The economics of liberation theology

Introduction

Economics – in the general sense of the critical study of production, distribution and consumption of wealth in human society – is a central theme of liberation theology. Although liberation theologians do not address the technical questions that constitute modern economic theory, they are concerned with the broader issues of the way in which economic organisation relates to the historical experience of humanity in general and to the ‘infinite value’ of the poor to God in particular.¹ These issues of economic organisation and social justice are similar to the agenda of European political economy until the end of the last century, and still central to debates on sustainable development strategies in poor countries. But a concern for life itself as the criterion for judging economic institutions can be considered to be a specific contribution from liberation theology. Further, this theology is probably unique in being located within the broader context of debates in poor countries on the origins of underdevelopment and the condition of poverty – mainly but not exclusively in Latin America – which themselves have a major economic dimension. In consequence, the ‘economics of liberation theology’ has had a considerable impact beyond church structures, ranging from grassroots social movements throughout the developing world to influential non-governmental organisations in industrialised countries.

The persistence of poverty in Latin America is morally unacceptable by any standard. In 1980, after a period of rapid income growth before the debt crisis, and at the outset of the decade in which most liberation theology has been written, 40 per cent of the population of the region were officially classified as living in poverty, and nearly half of these in extreme poverty – that is with incomes insufficient to purchase the food required to meet the United Nations’ minimum nutritional standard for a healthy life.² The extent of poverty in any developing country is the result of two factors: the average level of income in the country as a whole, which may
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be quite low; and the gap between the rich and poor within that country. The former factor depends, broadly, upon the level of industrialisation and the relationship with richer countries; it reflects a long-term historical process, the consequence of both the colonial heritage and the style of development pursued since independence. Shorter-term economic factors such as debt repayment, export prices and macroeconomic policy can also be critical in determining average per capita income. The latter factor depends on institutional factors such as the pattern of ownership, asset yields, labour skills, unemployment, wage levels, taxation and social security provision which determine income distribution within the country. The wide differences between poverty levels in different Latin American countries, and the fact that income distribution is so much worse there than in Africa or Asia, show that this poverty is not inevitable and is largely the outcome of specific institutional structures.

The point of departure for the economics of liberation theology is thus a situation where the historical pattern of economic development and the present plight of the poor in Latin America – particularly the ‘marginalisation’ of half or more of the population in insecure, unskilled and poorly paid jobs – is clearly the result of cumulative decisions over many generations by powerful elites responsible for both public administration and private enterprise.3

The economic dimension of liberation theology

In liberation theology, the anticipated economic order of Christian utopia (that is, the Kingdom) is not just derived from a prophetic vision. This utopia is firmly anchored in a historical reality – that of Latin America in this case – and is to be based on a ‘civilisation of poverty’ which is to replace the current ‘civilisation of wealth’.4 The ethical origins of this view are clearly biblical, but in modern times would correspond to a ‘civilisation of labour’ as opposed to the present ‘civilisation of capital’. Capitalist civilisation has created a modern world quite different from that of Ancient Palestine, but the productive benefits of the civilisation of wealth have been accompanied by increasing social evil.

Liberation theologians are quite clear that the Kingdom belongs to the poor (Luke 6.20) and the rich as such have no part in it (Luke 6.24 et seq.; Luke 16.19–31; Mark 10.23–5)5 because money is an idol which becomes an absolute value: we cannot serve God and Mammon (Matt. 6.24) – private property is by definition exclusive. However, Jesus does not idealise the poor, because poverty is the consequence of the sin of exclusive possession. Rather, his aim is for abundance for everyone – expressed symbolically
by the banquet of the Kingdom – so that this can be possible. He teaches
us to abandon the goods of this earth (Matt. 6.25–33) and invites us to
share what we have with the poor (Luke 12.14 et seq.).

In contrast, the present civilisation of wealth is seen to be based upon
the private accumulation of capital by individuals and firms with the sup-
port of the capitalist state, in the search for ever greater personal wealth
and corporate power. Liberation theologians recognise that this historical
process has brought beneficial technical progress, but argue that these
benefits have not been put at the disposal of society as a whole, and that
they have been achieved at the cost of massive human and environmental
destruction. To an extent, therefore, liberation theology can be seen as a
positive extension of the Roman Catholic tradition in encyclicals such as
Laborem Exercens. But it also constitutes a radical departure insofar as an
idealist solution to the material problems of humanity is firmly rejected.
What is needed is not just the correction of the errors of capitalism but
rather its replacement by the civilisation of poverty. Jesus insisted that
wealth must be replaced by poverty in order to enter the Kingdom.

In common with the long tradition of Latin American dependency theory,6
liberation theologians regard the relationship between the rich countries of
the ‘North’ and the poor countries of the ‘South’ – home to three quarters
of humanity – as profoundly unjust. They regard the modern world economy
as intrinsically involving increased poverty and cultural domination, aris-
ing from unequal exchange in international trade (cheap primary products
from mines and farms exported to pay for expensive machinery imports)
and the dominance of multinational corporations (based in the US, Europe
and Japan) over investment, employment and cultural decisions in poor
countries. The technical advances of the North are recognised as valuable
in themselves, and a return to the pre-colonial isolation of the South is
recognised to be neither possible nor desirable. This unequal relationship
was explicitly criticised, of course, by Vatican II in Gaudium et Spes, under-
lined in Populorum Progressio and repeated subsequently in Sollicitudo
Rei Socialis. Liberation theology goes beyond this critique to denounce
‘prophetically’ the dependency of poor on rich countries as a real obstacle
to the Kingdom.

The most dramatic example of this dependency is the Latin American
foreign debt situation, which reached its height in the 1980s and thus
became part of theological praxis, involving national political leaders and
international agencies as well as the poor themselves. Liberation theolo-
gians consider that this debt was contracted under conditions of complicity
between the rich and governments, and not used to help the poor. None
the less, the burden of repayment (both the taxes required to service the
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debt owed to banks, and the cuts in social expenditure demanded by the
international financial institutions) falls almost entirely on the poor – thereby
contradicting one of the basic principles of Christian faith.

‘Humanist materialism’ as opposed to ‘economic materialism’ is to be
the ethical foundation of the Christian civilisation of poverty which will
make the universal satisfaction of the basic needs of ordinary people and
growing solidarity between them its central aims. The civilisation of pov-
erty is thus counterposed against the civilisation of wealth not as a form of
‘universal pauperisation’, but rather as a manifestation of the gospel trad-
tion – a tradition firmly rooted in Jesus’ own teaching and continued by
the Christian saints. Moreover, poverty in this sense is traditionally required
of institutions (particularly the Church itself) as well as of individuals. The
dialectic between poverty and wealth defines our world as sinful, and can
only be overcome salvifically.

According to the liberation theologians, the construction of this new
civilisation is to be initiated in our own time by an economic order based
on the satisfaction of ‘basic needs’ as a fundamental human right. If the
basic needs of ordinary people are not met, then whatever the legal and pol-
tical institutions there is no real respect for human dignity and world peace
is endangered. Allowing for cultural differences, the nature of these basic
needs does not admit of much debate in practice: the minimum requirements
of nutrition, health, education, housing and employment are self-evident to
the poor. The satisfaction of these basic needs is thus the necessary condi-
tion for any model of true economic development based on human dignity,
and thus must be achieved as a right and not as charity (‘crumbs from the
rich man’s table’). Once these basic needs are satisfied institutionally in
the first stage of the process of liberation, humanity is free to become what
it wants to be – so long as what it desires does not become a new mechanism
of domination.

The theological notion of the civilisation of poverty proposes as a dy-
namic principle the ‘dignification’ of labour in explicit contrast to the
accumulation of capital. The aim of work would no longer be the produc-
tion of private wealth (as it is under capitalism) but rather the perfection
of humanity, individually and collectively, as the basis of a new society.
The Christian response to the civilisation of wealth thus cannot be to
abandon the world and reject it in prophetic protest, but rather to enter this
world in order to renew it and transform it – the long-run objective being
the utopia of the ‘new land’. Progress is made in this direction in our own
time (‘on earth’) to the extent that one of the fundamental characteristics
of the civilisation of poverty is strengthened – that is, shared solidarity in
contrast to the closed and competitive individualism of the civilisation of
wealth. This solidarity is held to be central to the early Christian inspiration as well as to communitarian movements throughout modern history. It appears once more in the new social movements in Latin America – social unity and communion on the one hand, and the common use of common goods on the other.

The private appropriation of common goods upon which the market economy is based is not logically necessary in order to enjoy these goods. None the less, the economic doctrine of the Catholic Church since Aquinas suggests that private property may be the best way in practice to maintain economic production and social order. However, for Aquinas this situation is the result of human selfishness arising from original sin. In consequence liberation theologians argue that this sinful selfishness will be overcome as the ‘new land’ is approached. For instance, natural resources such as land and water are considered by economists as essentially public goods, and constitute the first step in the recovery of common ownership (the basis for peasant life in Latin America until the present century) dismantled by the civilisation of wealth. Moreover, the objective of Christian economics would not be to promote the private accumulation of wealth even after basic needs have been satisfied and personal development made possible.

According to liberation theology, capitalism has clearly been incapable of satisfying basic needs in Latin America, despite the fact that government and business leaders are professed Christians. Socialism in practice has not provided a satisfactory solution either: although advances have been made in basic needs provision – particularly in communist Cuba and in Nicaragua under the Sandinistas – socialist countries have been incapable of sustained technological creativity or of political freedom. None the less, the socialist ideal is more suitable than capitalism as an economic model for the ‘new land’ – as the traditional social teaching of the Church tacitly admits.

Economics, life and structural sin

The relationship between theology and economics is thus seen by liberation theologians as reflecting the fundamental historical contradiction between death and life in Latin America. This historical contradiction obviously has social, political, cultural, anthropological, ethical and spiritual dimensions as well; but economics is fundamental because it defines wealth and poverty. ‘Life’ in this context has a clear meaning: it is tangible human life expressed by work, land, house, food, health, education, family, participation, culture, environment, and even fiesta. Basic needs thus go beyond essential physiological necessities because the realities of life are not merely
economic – although they are not simply spiritual either. This concept is frequently illustrated by the observation that for Amerindian peasants (*campesino indigena*) ‘land’ is simultaneously an economic, social, political, cultural and spiritual reality – indeed it defines their own nature and that of their community, as well as providing for their survival in a world where the material and moral aspects of life are necessarily communitarian. When basic needs are discussed in Latin America – particularly by the poor themselves – no philosophical distinction between ‘infrastructure’ and ‘superstructure’ exists: there is only a single reality of life or of death. When in the Third World a person loses their job or their land they lose life itself. Marginalised people risk their lives daily in the search for work and food for their families, without any possibility of education or political participation. None the less, the poor affirm their option for life – and above all their hope for a better life – in the community *fiesta* and in shared joy.

Thus ethics and spirituality are expressed through this concrete human experience: access to work, land, housing, or health are not only economic requirements but also clearly ethical imperatives. They reflect the ethics of life, where the defence of specific human lives is the fundamental moral imperative. Death is immoral: unemployment, hunger, and illiteracy are economic problems but also forms of death and thus a perverse ethical reality. So real life as it is lived by the poor becomes the criterion by which good and evil can be distinguished. Life, work, and land are both economic and spiritual realities. In sum, although spirituality is clearly not just a matter of the bodily life or death of a human being, adequate provision of basic needs for all is the crucial criterion for distinguishing between authentic and false spirituality – or rather between a spirituality of life and a spirituality of death.

In Latin America the notions of the ‘logic of life’ or the ‘logic of the majority’ are widely used in both theological and radical political discourse – that is, human life is assumed to be the essential criterion for economic logic or rationality. That all should have life is the most logical or rational position: unemployment, illness, hunger, and illiteracy are illogical and irrational. Those whose lives are mainly threatened are the poor and oppressed, of course. This logic of life is opposed to the logic of the dominant economic system where the rationality is based on maximizing corporate profits and private wealth. Life for all, especially for the poorest, can become illogical for the profit-maximising system. Unemployment, concentration of wealth in a few hands, marginality – and even the death of the poor – can become rational within the dominant economic system.
The satisfaction of basic needs – life for all – is therefore not seen by liberation theology as a goal, a programme, an ideology or a development model as it might be by a national economic policy maker or an international development agency. It is anterior to and more fundamental than economic policy. It is the only logical basis for an economic ideology or development model, because it is concerned with the choice between human life and profit maximisation.

All that liberation theology has to say about life as the fundamental 'mediator' in economics can also be applied to reflections on the nature of God – and is summed up by the expression 'the God of Life'. For this theological purpose ‘life’ must be seen as something human and tangible, otherwise it evaporates into an abstract and purely spiritual theology. God is the God of Life because His will is essentially that all men and women should have life and life in abundance (John 10.10). The poor believe in the God of Life because He guarantees real human life for all, and particularly for them. God is the God of Life because He assumes human life as absolute truth, goodness and beauty – gloria Dei vivens homo in the words of Saint Irenaeus. The glory of God is manifested in specific human life – so this glory is at stake in the life or death of historically specific human beings. The economic dimension of life (work, land, house, health, food, education etc.) becomes the expression of the glory of God. Equally, the glory of God is dimmed in every person who suffers hunger, misery and oppression. Economy (i.e. life) and theology are thus inseparable in theory and practice.

One of the most characteristic contributions of liberation theology has been the concept of ‘structural sin’ or sinful structures – which includes the systematic violation of civil rights but where economic injustice holds a central place. For ‘Western’ (liberation theologians would say ‘Northern’) theology in the tradition of Cartesian individualism and an individual relationship to God, this is a problematic notion. The concept of sinful structures – which includes the market economy in practice – shows how personal evil can be simultaneously strengthened and disguised by social relationships. A particular economic structure (a historical system of relations between people) can easily create a series of situations which make necessary – and thus apparently reasonable – that conduct which favours one’s own greed or that of one’s family at the expense of the life and dignity of many others. Usually, the consequences for the poor of such greed are not immediately visible to the sinner (as they would be in an isolated rural community, for instance) because they are diffused through the market economy. As a personal sinner, an individual is seen as both responsible for and as a victim of these oppressive social structures.
In effect, liberation theologians are attempting to recuperate a fundamental New Testament notion, that of the ‘sin of the world’ which renders the world incapable of understanding the Truth (John 17.25). Contemporary economic structures form a central part of the sin of the world; this is not just a matter of specific economic injustices which can be rectified by appropriate public or private action by good Christians. Despite considerable criticism from traditional theologians in general and the Vatican in particular, these concepts were implicit to the central arguments of both Puebla and Medellín.

Liberation theology has thus always used concepts of political economy in its analysis of both the real world and ideological discourse. None the less, a ‘theology of the economy’ as such has not yet been fully worked out. One fruitful approach is to start from the sacral nature of ‘bread’ – that is, the product of work within specific social relations. In this way, present or proposed economic arrangements can be related to the construction of the Kingdom or its negation. Another approach is to start from a reformulation of the Marxian critique of commodity fetishism in terms of the biblical view of idolatry, which leads by extension to the valuation of ‘real life’ by the poor as opposed to the abstractions of the oppressors. In both approaches, the analytical tools of Marxism (as opposed to its philosophical model) are used from a Christian perspective – in much the same way as Aquinas used Aristotle. The task of translating theological analysis of concepts such as social relations, alienation, work, commodities (‘bread’) or value (‘blood’) into a form that would be comprehensible to ordinary people as well as intellectually convincing, is still pending.

Fortunately perhaps, a considerable part of liberation theology is done ‘from below’ in Latin America; that is by base communities discussing the relevance of Scripture to their own lives. It is largely unrecorded, but no less real for that. Popular hermeneutics takes much of its inspiration from the fact that the language and socio-economic circumstances of the Old and New Testaments are of direct and immediate relevance to the lives of the poor in Latin America. A biblical world of peasant farming, avaricious merchants, oppressive landowners, tax collectors, agricultural labour, and impoverished widows seems not dissimilar to life in Brazil or El Salvador. Indeed, it is perhaps unsurprising that the Apocalypse is the favourite book of the popular movements because there they find inspiration for resistance to persecution which can then be applied directly to contemporary society; similarly, the discourse in John does not seem abstract to them at all, as they can identify with the Christian struggle against the Roman Empire.
Liberation theology and economic theory

A frequent criticism of liberation theology – not least from the Vatican itself – is the influence of Marxism revealed by its stress on economic relationships and social conflict. However, the necessary stages of economic development in Marxist theory and the changes in class relationships they bring about are not the basis for the liberation theologians’ view of history: the economic actors are ‘the poor’ and ‘the rich’ rather than capitalists and the proletariat, while the driving force of history is the relationship between God and His creation. Thus, the eschatological view of history in liberation theology is clearly opposed to that of historical materialism. Nonetheless, liberation theologians explicitly regard Marx as an important source of analytical method which helps them look beyond the apparently objective nature of market forces; and thus to identify power with property, relate poverty to labour control and identify the intrinsic contradiction between the market economy and an egalitarian society. Moreover, it is also clear to the informed reader that the implicit inspiration for their economic views is derived from the early ‘Hegelian Marx’ concerned with alienation and exploitation, rather than from technicalities of surplus value and industrial progress in *Das Kapital*. The economic nature of the transition to socialism/Kingdom is basic needs provision and the inclusion of the marginalised, rather than the over-accumulation of capital and the proletarianisation of the workforce in Marx.

Economic theory is underpinned by ‘theories of value’ which explain the way in which markets set prices and distribute income as a manifestation of the value which a society collectively places on a particular commodity or skill. The classical economists (including Smith and Ricardo as well as Marx) developed a ‘labour theory of value’ based on the amount of labour required to produce a commodity or skill, directly through the work involved or indirectly through the equipment or education needed in the production process. The modern theory of value is quite different: based on the utilitarianism of Mill and Bentham, it sees the market as expressing the social utility of goods and services as revealed by the spending decisions of consumers – who ‘vote with their money’, so to speak. Liberation theology is clearly directly opposed to the utilitarian view, not least because it privileges the choices of the rich, but more fundamentally because it converts human beings into commodities. There is more sympathy with a labour theory of value insofar as it recognises the origins of wealth, but the concept of value based on ‘blood’ clearly goes far beyond the ideas of Ricardo and Marx.
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In fact, liberation theologians’ views on the origins of poverty in Latin America and the economic relationship between rich and poor countries are firmly located within a long Latin American tradition of progressive thought – much of it specifically non-Marxist – which stresses the concentration of ownership, undemocratic economic policies, and unequal relationships within the world economy as constituting a ‘crisis of capitalism in the region’. This tradition has strong roots in both popular discourse and the declarations of national leaders. It encompasses both the ‘structur- alist economics’ associated with the UN Economic Commission for Latin America and the ‘dependency school’ of political thought in the region. Indeed it might be argued that the communitarian and redistributive nature of the economic ‘project’ of liberation theology owes more to the radical populism of Proudhon than to the state power of Lenin. In practice, moreover, liberation theologians have always worked with social movements whose political position is highly critical of orthodox communist parties – particularly the revolutionary movements of Central America but also trade unions in Brazil and ‘base communities’ throughout the region.

If the economic content of liberation theology is compared to the analytical framework of modern economics as applied to developing countries, its shortcomings become evident. There is a measure of agreement as to the institutional roots of poverty, and an admission by the latter that the Pareto conditions for a free market equilibrium to correspond to a social welfare maximum may not hold in the presence of an unequal prior distribution of financial assets or human skills. Basic needs provision and poverty elimination have become accepted as central elements in formulating economic strategy in developing countries; and although these ideas clearly antedate liberation theology, its support for them has undoubtedly been influential – particularly among non-governmental development agencies. However, the central issues of economic development theory are not addressed by liberation theology: the balance between industry and agriculture, the best way to finance social expenditures, improving trade relationships between industrialised and industrialising countries, incentives for private producers, how to create jobs and the trade-off between the incomes of this generation and the next, and so on. This agenda might well seem too much to demand of theologians but the neglect of these more practical issues has serious consequences.

On the one hand, this neglect means that the orthodox prescriptions of macroeconomic policy have gone largely uncontested except by general denunciations of capitalism. Widespread unemployment, reduced wages and cuts in health expenditure are justified by democratic governments
and international financial agencies in terms of the increased production efficiency and private investment they will generate, which will later result in greater income growth and employment for the poor. Whether this trade-off is feasible or desirable is one of the central issues in current economic debate at all levels of society in Latin America today: 

‘structural adjustment’ is defended by its proponents in ethical terms as ‘good for the poor in the long run’, while its opponents argue that there are sound reasons for believing that macroeconomic stability can be combined with poverty reduction. On the other hand, in the one case where liberation theology did have a strong influence on the economic policy of a progressive government – the case of Nicaragua during the 1980s which attempted to implement a direct attack on poverty through large-scale land reform and massive basic needs provision to the poor – the lack of a coherent response to the problems of national and international economic management turned out to be a fatal weakness in the attempt to implement the vision of a ‘new land’. In sum, the critique of observed economic injustice can lose its force unless it is accompanied by some idea as to what would constitute a just economy in practice.

A more appropriate basis of comparison might therefore be the more specific topic of welfare economics, which reflects not only the commitment to solidarity within a particular national economy but also the fact that a range of social services – such as health and education – has a positive return to the economy in the long run due to increased productivity and less communicable disease, but which the individuals concerned cannot afford and the private sector is unwilling to provide for the population as a whole. Indeed, this limited definition of the ‘common good’ appears to be emerging as the basis for basic needs provision in industrialised societies unable to achieve the political support required for the tax burden that existing levels of welfare entitlements imply. This is clearly far more limited than the commitment to the elimination of poverty as the central focus of economic strategy which liberation theology implies.

However, the basis for modern welfare economics is the notion of social citizenship (also termed the ‘citizenship of entitlement’) which consists of the rights to a modicum of economic welfare and security, to share fully in the social heritage of the community, and to live a civilised life according to the standards prevailing in society. This is not, therefore, an argument from compassion, which focuses on the point of view of the donor as citizen and where the recipients are perceived as recipients of largesse rather than as citizens with entitlements to benefits and rights of participation in decisions which affect them. A depersonalised relationship based on entitlement is essential if recipients of social benefits are to be citizens rather
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than subjects. Social citizenship also ‘depersonalises’ the function of giving, converting it from a voluntary act by a few ‘good citizens’ to a duty on the part of all citizens who can afford to do so to pay tax so that the needs of the body of the citizenry are met as of right. Social citizenship thus implies not only entitlements to welfare payments, but also the obligation of better-off citizens to pay tax in order to finance them if the system is to be something more than social insurance. This is an agenda which liberation theology has not addressed but where it would have much to offer if it were to speak to the problems of economic development under democracy.

Liberation theology and the theory of economic justice

Although liberation theology has a limited engagement with economic theory as such, there is a much clearer correspondence with notions of economic justice in political philosophy. A good basis for comparison is the modern theory of justice, based on liberal political theory and in particular the contractarian ideal of ‘fairness’ as a characteristic of the just economy. The contractarian theory of justice suggests that a set of economic institutions can be judged as fair if behind a ‘veil of ignorance’ all citizens are prepared to accept any position in that economy they might be allocated at random. In other words, there is rigorous equality of economic opportunity and acceptable welfare provision, as opposed to equality of outcomes. Clearly all the Latin American economies would fail this test and thus can be judged ‘unjust’. From a completely different ethical point of departure, liberation theology comes to a not dissimilar position; although the logic would derive from the relationship of people to each other in a community rather than in a social contract with the state.

Another philosophical approach to the problem of poverty is based on the idea that economic welfare is derived from the ‘entitlements’ possessed by individuals or households. These entitlements can be market-based (e.g. income from economic assets or marketable skills) or social entitlements derived from legal or traditional rights to welfare, including access to common property resources such as water or grazing land; the loss of these entitlements – due to economic dislocation or social collapse – causes poverty and their restoration can eliminate it. The value of a specific ‘bundle’ of entitlements is judged by the extent to which they provide the conditions for the good life under the relevant circumstances. This powerful analytical concept, which has a deep influence on modern economic development theory, could also add some depth to the liberation theologians’ view of the origins of poverty in marginalisation. None the less, like
contractarian theories of economic justice, entitlement theory has little to say about the power structures which lie behind the institutions of the market economy.

In the global context, one of the key characteristics of poverty is the country in which people are born – in other words the citizenship of the poor. The traditional economists’ response to this problem is that the potential economic benefits of migration in terms of increased employment and higher wages can be achieved just as well by labour-intensive exports and international investment in developing countries. None the less, citizenship is still the single most important asset most people possess in developed countries as it represents a claim on the accumulated social capital of the relevant country and its place in the world economy. In this case, the appropriate test in liberal political theory would presumably be whether a rational person would be willing to be born into the world irrespective of his citizenship. Clearly the answer is negative – in which case the present international economic arrangements can be properly judged as unjust as liberation theology would argue from quite different premises.

In a single global economy, the poorest countries and vulnerable groups who do not possess the resources to compete effectively have become more vulnerable to exogenous shocks and fall further behind in the race for technological competence. From this point of view, development cooperation (‘aid’) can be seen as part of an international social safety net which reflects not only the global ethical responsibilities of the rich for the poor, but also the claim of the poor upon the rich as members of the same global community. This is not just a question of making international markets work more efficiently, so that the welfare of both donors and recipients is increased; the ethical argument for aid derives from the obligation to relieve human suffering when this can be done at little personal cost, which is a universal Kantian obligation in relation to all humans simply by virtue of our shared humanity. This obligation requires that resources be transferred to the poor, irrespective of state or national boundaries, to provide them with the means of survival. However, it is difficult to establish any clear philosophical argument for aid beyond this basic ‘human entitlement’ because the Aristotelian notion of redistributive justice is usually applied to individuals within an identifiable community. To apply it internationally poses two problems: first, whether the contractarian responsibility of individuals extends beyond state boundaries; and second, whether states can properly be considered as moral agents in the international sphere. This issue is also one to which liberation theology may have more to offer than liberal moral philosophy.
Conclusion

Economics – in the broad ‘political economy’ sense in which I have used it in this chapter – has a central place in liberation theology. Despite the fact that this theology does not really address the central questions of modern economic theory, it has undoubtedly had a significant influence on the way in which the economics of poor countries has developed in practice. In particular, liberation theology has changed the way in which social movements, non-governmental organisations and international aid agencies view economic policy – addressing such pressing problems as external debt and structural adjustment. Moreover, the inclusion of the prophetic critique of the market economy within ethical discourse through concepts such as the ‘right to life’ and ‘structural sin’ is clearly an important step forwards in a radical theology – not least because it permits a popular hermeneutic derived from the everyday experience of the poor.

In consequence, the ‘economics of liberation theology’ is very different from other traditions in the Christian approach to economics. On the one hand, there is the ‘mainstream’ Roman Catholic tradition of social responsibility established by Aquinas with its modern expression in Rerum Novarum and Populorum Progressio. This tradition, which stresses the mutual responsibility of labour and capital (and poor and rich countries) to work in harmony, is the economic equivalent to Christian Democracy in politics and has been particularly influential among reforming elites in Latin America during this century. In marked contrast, liberation theology not only considers capital and labour (the ‘civilisation of wealth’ and the ‘civilisation of poverty’) to be essentially in conflict by their very natures, but also that historical struggle between them will eventually lead to the construction of the Kingdom as promised in the Beatitudes. The difference between the two theological positions is most clear in the notion of ‘sinful structures’ where the poverty and exclusion in a competitive market economy as experienced by poor societies lie at the core of the peccatum mundi. It is this prophetic challenge, rather than association with Marxism or with revolutionary movements, that has made the liberation theologians the target of the Vatican.

On the other hand, there is a long-standing Protestant tradition of approaching the economy from the standpoint of the duties and obligations of the Christian towards one’s fellows in the market.\(^{26}\) The duty of charitable giving to the poor is accompanied by the obligation of responsible stewardship of wealth for the common good, a concept which can be usefully extended to the prudent use of natural resources on behalf of future
generations. The emphasis on fairness and individual responsibility in this approach to economics can be seen as reflecting a greater concern with justice on earth, so to speak, than the dominant Catholic tradition. None the less, the liberation theologians’ emphasis on the historical nature of class conflict and the essentially communitarian nature of the just economy as a precursor of the Kingdom is very different from the essentially individualist Protestant approach to the Christian economy, which takes the market and its institutions as a fact of nature rather than a sinful construct. However, in Latin America, many Protestant theologians in the evangelical tradition have been deeply influenced by (and contributed to) liberation theology – and this influence is particularly marked in the approach to economic questions.

In the late 1990s, although economic conditions in Latin America are not much better than before, there has been a major change since the 1970s and 1980s in the sense that democracy and human rights are now better established throughout the continent. This opening up of the political sphere has probably diverted popular protest against economic conditions away from the temple towards the forum, so to speak. Combined with steady pressure from Rome to exclude liberation theologians from bishoprics and seminaries, the public voice of liberation theology on economic questions may become less audible in years to come.

Meanwhile, poverty is still a central problem for the global economy in the post-cold war world:

...the number of absolute poor, the truly destitute, was estimated by the World Bank at 1.3 billion in 1993, and is probably still growing. One fifth of the world lives in countries, mainly in Africa and Latin America, where living standards actually fell during the 1980s. Several indicators of aggregate poverty – 1.5 billion lack access to safe water and 2 billion lack safe sanitation; more than 1 billion are illiterate, including half of the rural women – are no less chilling than a quarter-century ago.

So in the economic sphere at least ‘...this theology is not a passing fashion. Its corollary – oppression – is unfortunately not a fashion but rather a growing problem. The theology of liberation is thus still very necessary, because Christian faith must today respond with credibility – and theological rationality – to the oldest and newest question as posed by Gutiérrez: how to tell the poor that God loves them.’
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NOTES

1 See Phillip Berryman, Liberation Theology: the Essential Facts About the Revolutionary Movement in Latin America and Beyond (New York, Pantheon, 1987), chapter 3.

2 United Nations data cited in V. Bulmer-Thomas (ed.), The New Economic Model in Latin America and its Impact on Income Distribution and Poverty (Basingstoke, Macmillan, 1996), p. 6. ‘Poverty’ is defined as including some non-food essentials (e.g. clothing) as well as minimal nutrition, and is roughly equivalent to one US dollar per person per day (Organisation for Economic Cooperation and Development, Shaping the 21st Century: the Contribution of Development Cooperation, Paris, OECD, 1996, p. 9).


7 These ‘new social movements’ include groups of peasants, slum-dwellers, women etc. They are quite different from traditional political parties insofar as they do not seek state power, nor are they organised on a hierarchical basis. Liberation theology has been strongly influenced by (and has in turn contributed to) the growth of these movements throughout Latin America and even world-wide.


9 The Spanish word fiesta is inadequately translated by the pallid English ‘party’; it contains a strong sense of community and also of celebration – almost equivalent to agape.

10 See Berryman, Liberation Theology, chapter 2.


13 Franz Hinkelhammert, Crítica a la razón utópica (San Jose de Costa Rica, DEI, 1984).

14 Berryman, Liberation Theology, chapter 3.


16 See Enrique Dussel, ‘Teología de la liberación y marxismo’ in ibid., vol. I, pp. 115–144; and also Berryman, Liberation Theology, chapter 9, ‘Using Marxism’.


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