# ECONOMIC INEQUALITY



# REPORTS FROM THE CENTER

## An Environment for Fresh Thinking

Our founder James McCord said every aspect of CTI was designed to be an environment conducive to fresh thinking on our global life together in religion, society, and nature.

There are three enduring aspects of CTI's research environment that foster such fresh thinking.



### CTI is an environment where theology takes risks.

Theology today has to earn its place in contemporary academic and public life, and CTI keeps earning a place for theology in its engagement with other fields on pressing topics. Theology takes risks when it opens itself to other disciplines and addresses issues of wider significance. But CTI proves that theology is often truest to itself—and often more interesting as well—when it is willing to take those risks.

—Professor Gerald McKenny

### CTI is an environment where theology builds bridges.

The Center builds bridges of knowledge and understanding that enrich scholarship and inform public thinking on global concerns. I continue to draw inspiration and creative challenges from the unique contributions unfailingly stemming from this indispensable space for advanced theological and interdisciplinary research.

—Professor Daniel Schipani

### CTI is an environment where theology renews service.

CTI helps me think better about contemporary issues. Thank you, CTI, for provocation, inspiration, and intellectual community. I give to CTI because of gratitude for the many ways in which it renews my sense of service to students, fellow researchers, and wider public audiences.

-Professor Esther Reed

It is an honor to introduce this series of Research Reports from the Center of Theological Inquiry. They distill the fresh thinking of our research groups on a range of global concerns. Here you will see theologians taking intellectual risks, building bridges of understanding across disciplines and religious traditions, and renewing our service to the academy and public life.

William Storrar, Director

# **RESEARCH REPORT 1:**

# RELIGION ECONOMIC INEQUALITY



his series of Research Reports is designed to go public with the latest research from CTI, through an online, open access format. While scholarly books and articles are highly valued and important, they can be difficult to access for those outside university contexts, especially for those living in the Global South. There is a need for what is called 'gray' publishing, which makes research available more quickly, even before it has made its way to the scholarly journals and university publishing houses. CTI's new series of Research Reports is meant to achieve this goal.

The first entry in CTI's new series of Research Reports comes out of our 2019-2020 Research Workshop on Religion & Economic Inequality. Building on previous consultations and seminars on this theme, CTI convened a team of researchers from around the globe to explore the emerging global concern of economic inequality both within and among nations. How is economic inequality to be defined and measured, and just as important, what moral and theological resources can be brought to bear on evaluating it as a social and moral concern? These are just some of the questions and concerns the CTI research team explored during this workshop.

Joshua Mauldin, Associate Director



# Report on the Workshop on Religion & Economic Inequality

Center of Theological Inquiry • 2020-21

Joshua Mauldin

s part of a multi-year *Inquiry on*Religion and Global Issues, CTI's research workshop of 2019-2020 focused on the global concern of religion and economic inequality. It is a big topic, and one discussed daily in the news media and in academic circles. What is at stake with this emerging issue, and how might theology address it?

Economic inequality is sometimes conflated with the problem of poverty, but the issues are distinct, as the Princeton economist and Nobel Laureate Sir Angus Deaton highlighted in the two earlier CTI consultations that prepared the questions for our research workshop on this theme. A society with a lot of very poor people alongside a group of very rich people would provide an example of economic inequality, but even a society that had raised its base income rate to the level that poverty was minimized or even eliminated could still be characterized by extreme economic inequality, if there exist vast disparities of income and wealth.

The problem of economic inequality is thus not simply about meeting the basic survival needs of individuals. This social issue raises a less tangible quality, regarding how people see one another and see themselves in comparison to others. To put it simply, we worry about economic inequality because of our basic commitment to equality. It was not always the case. The idea that human beings are one another's equals is a modern development. In earlier epochs inequalities were accepted on the assumption that human beings possessed varying levels of value. Only once we hold a basic sense that human beings are one another's equals deserving equal respect does vast inequality of wealth and income come to be seen as a moral problem.

As in all of our research programs, CTI's question is always how theology is relevant for pressing social issues of the day. How might theology speak to this global concern?



Sir Angus Deaton at CTI



Sao Paolo, Brazil

It begins with a dialogue between the fields of economics and theology. With CTI's interdisciplinary approach, theological ideas are challenged by the interaction with the field of economics. Sometimes branded the "dismal science," economics is a scientific enterprise committed to understanding the way things are, as opposed to the way we wish things were. That can be disconcerting at times, as we learn from economists about things like the law of diminishing returns, opportunity costs, and the unintended consequences of our best laid plans. We might think some goal is worth pursuing, but we forget to factor in the opportunity cost of doing so-which means the cost of all the other things we could have done with the time and resources allocated to the task at hand. Economists also explore how our attempts to reach some goal can have unintended consequences that may either impede us from ever reaching that goal or create other harms (or "externalities") that vastly outweigh the goal we seek to realize, even if we were to succeed. Economics challenges us to factor in all of these possibilities and to remain tethered to reality.

This includes the reality of human nature itself. Economics shares with theology an abiding interest in the question of human nature. Theology and economics both ask the question "who are we?" The Christian tradition has a multilayered understanding of human nature, focused on creation in God's image, but also marked by the fall into sin, and oriented toward redemption and reconciliation with God. In all of this complexity, theology maintains an interest in human beings as we actually are, in the here and now. Economics studies human nature by observing what human beings actually do in their everyday lives. Of course, this often differs from what they *think* they do, or *say* they do, or *hope* to do. Theology reflects on human aspirations for a better world, but it also examines the reality of human life with a weathered eye. In this respect it is a good dialogue partner with economics.

So, what does all this mean for economic inequality? As economist and theologian Daniel Finn told me during an interview on the *The*ology Matters podcast, economic inequality is a new problem for theology to grapple with. The Christian tradition along with other religious traditions has long harbored a concern for the poor as well as a concern for the dangers of wealth. Theology has examined topics adjacent to the issue of economic inequality, but historically has not focused on inequality for its own sake. As Finn observed, the question of poverty has to do with whether or not people can meet their needs and what we can do to help them meet those needs. That is an important question and one that the history of Christianity has dealt with extensively from the time of the early church. But this was never cast in terms of inequality. There were rich



and poor, but nobody thought that it is the *difference* between the two that makes it hard for the poor. Today we have reason to reflect on the moral implications of this *difference* itself, including for those who have escaped absolute poverty.

In his 2017 book, One Another's Equals: The Basis of Human Equality, the legal philosopher Jeremy Waldron explores the philosophical grounds for our commitment to basic equality, for our belief that everyone is of equal worth. This was itself an historical achievement, a belief that would have been hard to find in the premodern world. Waldron's focus is on what the grounds are for believing that we as human beings are one another's equals, despite the fact that we differ in any number of ways. He considers a range of possibilities, including the theological idea that we are made in God's image, as the basis for our commitment to human equality.

Along the way, Waldron notes the relevance of economic inequality to our basic commitment to *equality*. He suggests that extreme levels of income or wealth inequality might be corrosive to our basic commit-



10

ment to human equality. As an idea that developed over time in history, our basic commitment to equality could also be weakened over time. If economic inequality increases to the degree that there are groups of people whose ways of life differ so radically that members of different groups simply cannot understand one another, it may become impossible to sustain the belief that we are one another's equals even in this basic moral sense. To draw on a theme from Catholic Social Teaching, highlighted by theologian Robert Gascoigne in our workshop, there is an abiding need for solidarity among the human community, a sense that we are all in this together. How high can economic inequality rise before our solidarity as a human community is weakened, or even destroyed? That is an open question, which should be answered sooner rather than later.

While economic inequality within a single country is a vexing issue, the problem is even more intractable when one takes a global view, looking at inequality between and among countries. Even while rates of absolute poverty have declined rapidly over the past few decades, overall global inequality has increased. What can be done at this level? There are no easy answers, but theology should be part of the discussion. Theology possesses centuries of reflection on the age-old question of the nature of humankind—the question of who we are. That question is relevant to the discussion of why economic inequality is a problem. Because it is not merely about meeting our basic needs, but also about our basic sense of dignity and respect.



Henry R. Luce Hall 50 Stockton Street Princeton, New Jersey 08540

ctinquiry.org