8. Economy of Communion

A Different Attitude to Work

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Abstract

Conventional economic theory and practice sees work as a disutility: something that we dislike and prefer to avoid. So we eliminate work wherever possible, replacing human workers by machinery or electronics, thus enabling us to produce and consume more, with less input of work. But we in the richer countries are now producing and consuming too much, overstraining the earth’s resources. The theory of disutility is radically wrong, because we need, and God intends us, to work; “where there is no work there is no dignity!” (Francis). Elimination of human work also reflects the belief that the primary duty of a business is to maximize profits; this is a basic error, implying that owners of a business are entitled to manage it solely for their own benefit, without regard for the common good. Economy of Communion firms endeavor to put into practice a more humane and civilized conception of work.

Keywords: work, disutility, consumerism, common good, efficiency, economy of communion
Work as Disutility, a Too Common Error

Our views on work, as they have developed during the latter decades of the last century, leave a great deal to be desired. Orthodox economics generally assumes that work is something we would always rather not do: a disutility in economists’ jargon. In this jargon, the word utility means what we consider desirable and satisfying, what makes us happy, what we all are believed to aim for.

Thus David Spencer, professor of economics and political economy at Leeds University Business School, has noted, with disapproval, that “in the language of economics, work is a ‘disutility’ that all of us would prefer to do without,” but to “reduce work’s importance to a feeling of pain is to miss the fundamental role of work in the fulfilment of our needs both as consumers and producers.” He has hard words for those who “see workers as incorrigible ‘shirkers.’” The belief that work has no value to us, besides the money it earns, or the results it produces, leads naturally to the view that work should be eliminated wherever technology (or, for that matter, shirking) makes that possible. In this school of thought, there is no place for the notion that work can and should be in itself a source of enjoyment and satisfaction. Nor is there recognition of the fact that there is a real human need to perform work, quite apart from the need for its remuneration. As Pope Francis observes, “it is hard to have dignity without work.”

In case you think that Spencer exaggerates, may I point out that the well-known Austrian economist Ludwig von Mises (1881–1979) explicitly endorsed the theory of shirkers. He claimed that obligatory health insurance is “an institution which tends to encourage disease by weakening or completely destroying the will to be well and able to work” (477). He also condemned all assistance for the unemployed, arguing that “what the unemployed miss is not work but the remuneration of work” (485), implying that unemployed workers will always prefer to remain idle if they can claim benefits. These offensive diatribes would not matter if Mises were just an obscure and deservedly forgotten foreign economist. Unfortunately, he has a significant following in America. The Mises Institute in Auburn (Alabama) is a research institute which regards him almost as a demi-god; with more than 350 faculty members, it publishes a stream of books and periodicals, organizes seminars, and runs a gigantic website.

An Exaggerated Pursuit of Efficiency

Negative views of work underpin the massive emphasis, in economic theory and practice, on enhancing labor productivity: that is, producing what we need or desire with less input of human labor. Or, indeed, producing more with the same, or even less, input of work. This is seen as more efficient, and therefore better. The famous American journalist Henry Hazlitt (1894–1993), an admirer of Mises, gave us an egregious example of this way of thinking he ridiculed the “mirage of full employment,” asserting that “it would be far better . . . to have maximum production with part of the population supported in idleness by undisguised relief, than to provide ‘full employment’ by so many forms of disguised make-work that production is disorganized” (Hazlitt: 56). In other words, industrial efficiency should take precedence over human welfare. Such a notion stands in sharp contrast with the Economy of Communion principle of “the priority of labour over capital,” reflecting Pope John Paul II’s words (1981:
§12). Or, indeed, those of Abraham Lincoln: “Labor is the superior of capital, and deserves much the higher consideration.”

The Economy of Communion (EoC) philosophy embraces the view that a business should not insist on employing people solely on the basis of their contribution to profits, but should be willing sometimes to employ workers who, in particular situations, do not guarantee economic returns, for example to help people with disabilities to earn their living. This reflects the EoC principle that “love can occupy a central position in economic life,” meaning love not in its romantic sense but as agapé, that is, “a feeling of brotherhood and goodwill towards other people, a deep concern for the other as a person” (Bruni and Zamagni: 91). Needless to say, in conditions of intense competition it may be impossible for a business to follow that precept. Here we have a strong argument for willingness, by both lawmakers and entrepreneurs, to accept certain restraints on competition, as I shall discuss below. We should note also that EoC principles imply a decisive rejection of the attitude of the all too dominant libertarian economist Friedrich von Hayek, who argued that we should “gain from not treating one another as neighbors” (13).

Our current obsession with efficiency leads to major problems. One is that, if we persist in enhancing labor productivity, then we have ever-rising unemployment, unless we continually increase our production, and hence our consumption. Therefore, in order to avoid intolerable levels of unemployment, we are all obsessed with achieving and maintaining conventional economic growth. But we in the richer countries are already producing too much; we are using up the earth’s resources in an unsustainable manner. Orthodox economic strategy is running into the buffers of limited planetary resources. Hazlitt’s enthusiasm for “maximum production” is clearly obsolete.

On July 29, 2019, the Global Footprint Network announced that “earth overshoot day” had arrived. This means that, between the beginning of the year and that date, human consumption of renewable natural resources has reached the level of what can be regenerated in one full year. Thus, for the rest of this year we are in “overshoot.” Only five years ago, in 2014, overshoot day was reached 21 days later, on August 19. Clearly, the problem of overconsumption of resources is rapidly growing worse.

Yet we cannot tackle this issue simply by drastically cutting back our consumption, and thus our production. That would lead straight to massive unemployment. The basic problem is that, globally speaking, our highly-efficient industries are now producing too much, but employing too few of us (International Labor Organization: 1-2),1 If we were to cut our production and consumption to sustainable levels, without other major changes in our habits, levels of unemployment would be horrific. This is the dilemma we have brought upon ourselves by treating work as a disutility and eliminating it as far as possible.

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1 The Report shows a worldwide unemployment total of 170 million (5.0% of total workforce) and highlights the “poor quality” of many jobs: “overall, 2 billion people were in informal employment in 2016, accounting for 61% of the world’s workforce” (2).
What Kind of Productivity?

We have concentrated too heavily on labor productivity and given too little attention to other kinds of productivity. The fishing industry provides a vivid example of this error. It is estimated that the global catch of marine fish, about 80 million tons per annum (FAO: 8, excluding farmed fish), is divided more or less equally between traditional small-scale fishing, commonly defined as using boats of no more than 15 meters, and large-scale industrial fishing (Jacquet and Pauly: 832-33). The latter employs about half a million people worldwide, while small-scale fishing employs more than 12 million for a similar total catch (Jacquet and Pauly: 833). Thus, industrial fisheries show far higher labor productivity than traditional – a spectacular example of the economies of scale favored by conventional economic theory.

But the industrial sector consumes four times as much fuel as the small-scale sector; so industrial fishing has much worse fuel productivity, while also, of course, producing much higher carbon emissions. Moreover, industrial fishing discards substantial quantities of unwanted dead fish, while small-scale fishers discard very little. So the industrial sector performs worse in terms of resource productivity – it consumes more of the natural resource (live fish) for a similar output of saleable fish. It can also be very damaging to the marine ecology. Having our fish caught by as few fishers as possible has proved to be bad for employment, bad for the environment, and wasteful of natural resources.

We see that our obsession with conventional efficiency has led us badly astray. A move back towards more traditional methods, in agriculture and other sectors as well as in fishing, could yield more employment opportunities, less pollution, less waste of resources, and less damage to our environment. It is encouraging to note that, in many countries, there are significant trends towards reinstating local small-scale production. An American example is the rapid growth of craft breweries, which now number well over 7,000, as compared with fewer than 550 in 1994 (Brewers Association). Craft brewing, whose market share is now estimated at more than 13 percent, continues to grow, even though total beer production in America has been declining in recent years.

It may be objected that traditional, small-scale production methods generally imply more expensive products. But at present we use many of our products very wastefully. According to a well-known scientific estimate, “30–50% of all food produced never reaches a human stomach” (Institute of Mechanical Engineers); in developed countries, this wastage occurs largely in shops, restaurants, canteens, and homes. We buy more than we eat. Eliminating much of this waste could compensate for higher costs per unit of production. And higher prices would, of course, discourage waste.

The Degradation of Work

As the Czech economist Tomas Sedlacek has observed, “in our constant desire to have always more, we have sacrificed the agreeable aspects of work” (217). High-productivity industry has long been a source of tedious and unsatisfying work. In effect, there has been tacit agreement to a kind of trade-off: workers should willingly endure the dismal grind of the assembly line, because this enables them to enjoy an abundance of consumer goods in their leisure time. Here again we see a denial of the idea that work should be not only useful, but also agreeable and good for us. It is an example of the dichotomies often found in the
conventional economic world, such as the idea that, while one is expected to be generous and considerate to others in private life, in business life one is expected to be ruthless, even rapacious. Chiara Lubich expressly rejected this “separation of spheres”: “those involved in the business enterprises of the economy of communion seek to follow . . . the same style of behaviour that they live out in all ambits of life.”

According to leading English economist John Kay, emeritus professor at Oxford University and London School of Economics, in recent times many business people have come to “accept that business values are different from those of other activities; they describe the nature and purpose of business in terms that would seem grotesque if applied to other spheres of life” (25). Kay ridiculed the widespread, but deplorably narrow, view that business managers have no responsibility to society “other than to make as much money for their stockholders as possible,” as the Chicago economist Milton Friedman (133) notoriously put it. Outside the business world, it is normal to recognize a diversity of responsibilities that need to be kept in balance. As a parent, for example, one has responsibilities to one’s children, but also to one’s spouse, to one’s employer or one’s clients, perhaps to one’s church, labor union, political party, or other organization, not to mention one’s duty to respect the environment and generally to behave as a good citizen. The idea that, in business management, one can forget diverse responsibilities and focus exclusively on the bottom line leads to grave problems; in particular, to human resources policies that treat employees as disposable commodities, unworthy of respect or consideration.

The French telephone company France Télécom (now called Orange) became notorious in 2009 and subsequent years for its efforts to enhance profitability, and to adapt to a fiercely competitive business environment, by way of drastic cuts in its staff. The company resorted to intensive harassment of workers with intent to make them resign voluntarily. A consultants’ report based on a questionnaire submitted to all employees stated that “the general sentiment was very bad, particularly concerning working conditions, health, and stress” (Calignon). Between 2008 and 2011, the Observatoire du Stress, a watchdog organization set up by two leading labor unions, recorded among France Télécom employees more than 60 suicides and almost 40 attempted suicides, while many other workers suffered serious depression and other psychological symptoms (franceinfo).

Profit and Its Functions

Friedman’s theory of absolute priority for shareholder value is theologically objectionable. It implies that stockholders are entitled to expect management to exploit their business exclusively for its proprietors’ maximum private benefit. This runs counter to the doctrine, common to both Christianity and Judaism, that all earthly property basically belongs to God, that we hold it as tenants or stewards, not as absolute owners. Accordingly, our claims to property are limited by the duty to use it in ways that are consistent with the common good. The Catholic Church teaches that “man should regard the external things that he legitimately possesses not merely as his own but as common, in the sense that they should be able to benefit not only himself but also others” (Paul VI: §69).

Businesses run on EoC principles do indeed aim for profitability, but not as an end in itself. Profits are used for the development of the business, for education in EoC principles
and practice, and to help those who suffer poverty and exclusion. Profits should be adequate rather than maximum.

The Case Against Excessive Competition

Another EoC principle is fair behavior toward competitors, as opposed to the ruthless competition recommended by free-market economists. These theorists want unrestrained competition to force firms to crack down on costs, so as to provide consumer goods and services at lowest possible prices, so that we can all consume as much as possible. This is the behavior that has led us to our present situation, where consumption of resources has expanded till it is extravagant and unsustainable, while fierce competition often leads to niggardly treatment of workers.

In fact, unrestrained competition is at variance with the aim of maximizing profits. Logically, businesses that seek to make as much profit as possible should agree among themselves not to compete too fiercely, so as to keep their prices high. But that is considered like a mortal sin by free-market economists. It is prohibited by law in many countries today, with severe penalties for those who are caught attempting to behave less than fully competitively. Here we have an internal contradiction in the theory and practice of orthodox economics.

Too much competition has left us with too few competitors. In the absence of restraint on price-cutting, the bigger producers, thanks to their economies of scale, are able to undercut the smaller producers’ prices, and often to drive them out of business. Thus we have the excessive concentration that is evident today in many business sectors, contributing to our problems of exorbitant inequalities and of undue corporate political influence.

Restraint of Competition

We have not always been so obsessive about maximizing competition. As recently as 1970 Sir Antony Hornby, senior partner in the London stockbroking house Cazenove & Co., gave a speech on his retirement in which he said: “One must be generous as well as competitive. One cannot profit at other people’s expense. One’s friends and even competitors must be allowed to profit as well” (quoted in Chancellor). That was in the days when, in the City of London, many restraints on competition were tolerated. Hornby’s remarks would be widely ridiculed today.

But the idea that competition should be restrained has a long history. In the Jewish world, the extent to which competition may be permitted to damage livelihoods has been debated since ancient times, and it is debated still. The Talmud records (Bava Bathra 21b) the argument of Rabbi Huna: if a man has set up a mill in an alley, and another arrives later and sets up a similar mill next door, “the first one may prevent him from doing so if he wishes, as he can say to him: You are disrupting my livelihood by taking my customers.” Elsewhere it is said that the phrase “he that does no evil to his neighbour” (Psalm 15:3) may be taken to mean “he who does not infringe upon another’s trade” (Makkoth 24a).

In the thirteenth century, the Spanish rabbi Adret Solomon ben Abraham (known as The Rashba) ruled that “while one may open a rival business, one may not actively pursue people who are known to be regular customers of the first proprietor” (Jachter 2000). In our own
times, a leading Jerusalem rabbi, Moshe Sternbuch, has ruled that one may open a new restaurant next to an existing one, but must not set prices so low as to drive the older house out of business (Pfeffer 2015).

These rulings are based primarily upon the prohibition in the Torah of hasagat gevul (or hasagas gevul), a phrase whose original meaning was encroachment upon one’s neighbor’s land by moving the boundary stones. Thus we read “cursed be he who removes his neighbor’s landmark” (Deuteronomy 27:17; see also Deuteronomy 19:14, Proverbs 22:28, Hosea 5:10). This prohibition is deemed to extend to unfair or predatory competition that may damage or destroy the livelihood of others; the phrase hasagat gevul has indeed become a synonym for unfair competition. Such behavior is viewed as a form of theft. Thus it is argued that, although the Bible does not explicitly discuss commercial competition, the EoC principle of fair treatment of competitors is, in fact, implied by the Law of Moses.

The idea that elimination of a person’s livelihood is a kind of theft may appear bizarre from the standpoint of present-day economic ideology. It is not theft, it is simply “creative destruction”? And is it not said that “bankruptcy is a sign that the free market is working”? Same goes for loss of employment. But perhaps we need to take that seemingly bizarre idea rather more seriously. The legal obligation, in many countries, to provide special cash payments on severance or redundancy recognizes, up to a point, that termination of employment is an injury that requires compensation. In America, there are no statutory rights to such payments, though some contracts of employment – usually those agreed between employers and unions – do impose compensation.

Transmuting Needs into Benefits

The EoC philosophy embraces the idea that “the poor offer us a gift of their needs,” a concept that seems strange at first sight. Need is, after all, a negative condition, a lack of something. How can anyone offer us a negative gift? This concept is generally understood to mean that the existence of poverty provides opportunities for those who are better-off to behave compassionately and generously by helping the poor.

Pope Leo XIII, in his encyclical Graves de communire of 1901, wrote that “No one is so rich that he does not need another’s help; no one is so poor as not to be useful in some way to his fellow man; and the disposition to ask assistance from others with confidence and to grant it with kindness is part of our very nature” (§16). Thus we may say that giving a helping hand to those in need is an expression of the better part of our nature, a kind of self-fulfillment for those who practice charity, and thus a gift for us helpers as well as for those we help.

We should be careful, however, to avoid the error of thinking that it is a good thing, or even the will of God, that some people are very poor, since these people give others an opportunity to gain merit, or to achieve self-fulfillment, by assisting them. That is an argument for not attempting to reform our society and economy, for confining ourselves to soothing the wounds of those who are damaged by our deeply flawed systems. We need to tackle the flaws.

It has been said, rather unkindly, that some rich people “use the poor as the vehicle of their own salvation.” One hears occasionally the argument that, if we were to succeed in eliminating serious poverty, we might become callous and insensitive, because then no-one
would need our compassion and help. But this argument is feeble. Quite apart from poverty, there are plenty of other reasons for people to need help. There are illnesses and disabilities, disappointments of all kinds, problems in our work, our personal relationships, the care of our children, and the difficulties of old age and bereavement. Everyone needs the help of others, and there is nothing wrong with that. Total self-reliance is neither possible nor desirable.

We read that “there will be no poor among you… if only you will obey the voice of the LORD your God, being careful to do all this commandment which I command you this day” (Deuteronomy 15:4-5). This endorses the view that severe poverty is a result of human misbehavior, and not, as some would have it, of divine intention. We should strive to make our societies function in such a way that, ideally, nobody falls into a state of destitution. According to Pope Benedict, “the pursuit of justice must be a fundamental norm of the state . . . The aim of a just social order is to guarantee to each person . . . his share of the community’s goods” (2005: §26).

For another understanding of the paradox of the negative gift, it may help to recall the old saying: “necessity is the mother of invention.” Many a valuable invention has been devised to meet a specific need. Long ago, our ancestors invented the wheel in response to the need to shift heavy loads. Today, the development of wind turbines and photovoltaic panels helps us meet our need for greener energy. Thus a negative state of need can be transmuted into a positive innovation that benefits everyone.

Today, poverty is very often a consequence of unemployment, or of low-quality employment: jobs that are ephemeral, unstable, underpaid, in degrading conditions, or seriously disagreeable and unsatisfying. As Pope John Paul II observed, “the ‘poor’ appear because a low value is put on work” (1981: §8). There are many people who have a real and pressing need for better-quality jobs. This necessity challenges us to invent, or reinvent, or develop more humane and civilized forms of employment. By taking up this challenge, we may hope to find better ways of organizing our economy, leading us to a fairer and happier society, a benefit or gift for us all.

The Need for Opportunities to Work

We should never forget that work is intended by God to be in itself a source of satisfaction, and even enjoyment; not simply a pain to be suffered in exchange for its results. St. Thomas wrote that the work of Adam in the garden of Eden, before his disobedience and fall, “would not have been laborious, but joyful, being the exercise of his natural powers” (Aquinas: I.102.3). One seems to hear a distant echo of that fine sentence in Marx, who claimed that, in his socialist utopia, “labor becomes attractive work, the individual’s self-fulfilment, which in no way means that it becomes mere fun, mere amusement” (611). Marx’s very positive view of work no doubt helps to explain his enduring appeal to many people, despite the serious flaws in his arguments.

The ideal, toward which we must strive, is that everyone should have opportunities to work, and to enjoy their work itself, as well as the rewards it earns. This means that we must discard the notion that it is always desirable to cut back the need for human work, replacing it with machinery or electronics.
There exist practical and successful examples of better-quality employment, not only in small or medium-sized private companies, but also in large businesses. The British retail stores group John Lewis Partnership is wholly-owned by a trust whose beneficiaries are the group’s 85,000 employees, known as partners or members. This firm has a constitution whose opening words are: the Partnership’s ultimate purpose is the happiness of all its members. Here is a striking contrast with businesses that claim that their primary purpose is to please their customers, or that follow Milton Friedman’s advice by prioritizing maximum profits for their stockholders. But if you think that John Lewis must be a shaky outfit with discontented customers and weak finances reflecting inadequate profits, you are mistaken. The firm, whose constitution dates from 1929, has a long record of steady growth, excellent customer service, and financial soundness.

The MIT Sloan School of Management professor Zeynep Ton has published The Good Jobs Strategy, a fascinating study of employment practices in retail businesses. She argues that “model retailers err on the side of overstaffing, and cut waste everywhere they can find it except when it comes to labor” (15, 154). This notion flies in the face of much current thinking and practice, which aims to prune payroll costs to the bone for the sake of competitiveness. But it accords with the Catholic and EoC view that labor must not be regarded as a commodity like oil or copper or paper, of which we should not consume more than is strictly necessary.

Ton argues that “understaffing costs are higher than overstaffing costs” (161). She sharply criticizes retailers that strive to shrink their costs by employing too few people, neglecting to train them in good working practice, and demotivating them by treating them meanly. Stores managed on these lines, she says, turn out to be badly run, wasteful of stock and unattractive to customers: “more and more customers complain about understaffed stores” (158). She cites several examples of retail groups that avoid these errors, including Costco in America, and Mercadona in Spain (a family-owned concern). Both these companies “explicitly put customers and employees ahead of their shareholders” (198); yet both have long records of successful, profitable trading.

A More Civilized Understanding of Work

The Jewish philosopher Michael Walzer writes that “work itself is one of the things that men and women need, and that the community must help provide whenever they are unable to provide it for themselves and for one another” (92). Professor Spencer highlights “the necessity to create and widen opportunities for people to experience their work as fulfilling, rather than as just a disutility” (485). Pope Benedict XVI eloquently describes work as it should be: “Work that expresses the essential dignity of every man and woman . . . effectively associating workers, both men and women, with the development of their community . . . work that permits workers to organize themselves freely, and to make their voices heard; work that leaves enough room for rediscovering one’s roots at a personal, familial and spiritual level; work that guarantees those who have retired a decent standard of living” (2009: §63).

EoC businesses strive to put these ideas into practice. There are around 800 of these firms worldwide. Many have demonstrated that it is possible to run a viable and successful business without following the inhumane, worker-unfriendly habits that too often flow from reliance on economic doctrines that were prevalent in the nineteenth century, were largely suspended in the mid-twentieth, but unhappily have become fashionable again since the 1970s.
Ever since Adam Smith, economic orthodoxy has, more often than not, been biased against us workers and in favor of us consumers. Smith called for the abolition of craftsmen’s guilds to prevent workers from “organizing themselves freely,” as Pope Benedict put it. Smith argued that this would cut the profits of the master-craftsmen, and the wages of their workmen; thus “the public would be a gainer, the products of all artificers coming in this way much cheaper to market” (I.2.2). In other words, squeeze the workers to indulge the consumers, to enable more consumption. But today, consumers are consuming too much, overstretching the earth’s resources. So this strategy no longer makes any sense, if it ever did.

We face an urgent need to turn the page on much of our conventional economic thinking. The Economy of Communion movement is helping to show us the way.

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