

## Human dignity and the financial crisis

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The economic and financial shocks that we now face come at a time when the Australian economy as a whole has been particularly healthy: we have recorded 17 years of economic growth; unemployment is still at the historically low 4.3%; and household spending is at an all time high.

However, beneath the surface, we have known for some time that not all is well. The poor and marginalised have not shared adequately in the benefits of the good economic times. A few pointers: the number of homeless in Australia has increased over recent years; members of the Government have acknowledged they could not live on the single age pension; and the buying power of the unemployment benefit is effectively 20% lower than that of the aged pension. The income gap in Australia has widened sharply over the past eight years, and, for the first time, exceeds the Organisation for Economic Cooperation and Development average.



The Australian Bishops' 2008 Social Justice Sunday statement, *A Rich Young Nation*, makes these points very clearly. It reflects on the wealth of our society, and on the circumstances of vulnerable Australians who have been denied a fair share of our prosperity – the homeless, Indigenous Australians, many of those with mental illness, and so on.

The Bishops' statement was based on the principles of Catholic social teaching, which emerge from our Faith and the reflections of the Church over time on society. They highlight that the major matters before us have an important moral, not just technical, dimension.

Catholic welfare agencies work with many of the more vulnerable people in our society, and the Council of Catholic Social Services Victoria has kept under review the impact of recent developments on its clients and agencies. There was concern at the council's October meeting about the impact that rising unemployment would have on clients. Some agencies are already experiencing increases in assistance needs, and they expect that these will increase further as unemployment increases. In some cases – for example, in drought-affected areas – this increase in demand comes on top of several already lean years. Agency income was also expected to be affected, through falling interest rates, and through falls in contributions from philanthropic bodies, donations of funds, and donations of furniture and clothing. These facts should inform any analysis and response to the crisis.

Kevin Rudd and other world leaders met at the G20 Summit in Washington DC in early November to work out how to avoid a recurrence of what we are presently experiencing. There were many dimensions to their findings, and one of interest here is their finding that "market participants sought higher yields without an adequate appreciation of the risks and failed to exercise proper due diligence". They also found that policymakers and regulators in some countries didn't adequately assess the risks that were building up in financial markets. There are many who need to do better.

Some guidance emerges from Catholic social teaching. The most basic is that governments and other players need to keep in mind that a fundamental purpose of financial and economic systems and decisions is to safeguard human life and dignity. Associated with this is the duty of governments and societies to seek the common good, and to ensure that fundamental human needs are satisfied. Protection of the poor and the most vulnerable must be an explicit priority as economic and financial adjustments progress.

The G20 summit reaffirmed the importance of the United Nations' Millennium Development Goals and the development assistance commitments that several countries had already made. It is crucial that wealthier societies not turn inwards and focus only on themselves at this time of global economic crisis.

These times also call on each of us to reflect on our own actions and decisions: were our priorities sound, or were we lured into more risky financial positions than prudence indicated? Were we too ready to use the credit card and other readily available credit? More broadly, as Christians, we know that fulfillment does not come from higher levels of consumption, or the ownership and enjoyment of more things; in times such as these, we have cause to reflect on whether we have got the balance right. As Pope John Paul II put it: "It is not wrong to want to live better; what is wrong is a style of life which is ... directed towards 'having' rather than 'being' and which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself" (Centisimus Annus, n39).

Our personal response also needs to extend to the needs of others. In our own actions, and in our interactions with government and broader society, as Christians, we need to keep in focus the areas of pressing need that were identified

before the crisis reached its current proportions. These needs have not gone away, and some of them have been exacerbated by the crisis. Nor does this responsibility end at Australia's coast.

A final reflection: we have been aware for some time of the pressing needs in our own society and in the developing world. Those needs remain; but, as a result of the financial crisis, the budgetary position of the Australian Government is much less positive than it was previously. We should have done more earlier!

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