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## **RELIGION AND ECONOMICS**

### **IMPEDIMENTS TO WELFARE MAXIMISATION IN CHRISTIAN AUSTRALIA**

Maximisation of Societal welfare is a notion aspired to by economic ways of thinking and religious frameworks alike. Economic ideals such as efficiency and income equality culminate in increasing the welfare of each individual. Many religions aim to build individual welfare upon foundations of spiritual stability and moral grounding. This stark contrast in methods implies ambiguity in the exact notion of welfare. Economics provides a greater focus on material welfare whereas religion is more preoccupied with spiritual welfare. Conflict then arises as to which form of welfare is most true to the overall well being of society. Such conflict is apparent in Australia, where the free market capitalist economic structure provides a different route to welfare maximisation when compared with the dominant religion, Christianity (Evans, Kelly 2004). The overall conflict between Christianity and government-facilitated capitalism in maximising the true total societal welfare can be broken down into smaller oppositions. Conflict arises due to differences in the definitions of welfare, the effect on the individual citizen, and the nature of each way of thinking.

The true welfare of each Australian citizen is an important notion to fully comprehend. It is the difference in interpretation which leads to the passive opposition of Christianity and the Australian economic structure. In economic terms, welfare is often described in terms of the individual's income, often measured by gross domestic product per capita (Crompton et al. 2007). These figures are better understood in conjunction with income inequality measures such as the Gini coefficient derived from a Lorenz Curve (Weil 2009). All signs point to the economic way of thinking promoting the maximisation of every citizen's income as a means to

improve societal welfare. This is a very materialistic approach when compared to Christian ideals and intentions for followers. The majority of Christian sects focus on the spiritual welfare of their participants, emphasising personal redemption and intrinsic satisfaction (Murphy 2005). Whilst many churches and religious groups donate income to charities and provide monetary assistance to the poor, it is evident that there is a greater focus on the intangibles. This has many implications for Christian denominated Australians to be further examined. The key question is which form of welfare is most relevant to Australian society, and thus best representative of true societal welfare. In objective terms, true welfare must reflect the overall wellbeing of the individual, both physically and mentally. While Christianity promotes physical wellbeing, it is clear that economic welfare is a more effective means of improving it. In modern times, where everything has a price, increasing ones income provides power to attain shelter, nutrition and other necessary aspects of physical wellbeing. For the individual who lacks the means for subsistence, it is an improvement in economic welfare which will improve physical wellbeing, with possible consequent improvements to mental wellbeing (Crouter, Booth 2004). The same individual may have gained some mental comforts from spiritual welfare, although physical wellbeing would receive little assistance. Given the existence of money, it is apparent that economic welfare is a more accurate measure of true societal welfare in modern Australia. This difference in definition of welfare is the primary source of conflict between Christianity and economics in Australia, augmented by direct oppositions in the nature of each way of thinking.

Australia's economic structure and policies are theoretically geared toward the overall goal of welfare maximisation. Left to its own devices, free market capitalism is an effective means of raising aggregate income (Skousen 2007). However, the problem with private ownership of resources is that the majority of returns are allocated to the owners. To avert an exponentially increasing disparity between rich and poor the government employs progressive income tax schemes to redistribute wealth from high to low income earners. This combination of economic structure and policy favours income increases across all individuals. Although the rich are encouraged to earn more and more income, the poor are ensured of some assistance via welfare payments from government tax revenue (Saunders 1994). Under such a structure, the other source of welfare assistance is from private

organisations (Critchlow, Parker 1998). Whether through a privately owned charity organisation or a social Coalition such as that promoted by the Liberal government early this decade (Dodds 2002), private philanthropic activity is a key to improving welfare across all individuals. Such activity is facilitated by the Australian economic structure which allows private organisations to accumulate enough wealth to engage in philanthropy. Therefore the two main vehicles of economic welfare improvement are wealth redistributions via income tax and monetary assistance from private philanthropic organisations. These two societal welfare improving activities face opposition from Christian practice in Australia. A direct component of this conflict is due the nature of Christianity and an indirect component is derived from the effect on individual Christians.

The nature of Christianity and the majority of its divisions proves it to be an enemy of economic welfare maximisation in modern Australia. Australia is a predominantly Christian nation, with 63.9% of the 2006 population following some form of Christianity. Of the divisions, Catholicism is the most popular (25.8% of population) followed by Anglicanism (18.7%) (ABS 2007). The common denominator between these divisions which forms the foundation for their nature is the Holy Bible. The text itself provides evidence that the Christian religions that base themselves upon the Bible must have an opposing nature to that of capitalist economic ways of thinking. Quotes such as “It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of heaven” (Matthew 19:23-24) are read by Christian followers and heard from the clergy during mass. At first glance this reading is in direct opposition to the ideals of the Australian economic structure, serving only to deter men and women from making the profits which drive our ability to provide economic welfare. Some may argue that the aforementioned quote is more akin to “for the love of money is the root of all evil” (1 Timothy 6:10), which is more clear in stating that it is the overwhelming addiction to money which Christianity does not approve of. Other more subtle examples can be found such as in the 2<sup>nd</sup> Book of Chronicles where God offers Solomon anything he desires, and Solomon asks for wisdom and knowledge. God makes a point of Solomon’s ignorance of money and riches, then provides him with wealth as a reward for not demanding it. A thorough read of the Holy Bible reveals an opposing culture to that of profit making and income maximisation. Although many of these quotes bear good intentions, the

bottom line is that at first glance the majority discourage the pursuit of income. In addition, when left open to interpretation these lines may be intentionally used to discourage profits by the clergymen who have great influence over their congregation (Woods & Woods 2004). This culture opposed to wealth accumulation is inherent in Christian religion which is consequently an enemy of the Australian economic structure. This is the passive opposition of Christianity and Economics in Australia, conflicting in theory and nature regarding the maximising of true societal welfare. It is true that the Christian nature is strongly opposed to the Capitalist way of thinking, creating barriers to welfare maximisation within devout followers of Christianity and the Bible. Christianity provides a greater threat to welfare maximisation however, through its effect on the individuals who are unwittingly deterred from improving the welfare of their fellow citizens.

The role of every citizen is essential to Australia's overall ability to improve true societal welfare. Effective government welfare assistance requires every citizen to maximise their income for increased tax revenue. However it may be as important for these individuals to partake philanthropic activity. The individual is thus called upon by the economy to assist in improving the overall level of true welfare. It is a commonly assumed notion that Christianity would encourage its followers to assist one another, although upon deeper analysis it becomes apparent that the characteristics of its nature only serve to hold the individual from their true welfare providing potential. As such there is a conflict between the will of the economy and the nature of the Church over every individual Christian. This opposition of Christianity is primarily due to the intrinsic nature of its practice (Murphy 2005). There is an issue created by focusing on ones spiritual welfare which drives the individual's attention away from their surroundings and into themselves. This may be put down to the overarching theme in Christian following which is that of redemption and entry to heaven. The threat of being eternally punished in ones afterlife is too great to ignore and impossible to observe, hence the strict adherence by many Christians to the quest of self-correctness and absolution. It is in this quest that concern for the wellbeing of others may be lost. For many devout Christians, focus on intrinsic wellbeing is incongruent to pursuit of the means to partake in philanthropic aid (Murphy 2005). Of course there are missionaries and numerous religious members who commit their lives to assisting the poor and aid of other

forms, including Australian religious based support groups such as St. Vincent de Paul and the Salvation Army. These groups undoubtedly improve the welfare of Australian citizens, however the key to greater improvements are the private Australian citizens who have the potential to provide welfare to their fellow beings. With 63.9% of Australia's private citizens following Christianity, there is surely a large number of potential aid givers locked up in their personal religious focus. Where the nature of Christianity was previously mentioned to be opposed to income and wealth accumulation, it is also apparently opposed to private citizens being free of will to engage in philanthropic aid. In the day and age of money providing true welfare, one must be geared toward income maximisation in order to have the ability to help their fellow citizens. It is the nature of Christianity that creates barriers to such philanthropic activity, in addition to the government tax-revenue methods of income redistribution which require accumulation of wealth by private citizens.

It is ingrained in the fabric of society that Christianity is beneficial to the people, and this holds true to a certain extent. It provides moral stability and a means for social order. Spiritual welfare is undoubtedly important for the wellbeing of Christian followers. The problem is that the intrinsic nature of Christianity impedes free will when it comes to thinking outside oneself. The impediment of free will has its benefits when considering Christianity's deterrence of crime and injustice. It would be devastating to society if Christianity was eliminated from existence. The key to subduing the conflict between Christianity and Capitalism would be in shifting the balance of internal and external focus. Intrinsic satisfaction and personal redemption is beneficial to Christians, though it may be considered a luxury compared to the health and survival of those Australian citizens struggling to meet subsistence. Shifting some of the focus in the Church from looking within oneself to looking at one's fellow beings. It is not enough for the Christians to preach "love one another as I have loved you" (John 13:34-35) without making concerted effort to improve the true welfare of others. It must become a realisation that in modern Australia life without money makes it difficult to survive, and it is up to the private citizenry to assist their fellow Australians, saving them from a potential fate worse than a lack of intrinsic satisfaction. In conjunction with government redistributive plans, private philanthropic activity is necessary to improve overall welfare, whether it be derived from free will or from a more externally focused Church. It would be necessary for

Capitalism and Christianity to work together to drive the greatest improvements in welfare, capitalism cannot be effective without moral and ethical grounding, whilst Christianity cannot be effective without income and wealth to be redistributed.

The opposition of Religion and Economics in regards to welfare maximisation is evident in the conflict between Capitalism and Christianity in Australia. Australia's economic structure and policy is geared toward monetary welfare improvements, which is the most relevant form of welfare in modern money controlled times. The conflict arises where Christianity creates a culture discouraging the accumulation of wealth and limiting the power of free will to be externally focused. These two limitations constrict the Government's ability to fund welfare payments from income tax revenue, and the private citizenry's potential to be a stronger philanthropic force in welfare improvement. Though religion and economics are enemies in the context of Australia's quest for welfare improvements, the way forward is not for one party to eliminate the other. We do not want to see another Financial crisis born of the lack of ethical concern (Slattery 2009) nor do we want to see the welfare improving potential of the private citizens neglected for an internal focus. It is very much a case requiring cooperative adjustment to make Religion and economics friends, not enemies, and progress to a new level of welfare maximisation.

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