes will cost me \$77.76 per week ... to me that's two full tanks of petrol, a grocery shop, a phone bill ... It's over three hours work on my regular hourly rate. This means I'll have to work an extra three hours a week to make the same amount ... there is no way of knowing if I'll be able to pick up those hours.

Gigi, speaking on cuts to Sunday penalty rates¹²

The economic restructuring of the past 25 years has seen radical changes to the Australian labour market. Deregulation reduced the security and benefits for many, while job permanence was often replaced by short-term contracts and casual, part-time employment.

This has affected young and old. Almost 40 per cent of workers under 25 are in casual work, highly concentrated in retail, accommodation and food services.¹³ Older workers in traditional industrial sectors have been particularly vulnerable to restructure, redundancy and long-term unemployment.¹⁴

Average wages have stagnated over recent years despite higher workforce productivity.¹⁵ There has been a long-term decline in the wages of low-paid insecure workers. Minimum wage and award increases no longer provide a 'living wage'.¹⁶ More than one-third of Australians experiencing poverty are employed, with many in part-time, casual or intermittent work.¹⁷ The loss or reduction of basic



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entitlements like weekend penalty rates aggravate the difficulties of low-paid work.

The loss of these entitlements will have a significant impact on women, who are disproportionately concentrated in retail and hospitality.¹⁸ Women continue to fare worse than males in the competitive labour market, with lower average earnings, limited opportunities for promotion, and over-representation in professions that are less well-paid. This disadvantage is compounded, particularly for many who are single parents – balancing the unpaid work of family care with irregular hours in low-paid work.

We have been shocked by recent reports of workplace exploitation: millions of workers underpaid superannuation; young workers, migrants and visa workers deliberately underpaid; up to 10,000 Australians with intellectual disabilities being paid as little as 99 cents per hour¹⁹ – these suggest a worker underclass, marginalised *within* employment.

Workplace reforms of the past three decades sometimes increased productivity and opened up new fields of employment. And while more flexible work arrangements can be positive for those undertaking it voluntarily and where conditions are regulated, for many it is not. We are concerned for low-paid workers exposed to insecurity, poverty and exploitation. The erosion of protections and entitlements, established in Australia over more than a century, sees these workers' experience starting to resemble that of poor workers in the United States.

Crackdowns on welfare

You feel so helpless ... I can just imagine somebody who is not computer literate or is just managing to get by day to day, it's just been terribly frustrating. They make you feel as though I'm some kind of cheat, and I haven't had an income since April 2012.

Janet, speaking of Centrelink's 'robo-debt' recovery system²⁰

Over the past century, Australia has built up a system of payments, a 'safety net', to support those most in need. For unemployed citizens, Australian welfare policy has focused on putting people into jobs.²¹ In the era of full employment 'the dole' was only meant to provide a short period of assistance between jobs. If unemployment was short-term, keeping unemployment benefits meagre was also understood as only a short-term problem for clients.

High levels of long-term unemployment emerged during and after the recession of the early 1990s. Thus long-term reliance on allowances has remained a problem that has worsened with the Global Financial Crisis.²²

Allowance rates have not been increased in real terms since 1994, leaving them well behind community living standards. Newstart and Youth Allowance are \$110 and \$159 a week below the poverty line respectively. Sixty-three per cent of unemployed Australians live below the poverty line.²³ And under recent governments' 'welfare to

work' policies, an increasing number of pensioners on Disability Support and Parenting Payment have been shifted onto Newstart. These hardships reveal inadequacies of both payments and the system.

Newstart's meagre allowance has been described by the Business Council of Australia as 'a barrier to employment', rather than an incentive to seeking employment.²⁴

At May 2017, there were 729,200 people unemployed²⁵ – but only 189,200 job vacancies.²⁶ Increasingly onerous compliance requirements and 'crackdowns' on welfare are unjust where there is such low demand for workers and no concerted strategy to create jobs. In this situation, excessive demands placed on jobseekers or any treatment that humiliates or shames them is unacceptable.

Education and skills development will assist vulnerable and unemployed workers to manage transitions in the labour market. If the market does not generate enough jobs with just pay and conditions, there remains a shared responsibility on society to shoulder the burden of job creation equitably.

The housing and homelessness crisis

The rent is going up on my place, and it's going up out of my reach ... I've come to the point where I don't know what's going to happen to me ... I think that's one of the reasons why, after all these years of working, you end up without anything to spare.

Annette, 67, speaking of her experience of private rental²⁷

It is no secret that Australia faces a housing crisis. Since the mid-1990s, the real cost of housing has increased by 250 per cent.²⁸ There have been many causes, including limited housing supply, negative gearing, capital gains tax concessions and investor demand from home and abroad.

For many young families it is impossible to buy a house without taking on unreasonable debt or seeking help from parents. Rent in major cities is also exorbitant. A global survey of housing affordability in 92 major cities has found that Sydney was the second least affordable in the



Fairfax/Mario Borg

world, Melbourne sixth, and other Australian capitals were among the 20 least affordable.²⁹ Non-metropolitan communities have also been affected.

Many middle and low income earners experience housing stress – spending over 30 per cent of income on housing. Sixty per cent of those below the poverty line are in rental housing and three-quarters of those are in private rental.³⁰

Income support recipients, low-paid workers and other vulnerable groups such as asylum seekers without work rights can find it very difficult to find suitable housing.³¹ We are concerned about an emerging group of older renters – particularly older single women – on low fixed incomes who have insecure and poor quality accommodation.

With 200,000 households on social housing waiting lists³² and funding cuts to housing and homelessness services, we risk vulnerable people joining Australia's 105,200 homeless.³³ The emergence of 'tent cities' in Sydney's Belmore Park or on the banks of Melbourne's Yarra reveal a market that quite literally fails to accommodate.³⁴

The First Australians treated last

We're traditional owners of the country ... My elders want Yulga Jinna to be a place where their young could stay out of trouble and get away from alcohol and drugs ... If Yulga Jinna is forced to be closed who will look after our heritage places? Who will look after the land and how can we keep our culture alive?

Belinda, Community member fearing closure of economically 'unviable' communities³⁵

As we have said on previous occasions, many Aboriginal and Torres Strait Islander communities struggle with social and economic burdens that most Australians cannot imagine. That they are overrepresented on almost every indicator of disadvantage is a national shame – the starkest measure of the economy's failure to serve all Australians.

One of the worst aspects of Indigenous disadvantage is the disastrous imprisonment rate. Aboriginal and Torres Strait Islanders comprise three per cent of the population, but are over a quarter of the Australian prison population and 13 times more likely to be in prison than non-Indigenous Australians.³⁶

Nine years into the Closing the Gap program, intended to address key areas of disadvantage of Indigenous people, we are on track to meet only one of the program's seven targets. The latest figures show that Indigenous males have a life expectancy 10.6 years less than other Australians, and Indigenous females 9.5 years less. First Australians also lag behind the rest of the population in health, education, employment and household income, all of which influence health and life expectancy.³⁷

Until these minimum targets are met, our Indigenous brothers and sisters have little chance of sharing in Australia's prosperity.

Successive governments have failed to provide meaningful employment and development opportunities for those in remote and regional areas. The Community Development Program, the main employment program for remote Indigenous communities, claims to work closely with these communities to provide jobs tailored to their needs. Since its launch it has instead imposed



istock/philisios

thousands of fines for petty infringements³⁸ and threatens to push tens of thousands further into poverty and hardship.³⁹

A political mindset that regards remote Indigenous communities as 'economically unviable' and administrative arrangements that penalise the poor show that governments have not truly understood the needs of First Australians. If an economy does not work for the most disadvantaged of our sisters and brothers, it is not working as it should.

THE NEED FOR A NEW APPROACH

As we have seen, the Australian economy has performed strongly over the past quarter of a century and weathered the Global Financial Crisis better than most countries. Yet deep divides are opening in our society as many people's incomes are stagnating while prices – particularly housing costs – are rising. It is worst for the growing numbers of homeless and those reliant on benefits. Many now depend on charities, pawnshops and payday lenders to top up their incomes.

These issues are devastating for the poorest among us, but there are serious malfunctions in

our economic system that affect a wider section of the Australian population.

Competition policies without adequate regulation have meant that excessive power has been placed in the hands of private interests. Public outrage has grown about the huge price increases in gas and electricity, for example, putting at risk many industries that employ people and rely on stable energy pricing and supply.⁴⁰ There has also been a concentration of power, notably in essential services such as supermarkets, petrol, road infrastructure, prisons and media.⁴¹

There has been a failure in ethical standards in aspects of the banking and financial sectors' operation. Scandals, including collusion, overcharging and deceptive financial advice, have occurred at a time of record profits and huge remuneration for senior staff. Tax evasion and avoidance by major private companies have seen governments denied the revenue needed to maintain social spending.

The circumstances of growing inequality as well as these striking examples of the market failing the community as a whole do challenge the notion that the unregulated operation of the economy would benefit all.



AAP Image/Richard Wainwright

CHURCH AND COMMUNITY: THE CALL FOR AN INCLUSIVE ECONOMY

... some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and naive trust in the goodness of those wielding economic power and in the sacralised workings of the prevailing economic system. Meanwhile, the excluded are still waiting.



Pope Francis⁴²

Pope Francis speaks of an economy of exclusion where the marginalised 'are no longer society's underside or its fringes ... they are no longer even a part of it.' He is not alone when challenging such exclusion.

The Catholic bishops of Australia warned in the report *Common Wealth for the Common Good* that 'no economic model be adopted ... that uncritically espouses economic growth for its own sake'. They were sceptical that 'the so-called trickle-down process either eradicates poverty and disadvantage, or results in a more equitable society'.⁴³

Globally, the Popes of the past 120 years and more have spoken out strongly for the poor and dispossessed, particularly in periods of major social and economic upheaval. It has not been their aim to offer specific technical solutions for social problems, but rather, to use their moral authority and pastoral concern for the poor to promote vigorous efforts to resolve social problems.

THE MARKET: TO SERVE OR BE SERVED?

Since the time of Pope Leo XIII, the Church has strongly opposed Communism and acknowledged the positive role of the free market, but insisted that the capitalist economy must benefit everyone, and not just wealthy elites.



In his 1891 landmark encyclical, *Rerum Novarum*, Pope Leo focused on the plight of poor workers amid massive political and economic changes, with the industrialisation of production in Europe. He emphasised as critical the role of the state to secure the common good with wise regulation and especially to protect workers and the poor. He called for a just wage for all workers, their protection from exploitation, the right to form trade unions, and for a more equitable distribution of wealth to encourage 'as many as possible of the people to become owners'.⁴⁴

Pope Francis: PACIFIC PRESS / Alamy Stock Photo
 Leo XIII: Sueddeutsche Zeitung Photo / Alamy Stock Photo
 Pius XI: Pictorial Press Ltd / Alamy Stock Photo
 John XXIII: Keystone Pictures USA / Alamy Stock Photo
 Paul VI: INTERFOTO / Alamy Stock Photo
 John Paul II: RealyEasyStar/ Fotografia Felici / Alamy Stock Photo
 Benedict XVI: Leon Neall/PA

Pope Pius XI echoed this critique of capitalism during the Great Depression in 1931, calling for ‘redemption of the non-owning workers’ by reducing huge disparities of wealth and bringing private ownership into harmony with the needs of the common good of society.⁴⁵



When the technological and industrial progress



around the early 1960s saw growing inequalities in national economies, Pope John XXIII called for more regulated and gradual development that would bring balance between the different branches of the economy. He emphasised how ‘the

economic prosperity of a nation is not so much in its total assets in terms of wealth and property, as the equitable division and distribution of this wealth’. He said that the personal development of citizens was ‘the true goal of a national economy’.⁴⁶

In 1967, Pope Paul VI spoke in the context of an emerging globalisation. To truly serve humanity, then ‘profit as the chief spur to economic progress, free competition as the guiding norm of economics, and private ownership of the means of production as an absolute right, having no limits nor concomitant social obligations’ were regarded as improper manipulations that should be condemned.⁴⁷



In 1991, with the fall of the Soviet Union and the world emerging from a global recession, Pope John Paul II warned that a ‘radical capitalist ideology could spread’, which indeed it did.



He praised the positive and fundamental role of business and economic

creativity, recognising that it appeared ‘the *free market* is the most efficient instrument for utilising resources and effectively responding to needs’. But he insisted that markets need to be adequately regulated in ‘a strong juridical framework’ to ensure that the outcomes were fair and just to all involved. Many human needs cannot be met by the market, and people cannot be allowed to perish if the market fails to provide for them. People may need help to ‘enter the circle of exchange, and to develop their skills in order to make the best use of their capacities and resources’.⁴⁸

This notion of a ‘person centred’, inclusive economy, where all are entitled to enter the ‘circle of exchange’, is a critically important idea that has been further developed by Popes Benedict and Francis.

RESTORING OUR MORAL COMPASS

The collapse in moral standards in financial services and economics itself helped precipitate the Global Financial Crisis and its tragic consequences.

Pope Benedict XVI said the crisis presented an opportunity for discernment to shape a new vision:



The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones.⁴⁹

Five years later, Pope Francis said that politics and economics were still failing the challenge, with disastrous consequences for people, communities and the environment:

The financial crisis of 2007–08 provided an opportunity to develop a new economy, more attentive to ethical principles, and new ways of regulating speculative financial practices and virtual wealth. But the response to the crisis did not include rethinking the outdated criteria which continue to rule the world.⁵⁰



These are like pointers on our moral compass that can guide political and economic decision-making to enhance the wellbeing of everyone – especially those who are excluded from the circle of exchange.

1. People and nature are not mere tools of production

The market must not be a place where ‘the strong subdue the weak’. Where people and resources are viewed simply in terms of their market value or as a means to maximise profits, human development and the integrity of creation suffer.

As Pope Francis insists, respect for *the dignity of the human person* and *care for creation* demand ‘more balanced levels of production, a better distribution of wealth, concern for the environment and for the rights of future generations’. These values challenge the current expectation of infinite growth and material progress with little sense of limits or restraint. When people and nature are simply used and discarded, the bonds of community unravel and our natural and local communities become afflicted by ‘debris, desolation and filth’.⁵¹

2. Economic growth alone cannot ensure inclusive and sustainable development

The Church rejects an ‘ideology of the market’ which ignores issues of social and distributive justice. As is evident today, the market of itself cannot ensure adequate human development and social inclusion. Instead, we see astonishing extremes of wealth globally.

The principle of the *universal destination of goods* says that the ownership of wealth and resources is never absolute. Everyone has a right to share fairly and responsibly in the bounty of God’s creation. To work well and equitably, the market needs the guidance and support of the moral values in cultures, customs, law and religion. The worst forms of destitution and of hunger can be eliminated if we use world resources more intelligently and wisely. Pope Francis has stressed that the affluent should not just be ‘building bigger barns’⁵² with further growth in wealth and incomes, but new resources should be directed to genuine development and empowering communities to meet the needs of those suffering from want.⁵³

AAP Image/Mick Tsikas

The challenge remains. How then can we develop a renewed vision of a world that best embodies our hopes and values, in real solidarity with all our brothers and sisters, particularly those in distress?

This challenge is as relevant to the global economy as it is to Australia’s. Drawing from Pope Benedict’s 2009 encyclical, *Caritas in Veritate* (‘On Integral Human Development in Charity and Truth’) and Pope Francis’s *Laudato Si’* (‘On Care for Our Common Home’) in 2015, we can identify five fundamental criticisms of the current economic system as well as some key principles or criteria of Catholic social teaching that would be central to the development of an inclusive and sustainable economy.

3. Social equity must be built into the heart of the economy

A short-term focus on maximising profits can harm individuals and families, waste natural resources and damage the overall wellbeing of society. Seeking to increase competitiveness by reducing the pay and conditions of low-paid workers, decreasing assistance to unemployed and disadvantaged citizens, and ‘abandoning mechanisms of wealth redistribution’ undermine long-term development, social cohesion and trust in social and economic institutions.

The principle of the *common good* calls for an economy at the service of all, promoting development that is attentive to the social and environmental impacts of the market, now and for future generations. The current economic model is prone to treating the poor and our environment as an ‘afterthought’ or as ‘collateral damage’. Equity and justice demand that they are protected and supported ‘as the economic process unfolds, and not just afterwards or incidentally’. Nothing stresses the importance of the common good more than the emerging threat of global warming and climate change. We are compelled as never before to see how fragile are our planet and its life systems.⁵⁴

4. Businesses must benefit all society, not just shareholders

The Church values the freedom, creativity and productivity of well-regulated markets, acknowledging the role of business in helping lift billions of people out of poverty. Business is a ‘noble vocation, directed to producing wealth and improving our world’, especially where it works to meet the needs of all people equitably and sustainably.

We need a new level of *solidarity* in which industries and enterprises are accountable not just to shareholders, but to a broader range of stakeholders including their workers, suppliers, local communities and the natural environment. Businesses exist within societies. Solidarity means being committed to enhancing the wellbeing of others, beginning with those for whom we have most direct responsibility. The Church has applauded cooperative forms of ownership and new business models, including the ‘economy of communion’⁵⁵, whereby companies dedicate part of their profits to meet needs in local

communities.⁵⁶ Businesses, large and small, are a vital part of a properly functioning society – they must never be regarded as isolated or separate from the community as a whole.

5. The excluded and vulnerable must be included in decision-making

A commitment to an ‘inclusive’ economy also means giving special attention to the needs and aspirations of people and communities bypassed or excluded from social and economic development. This is a key test of the justice of the economic system.

The principle of the *special concern* (or *preferential option*) for the poor urges us to move beyond the market mentality of simply ensuring a fair exchange, and beyond a minimalist view of distributive justice – as in providing welfare to meet people’s basic needs. We need to make room for greater generosity and compassion in the way our businesses and economy work. Social justice implies that people have a right to participate in



AP Photo/Rick Rycroft

decision-making that affects them. Individuals and communities most likely to be affected by economic plans or social policies should have a key role in such decision-making processes. Pope Francis urges that Indigenous communities in particular be 'principal dialogue partners', especially where projects or programs are likely to affect their land and culture.⁵⁷

REDEFINING PROGRESS: TOWARDS INCLUSIVE AND SUSTAINABLE DEVELOPMENT

Recent Popes have been actively engaged with communities and with world economic, social and political networks and leaders working for inclusive and sustainable development.

This movement has been under way for at least the past two decades. In Europe and the United Kingdom it was reflected in the rediscovery of welfare as a 'social investment'.⁵⁸ Among developing economies, starting with the Asia Development Bank and then the World Bank and International Monetary Fund, it was found in a more far-reaching model known as 'inclusive growth' or 'shared prosperity'. These have now merged in a shared global policy framework as seen in the Organisation for Economic Cooperation and Development's 'Inclusive Growth Initiative' and importantly, the United Nations' Agenda 2030 Sustainable Development Goals.

Driving these developments was a recognition that economic growth was fuelling serious inequality. This realisation was highlighted in work by thinkers such as Thomas Piketty, Joseph Stiglitz and Anthony Atkinson.⁵⁹ They reflected a global concern that inequality was returning to levels not seen since the 19th century. Excessive inequality was found to be not only bad for society but was contributing to declines in economic growth.⁶⁰

This new imperative for inclusive growth has been joined by the need for environmental sustainability. The Global Financial Crisis demonstrated that the twin goals of fairness and sustainability cannot be achieved without the active management of governments around the world. We are called today to redefine progress in Australia with policies to achieve development which is fair, ecologically sustainable and economically efficient.

This new imperative has inspired the United Nations' Agenda 2030. With 17 Sustainable Development Goals, Agenda 2030 aims to end poverty, protect the planet and ensure prosperity for all. Some key goals include:

- Ending poverty and reducing inequality (Goals 1 and 10)
- Establishing sustainable patterns of production and consumption, with full, productive and decent work for all (Goals 8 and 12)
- Ensuring equitable quality education and promoting lifelong learning for all (Goal 4)
- Establishing resilient infrastructure, inclusive and sustainable industrialisation and innovation; and making cities and human settlements inclusive, safe, resilient and sustainable (Goals 9 and 11).

To achieve these important goals, we have to think anew about the roles of economic and social policy. Investing in society creates the foundations of economic life. It is an essential tool for building an inclusive and well-functioning society. We can no longer view such investment as a cost or something we do only if the economy can afford it.

We also need to understand that society is not something that is constructed in isolation from the economy. The social investment approach helps us see that social policies are not afterthoughts to the market economy but pillars of its successful operation.

Our challenge is to work out what the inclusive approach would look like here in Australia. International experience suggests some policy priorities:⁶¹

- Our tax system must be robust and progressive. Inclusive tax reform would look at the full range of fiscal and occupational welfare, especially unnecessary concessions to the wealthiest sections of society, while cracking down on tax avoidance. Meeting Australia's current fiscal challenge should not involve cutting vital social infrastructure and protection.
- Our financial systems need to increase the investment of banks and superannuation funds in productive economic activities with long-term benefits for the community.
- Social investment should assist equality of opportunity over each person's life. This includes transitions between education, work and welfare. Lifelong education and skills



United Nations Sustainable Development Goals

development would assist workers to manage transitions in the economy. Social investment would support a healthy work and family life balance through generous parental leave, child care and other entitlements.

- A commitment to full employment would see a more hands-on approach to environmentally sustainable development, innovation, infrastructure and asset building. It would ensure job creation in regions and among vulnerable groups where the market fails to provide enough vacancies.
- Our public and community services need to be resourced to engage genuinely with individuals and local communities, providing adequate and dignified assistance to the most vulnerable citizens. This is particularly important for people who are long-term unemployed, the homeless and remote Indigenous communities.

This inclusive approach requires inclusive governance. While much of our economy is rightly managed through markets, inclusive development requires a mixed form of government including the state and the civil society.

So far we have seen that changes are needed at government level, but beyond that, each one of us needs to be involved in the discussion.

When it comes to building an inclusive economy, we all have a vested interest and we all have a responsibility to be involved. This is not a task that can be left just to governments or the market: every one of us, and every part of civil society, is called to take part in the process.

Developing a new economic model, with a balance between market, state and civil society, is not revolutionary. It simply outlines a vision of a middle way, between exclusive state control on the one hand and an unrestricted rule by the market on the other. This is the vision that Catholic social teaching has been working towards for well over a century. Building an inclusive economy is really about putting people at the centre.

THE LAST WILL BE FIRST

In the evening, the owner of the vineyard said to his bailiff, 'Call the workers and pay them their wages, starting with the last arrivals and ending with the first.' So those who were hired at about the eleventh hour came forward and received one denarius each. When the first came they expected to be paid more, but they too received one denarius each. They took it but grumbled at the landowner. 'The men who came last' they said 'have done only one hour, and you have treated them the same as us, though we have done a heavy day's work in all the heat.' He answered one of them and said, 'My friend, I am not being unjust to you; did we not agree on one denarius? Take your earnings and go. I choose to pay the last-comer as much as I pay you. Have I not the right to do what I like with my own? Why be envious because I am generous?' Thus the last will be first, and the first, last.

Matthew 20:8-16



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The parable may seem unfair to us. Not only does the owner of the vineyard employ workers who, through no fault of their own, find themselves locked out of the market system, he also pays all of them one denarius – even those who completed only one hour's work. But the denarius was the basic daily pay of labourers, sufficient for a living wage, and akin to our notion of a minimum wage. The payment given by the owner recognises the dignity of all, regardless of the hours they worked. The generosity of the owner is shown in how he places the human person, not the prevailing standard of the market, at the centre of his concern.

We see a vineyard in which all are engaged as active contributors to the economic enterprise. We are called to work for an economy that is inclusive and capable of putting the needs of the poor before the wants of the rich. We envisage an alternative to market places that are harsh and inhospitable: the vineyard, lush and green, sustainable in its growth and inclusive in its economy.



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As we have said, Jesus' parable speaks as much to us now as it did to the listeners of his time. The Church does not believe an ideal world is possible on earth. Only God can fully usher in the perfection of His Kingdom. But Christ's promise of that Kingdom calls us to work for just social transformation based on the great commandment to love God and to love our neighbour, especially the most vulnerable (Matthew 22:34–40).

Jesus invites us to see others as God sees them, as unique and precious, and to treat them accordingly. It is an offence in the eyes of God to treat people simply as commodities, to be discarded when no longer commercially profitable. We are called to challenge commonly held assumptions and ways of operating that undermine human dignity and damage the most vulnerable of our neighbours.

After a quarter of a century of continuous economic growth we, the Catholic bishops of Australia, repeat the call we made in 1992. We call for concerted action to address increasing inequality, persistent poverty, unemployment and homelessness and the emergence of an 'underclass' of gravely disadvantaged people.

The economy, which has come to be the dominant consideration in our society, should be seen as existing within a total culture. Economic concerns must be consistent with social and spiritual values and must be directed towards the good of all.⁶²

Pope Francis has called on each individual Christian and every community to consider where the economy fails to serve the common good and where it excludes the vulnerable. We are called to be 'an instrument of God for the liberation and promotion of the poor, and for enabling them to be fully a part of society'.⁶³

This is everyone's business. On Social Justice Sunday, and over the year ahead, we call on members of the Catholic community and broader society to consider where the economy serves us well and where it fails.

Who are the ones excluded by the economy of today's world? What is their experience and what do we need to do to ensure the economy works for every person and for society as a whole? The answer is before us, in our streets and our communities, in the many groups who have been disadvantaged by the operation of the economy.

Being open and informed about the plight of the 'poor' helps avoid any condemnation of people in need as being 'undeserving' or to blame for their own plight. Consider the key areas of economic exclusion in your neighbourhood. It may be issues like homelessness, environmental degradation, youth unemployment or cuts to Sunday penalty rates. Work with others in your parish and local community to research the issue and to raise local awareness, including with other groups who hold similar concerns.

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All of us can support people experiencing poverty and hardship through services such as Catholic Care, the Society of St Vincent de Paul and many other community groups engaged at the local community level.

We must do more. We are called to give voice to those who have been cast aside and, in solidarity, to call for an inclusive economy at the service of all. Consider holding community meetings about the issues that concern you. Meet with local politicians, local council members, trade union and business leaders who have the means to help address the causes of human need in your community. Join public and media debate – raising your concerns,

challenging views that scapegoat or condemn the vulnerable, and imagining a new inclusive economy where the needs of the last are put first.

Building a just economy, one that serves everybody and cares for the most vulnerable, is a task for us all, not just for politicians and technocrats. God's bounty and love has provided for human flourishing and the human good. He calls each of us to use that bounty wisely for the good of all – all his creatures and the planet we live on.

Inspired by the Gospel, we are all called to take part in the process of transforming our economy so that it better promotes a more inclusive, equitable and sustainable society.

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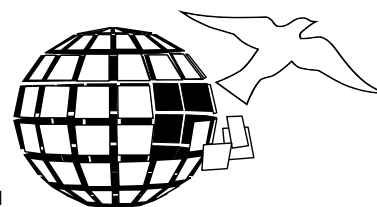
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