

Distributivism and Catholic Social Teaching

John C. Médaille

“We have seen that it is unacceptable to say that the defeat of ‘Real Socialism’ leaves capitalism as the only model of economic organization.”

Centesimus Annus, 35.4

Power naturally and necessarily follows property.”

Daniel Webster, address to the Massachusetts Convention, 1820

Political and economic discussions today are often dominated by a “capitalist-socialist” dualism that says you must have one or the other. Critiques of capitalism are often dismissed on the basis of a lack of a viable, non-socialist alternative. Yet if the popular discussion is dominated by this dualism, the teaching of the Church is not; for more than 100 years the Popes have offered a pointed critique of Liberal Capitalism, a critique that becomes most incisive in the work of the current Pontiff. This article examines the Pope’s misgivings about capitalism and outlines the Distributivist response, a response first formulated by G. K. Chesterton and Hillaire Belloc and based on the realistic premise that *power follows property*.

While most Catholics are familiar with the Church’s criticisms of Socialism, and may even be vaguely aware of its misgivings about Capitalism, their response is often mired in a kind of despair over finding anything better. Indeed, some even believe that the Pope has “endorsed” capitalism, and therefore feel no need to search for alternatives. But in fact, John Paul II has carried the critique to a higher level than any of his

predecessors, for he has exposed the fundamental error of both socialism and capitalism, that is, materialism, a materialism that in either system reduces man to a mere cog in a machine, hampering both his spiritual freedom and his economic initiative. *Both* systems, says the Pope, are “in need of radical correction,... This is one of the reasons why the Church’s social doctrine adopts a critical attitude towards both liberal capitalism and Marxist collectivism.” (SRS 21)¹

Whatever the practical differences between capitalism and socialism, the philosophical assumptions are almost identical, and are condemned in an identical fashion. Both are reductionist systems, reducing man to his economic utility, both have the tendency to absolutize economic life, and both marginalize the spiritual and religious dimension of man, either openly persecuting it, or (which may be worse) treating it as mere private fantasy deserving of no place in the public or economic spheres.

¹ The Social Encyclicals are cited in-line by initials. RN – *Rerum Novarum*, QA – *Quadragesimo Anno*, CA – *Centesimus Annus*, LE – *Laborem Exercens*, SRS – *Sollicitudo Rei Socialis*. Numbers refer to paragraph numbers.

The Papal Critique of Capitalism

Economism

For John Paul, the errors of both systems are subsumed under the error of “economism.” (See LE Section 13) The economic view, whether from socialists or capitalists, involves the divorce of the moral and ethical realms from the economic. For without moral guidance, economics oppresses man. (SRS 28) Indeed, that is precisely what has happened, as the “Liberal socio-political system which in accordance with its ‘economistic’ premises, strengthened and safeguarded economic initiative by the possessors of capital alone, “while maintaining that “human work is solely an instrument of production, and that capital is the basis, efficient factor and purpose of production.”(LE 34) It is if the hammer was all and the man who wields it nothing, a clear confusion in the right order of things, of which the Pope says, “Precisely this reversal of order, whatever the program or name under which it occurs, should rightly be called ‘capitalism’... ” (LE 30) This reversal has at its root materialism. (LE 60)

The result of this subordination is the divorce of capital and labor, which from the economic perspective became mere “impersonal forces” and “production factors.” (LE 60) Finally, with the worker reduced to a commodity and merely the product of blind economic laws, the spiritual realm is reduced to the irrelevant and materialism progresses to its “dialectical” phase. (LE 61) This “practical” materialism leads to the theoretical materialism of the Liberals

and the dialectical materialism of the socialists, a state of affairs which leads inevitably to the depersonalization of society:

“The individual today is often suffocated between two poles represented by the State and the marketplace. At times it seems as though he exists only as a producer and consumer of goods, or as an object of state administration.” (CA 49.3)

Work as a “Commodity”

With man stripped of his religious nature and any institutional protection, Capitalists “claimed all the products and profits, and left to the laborer the barest minimum necessary to repair his strength, ... For by an inexorable economic law, it was held, all accumulation of riches must fall to the share of the wealthy... ” (QA 54) *Rerum Novarum* had noted that “it gradually came about that the present age handed over the workers, each alone and defenseless, to the inhumanity of employers and the unbridled greed of competitors. “ (RN 6) Thus labor has become “a commodity to be freely bought and sold on the market, its price determined by the law of supply and demand”. (CA 6)

Class Struggle

This sundering of capital and labor resulted in the “class struggle.” *Rerum Novarum* condemns those abuses of the working class resulting from the greed and avarice of the employers, but Leo is concerned that they not be seduced by the violence inherent in the socialist notion of class struggle. In *Quadragesimo*

Anno, Pope Pius is hopeful that class warfare “when it abstains from enmities and mutual hatred” will be converted into an honest discussion of differences. (QA 114) However, in *Centesimus Annus* the class struggle is not only acknowledged as a right but is given a specific goal, namely, that it must be a struggle against “the absolute predominance of capital, the possession of the means of production and of the land, in contrast to the free and personal nature of human work.” Further, the object of the struggle cannot be “the socialist system, which in fact turns out to be state capitalism, but rather a society of free work and participation.” (CA 35.2, see also CA 14.1)

Free Competition and Individualism

Condemned as well is that capitalism that “which refuses even to consider these problems, in the a priori belief that any attempt to solve them is doomed to failure, and which blindly entrusts their solution to the free development of market forces.” (CA 42.2) *Rerum Novarum* did not directly treat the question of the “free market,” but clearly exempted wages from its domination. *Quadragesimo Anno* noted that “the proper ordering of economic affairs cannot be left to free competition alone. From this source have proceeded in the past all the errors of the ‘Individualistic’ school.” (QA 88) Pope Pius also notes the tendency for the free market to be succeeded by “economic domination,” because those who survive tend to be the most ruthless, “who pay least heed to conscience.” (QA 107) John Paul’s analysis acknowledges that the market “is the most efficient instrument for utilizing

resources,” but he goes on to note that “this is true only for those needs which are ‘solvent’, insofar as they are endowed with purchasing power, and for those resources that are ‘marketable,’ insofar as they are capable of obtaining a satisfactory price.” (CA 34.1)

The Rights (and Wrongs) of Property

Key to the critique of economic systems is the Church’s position on property, a position rejected by both Socialism and Liberal Capitalism. Despite the depth of the dispute between these two views, they are actually a lot closer to each other than either is to the Church, for both view property as an absolute, Liberalism as an absolute and dogmatic good, and Socialism, with equal fervor, as an absolute evil. But the Church’s position is that private ownership, while necessary and even a “sacred” right, (RN 65) is subordinate to the principle of the Universal Destination of Goods. This principle holds that while earth is apportioned among private owners, these owners are merely the stewards of Providence “with the task of making [property] fruitful and communicating its benefits to others... :”² This principle transcends the capitalist-socialist dichotomy by uniting the use and ownership of property. In *Quadragesimo Anno*, Pope Pius noted to the twin evils to be avoided: the “individualism” which denies the social aspect of ownership and the “collectivism” which denies the private aspect. “To disregard these dangers would be to rush headlong into the quicksands of

² *The Catechism of the Catholic Church*, 2404.

modernism.” (QA 46) In *Laborem Exercens* Pope John Paul condemns that “ridged capitalism” which “defends the exclusive right to private ownership of the means of production as an untouchable ‘dogma’ of economic life.” (LE 66)

However, neither Leo nor Pius are willing to place the *ownership* of property into hazard on the basis of its improper use. While Pope Pius does assign the state the duty of defining in detail the licit use of property for the common good, it is still forbidden to seize property on account of its misuse. (QA 47, 48) However, in *Centesimus Annus* the Pope seems to make ownership itself dependent upon right use.

“[Ownership] becomes illegitimate, however, when it is not utilized or when it serves to impede the work of others, in an effort to gain a profit which is not the result of the overall expansion of work and the wealth of society, but rather is the result of curbing them or of illicit exploitation, speculation or the breaking of solidarity among working people. Ownership of this kind has no justification, and represents an abuse in the sight of God and humanity.” (CA 43.3)

One must assume that an “abuse” in the sight of humanity could be addressed in human courts. This would represent a radical departure from previous encyclicals.³

³ The differences, however, may be more apparent than real. Both Leo and Pius are mainly concerned with protecting the property

The Just Distribution of Property

The Church’s position “radically diverges from the program of collectivism as proclaimed by Marxism,” and just as radically “differs from the program of capitalism practiced by liberalism and the political systems inspired by it.” (LE 64) The Church’s view avoids the twin evils of collectivism, which denies the private character of property, and of individualism, which denies the common good. (QA 46) The Church’s critique of property, however, goes much deeper than the issue of ownership. The Church is guided by the principle of the Common Destination of Goods, a principle which impels the Church to comment on the unjust distribution of property. The poor distribution is condemned as a “grave evil,” (QA 58) nor are we permitted to blame this poor distribution on either “the fault of the needy people, and even less through a sort of inevitability dependent on natural conditions or circumstances as a whole.” (SRS 9.6) Further, this poor distribution inevitably leads to violence since “Peoples excluded from the fair distribution of the goods ... could ask themselves: why not respond with violence to those who first treat us with violence?” (SRS 10.2).

Summary

The above summary is brief indeed; many other abuses are mentioned: the control of credit, the

of the small holder on the one hand and preventing a general seizure of property as a method of redress on the other. John Paul is more concerned with monopolistic and exploitative uses of specific properties.

oppression of the third world, monopoly power, consumerism, the treatment of women and mothers, etc. But even in its brevity, this summary should invite us as faithful children of Holy Mother Church to cast the same jaundiced eye on the current economic systems and to examine the outlines of the Church's moral dissent. These systems (capitalism or socialism) begin with a practical materialism which reverses the order of things by elevating things over man. Man's labor is thereby reduced to mere commodity, to be bought at the lowest rates. Property is absolutized and with it, economic life as well becomes the sole focus of man's being. Mere possession replaces firm purpose; "having" replaces "being." (SRS 28)

The Papal Response to Capitalism

But what the Church supplies is not an "alternative" system, not a "Third Way." The Church has no Third Way, mainly because she has no first or second way. Rather She offers set of guidelines and standards which arise from the moral order and which must be used to judge any alternative; it is for the laity to listen to the Word of God, as promulgated by the Church, and to devise ways to make that Word come alive in the world. Holy Mother the Church is, like all good mothers since Eve, a bit of a nag; she tells us that our rooms are dirty, but does not propose to clean them up herself. But also, like good mothers everywhere, she does not just nag, but offers guidance.

This guidance, offered through Her Social Teaching is extensive, but I

will concentrate on just a few points: The Primacy of Labor over Capital, the Just Wage, the Just Distribution of Property, and Subsidiarity. But before any reform of systems can be attempted, there must be at the same time a reform of hearts, for the structures of sin must be met both on the structural level and on the level of the human heart, wherein we find the origin of sin. For above all other things, the Church seeks to replace the "economism" noted by John Paul with things of real value. But, "For this to happen, it is not enough to draw on the surplus goods which in fact our world abundantly produces; it requires above all a change of lifestyles, of models of production and consumption, and of the established structures of power which today govern societies" (CA 58.1). As faithful members of the laity, it is our duty to undergo this change of lifestyle, our duty to work out new models of production and establish the new structures of power.

The Primacy of Labor Over Capital

The first principle is be established is, contrary to the economists, the primacy of labor over capital. Where capitalism favors capital as the efficient cause of wealth and labor the merely instrumental cause, the Church firmly asserts the reverse. This idea grows throughout the social encyclicals and reaches its fullest expression in John Paul. In *Rerum Novarum*, Leo XIII asserts "It is only by the labor of workingmen that states grow rich." (RN 27) Leo is attempting to re-establish the proper symmetry between capital and labor, noting that while the one could not do without the other, the decisive factor is labor. "... It is incontestable that the

wealth of nations originates from no other source than from the labor of workers.” (RN 51) This sentiment is repeated in by Pope Pius, “Is it not indeed apparent that the huge possessions, which constitute human wealth, are begotten by and flow from the hands of the workingman... ?” (QA 53) In John Paul’s work, this idea is greatly enlarged: Labor is *always* the “primary efficient cause” and capital “mere instrument” in the production of wealth. (LE 52)

Finally, this is not merely an “economic” point, but a spiritual one, since the primacy of labor represents, in the final analysis, “the primacy of man over things.” (LE 57) Thus this primacy is the refutation of materialism and economism. From this analysis, John Paul gives us the criteria for judging an economic system: a system can be just only to the extent that it is in accord with “the principle of the substantial and real priority of labor, of the subjectivity of human labor and its effective participation in the whole production process, independent of the nature of the services provided by the worker.” (LE 58)

The Just Wage

But if labor is primary, what is this to mean in actual practice? How are we to use the criteria given above? What, in other words, will be the mark of a system that “overcomes the opposition between labor and capital”? (LE 58) The answer is the Just Wage, which is “the key problem of social ethics” and the sole basis for resolving the relationship between the employer and the workers. (LE 88) But how are we to determine

what constitutes a “just wage”? First and foremost, we should keep in mind that it is not up to the mere free consent of the parties, a point on which all the encyclicals agree. This arises from the fact that labor has a social function, namely the support of families and the distribution of property, functions, which can be met only on the basis of the just wage. (RN 62, see also CA 8.1)

For a wage to be just, two conditions must be present. The first is that it must be sufficient to support a family. “The wage shall not be less than enough to support a worker who is thrifty and upright.”(RN 63) “Every effort must therefore be made that fathers of families receive a wage sufficient to meet adequately ordinary domestic needs.” (QA 71, see also CA 8.1) Moreover, if this is not feasible, “social justice demands that reforms be introduced without delay which will guarantee every adult workingman just such a wage.” (QA 71) This wage must also allow support of the family without requiring mothers to work outside the home. (LE 90)

However, the “family wage” is not in itself sufficient to determine the just wage, for another factor must be considered: the just distribution of property. That is, the wage is also the means for ensuring the workingman can come into capital of his own. (RN 65) This is the heart of Papal policy: the just wage used to enable just distribution of property. “This programme cannot, however, be realized unless the propertyless wage-earner be placed in such circumstances that by skill and thrift he can acquire a certain moderate ownership.” (QA 63)

Finally, it should be noted that the right to a just wage is more than a mere pious wish, but a requirement of objective morality, a requirement that cannot be subordinated to the “criterion of maximum profit,” but which “must constitute the adequate and fundamental criterion for shaping the whole economy.” (LE 80)

The Just Distribution of Property

As we have seen, one requirement of the just wage is that it permits a thrifty worker to acquire capital of his own. Throughout the encyclicals, the acquisition of property by the working class is the key to overcoming the divisions within society. Once again, it is in the work of John Paul that this idea is carried to its fullest, even to the extent of calling for the socialization of property.

This just distribution appears in *Rerum Novarum* as the practical basis for peace between the classes. (RN 66) In *Quadragesimo Anno*, in a section provocatively entitled “Proletarian condition to be overcome by letting wage-earners attain to property,” the Pope says “Every effort, therefore, must be made that at least in future a just share only of the fruits of production be permitted to accumulate in the hands of the wealthy, and that an ample sufficiency be supplied to the workingmen.” (QA 61)

These ideas find their most complex expression in *Laborem Exercens*. After attacking the capitalist view that treats private property as an “untouchable dogma,” the Pope insists that the concept of ownership “should undergo a constructive revision both in

theory and in practice.” (LE 66) What is this constructive revision? It is nothing less than the “socialization” of capital! (LE 65) In the Pope’s view, the *only* legitimate title to private goods “is that they should serve labor and thus by serving labor that they should make possible the achievement of the first principle of this order, namely the universal destination of goods and the right to common use of them.” (LE 66) The encyclical expands on this idea:

“In the light of the above, the many proposals put forward by experts in Catholic social teaching and by the highest Magisterium of the church take on special significance: proposals for joint ownership of the means of work, sharing by the workers in the management and-or profits of businesses, so-called shareholding by labor, etc.” (LE 67)

Socialization of property is not to be confused with “collectivization,” which would merely transfer power from the owners to a group of managers, (LE 68) rather, we can speak of socializing [of capital] only when “on the basis of his work each person is fully entitled to consider himself a part owner of the great workbench at which he is working with everyone else.” (LE 69)

We should at this moment pause to catch our breath, for what John Paul has done is indeed breathtaking. Whereas the strategy proposed by Leo and Pius is a gradual one, the current pope replaces it with a radical one. Whereas in the previous works a just wage and the encouragement of thrift would lead to a gradual acquisition of property and so make the classes

“neighbors to each other,” in this Pope the workers are to be included in the ownership of the workbench simply by virtue of being workers. Further, while the term socialization certainly doesn’t mean socialism (quite the opposite!) it is nonetheless a bold and provocative term for the Pope to use. As far as I can tell, it is without precedent in the Social Teachings; it does, however accord well with John Paul’s philosophy which places man at the center of work. In *Centesimus Annus* he identifies the human person, together with the earth itself, as the “principle resource” in creating wealth. (CA 32.2) It also accords well with the philosophy of work developed in *Laborem Exercens*, which as has been noted, makes the worker the primary and efficient cause of wealth.

Subsidiarity

But if the worker is himself the cause of wealth and should therefore be associated with ownership of the means of production, how should this be accomplished? Once again, *Laborem Exercens* calls upon the principle of subsidiarity:

“By producing a wide range of intermediate bodies with economic, social and cultural purposes; they would be bodies enjoying real autonomy with regard to the public powers, pursuing their specific aims in honest collaboration with each other and in subordination to the demands of the common good.” (LE 69)

These “intermediary bodies” constitute the essence and program of “subsidiarity,” the notion of a large number

of institutions, public and private, that interpose between the individual and the state or the major corporation. In this, John Paul follows the ideas of his predecessors, who all insist on subsidiarity. In all of the encyclicals, the most important subsidiary body (from an economic standpoint, and aside from a wider diffusion of property itself) is the union. *Rerum Novarum* mentions associations for mutual aid, agencies to care for the worker and for his family in the event of accident, sickness or death, etc., but among all these “association of workers occupy first place”. (RN 68, 69) In *Quadragesimo Anno*, the “syndicate” or binding union (“union shop” in current parlance) becomes the key organization for achieving the social aims of the worker and society at large. (QA 92) In *Centesimus Annus* the primary responsibility for overseeing human rights and “welfare” belongs first to subsidiary organizations, and only partially to the state, (CA 48.2,4,5) and the key organization is the Union. John Paul strongly affirms the right to form labor unions (LE 94), which have their root in medieval guilds, but which in the recent past grow from the struggle of workers to protect their rights. (LE 95) The unions are “a mouthpiece for the struggle for social justice, for the just rights of working people.” (LE 96) In *Quadragesimo Anno* Pope Pius hoped that syndicates would make strikes unnecessary, but for John Paul the right to strike is clearly legitimate. (LE 100)

Subsidiarity has many more implications, which we can only briefly touch on here. It presumes the decentralization of power and is itself the guarantor of that decentralization. In this regard, it is also the guarantor of democracy, for whatever form the regime might take, be it monarchical,

aristocratic, or democratic, the institutions of the people stand as bulwark against the abuse of office and the concentration of power.

Summary

This brief analysis should allow us to glimpse the outlines of Papal strategy. In answer to the economic elevation of things over people and capital over labor, it advances the personalist principle and the primacy of labor. With capital removed from its pre-eminent place, the Church calls for a wider distribution of property and hence a wider diffusion of power among the people. How is this diffusion to take place? Through the just wage, which arbitrates relations between capital and labor which itself is an objective right. How is this wage to be achieved? The Church lays stress not so much on governmental action, but on the action of subsidiary organizations, the primary one of which (aside from the distribution of ownership itself) is the union, which will be in a position to negotiate just wages with a more diverse group of owners.

The Distributivist Response

While the Church's teachings are not a "program" or a platform, this is not to suggest that they are either "unrealistic" or "impractical;" on the contrary, one is impressed with their realism and forthrightness. But it is the role of the laity to make the Church's teaching come alive in the real world, to prudently examine the situation in which we find ourselves and to devise plans and strategies to implement the teachings. Distributivism originates mainly as a lay response to *Rerum*

Novarum, and throughout its history the teachings of the Roman Pontiffs have served as inspiration. Distributivism bases its response above all on the principle of subsidiarity, both in the economic and political realms, realms which cannot in practice be entirely separate.

Economic Subsidiarity

"Power follows property." To put the proposition succinctly, Distributivists believe that the best way to spread the benefits of freedom and economic initiative is through small property. Distributivists fear, above all else, the concentration of power that is the inevitable consequence of the concentration of wealth; in fact if Daniel Webster can be believed, the two are the same thing. On the economic order, the just distribution of property is itself the major instrument of subsidiarity. With no one to control the market, free competition will thrive, if Adam Smith can be believed, and the economic talent and initiative of the people will be released. It is important at this point to clarify what is meant by a "free market." Too often, this term is taken to mean a market "free of unwanted government interference." I say "unwanted," because there is a great deal of interference that established capitalists welcome: subsidies, protection from liability laws and lawsuits, regulations that raise the entry cost to potential competitors, etc. However, it is not merely governments that make markets un-free, but monopolists and oligarchies that can control them. I take it that a market is free if no buyer or seller can control the market. And the sign of this freedom is the diversity of the market; if

there are no or few choices, we must assume a controlled market, a market that lacks freedom. Distributivism works against market domination not just on the governmental level, but on the real world level. The economic diversity implied by many small owners in any given business is the only real antidote to the economic domination of which Pius XI warned us.

Political Subsidiarity

We in America consider ourselves a democracy because we have the *forms* of democracy – elections, legislatures, political parties, etc. However, the *reality* of democracy can only be judged by the choices actually given to the people and by how closely those choices coincide with the traditions, customs, mores, and will of the people. Throughout the Roman Empire, elections were held, elections that were as bitterly contested, as broadly debated, and as well financed as any of ours, yet no one will contend that the Empire was a democracy. Throughout the communist period, all of the so-called Democratic Socialist Republics held elections, as they still do in China; but this formal democracy hardly masks the reality that no real choices are involved.

I think the “choices” represented in American Democracy are similarly hollow. The analysis offered by Mary Ann Glendon is here useful:

“It does not seem an exaggeration to say that we currently have a party of big business playing lip service to traditional moral values, and a party of big government paying lip service to the needs of working people and the poor. Even that

distinction is collapsing as Democratic Party leaders cozy up to big business, and Republicans discover the joys of big government.”⁴

If the “differences” are no more than those expressed by the campaigns of Bob Dole and Bill Clinton, there is legitimate doubt about the reality of Democracy in America. How does this situation come about? I would argue that without subsidiarity, and particularly subsidiarity in the economic realm, real Democracy is impossible. Power will follow the money, and if the wealth is concentrated, power will be likewise. Consider, the average congressional campaign costs about \$650,000 per candidate. The winner holds office for 730 days. Thus each and every day in office he must raise \$867, Sundays, Christmases, and Easters included and no vacations allowed. That’s \$6,000 every week, over \$25,000 every month. Note that all this is for an office that amounts to 1/435th of ½ of 1/3rd of one of the many levels of government that comprise the American Regime. With concentration of economic power, there are limited sources for such large amounts of cash and all candidates must work the same sources. Is it surprising that, by and large, they tend to say the same things?⁵ Political

⁴ Mary Ann Glendon, in *The End of Democracy*, Mitchell S. Muncy, editor, (Spence Publishing Company, Dallas) 1997, page 85.

⁵ This is **not** to be interpreted as yet another call for anything so simplistic as “campaign reform.” Indeed the current dreadful situation is the result of the last dreadful reform. Without a doubt, the next dreadful situation will be the result of worse “reforms,” reforms that further concentrate power and make

subsidiarity will be the natural outcome of economic subsidiarity. Further, without economic subsidiarity, politics can never be more than a sham for those too small to have their own powerful lobbies.

Implementing Economic Subsidiarity

In discussing the implementation of economic subsidiarity, two things need to be made clear: the first is that it is not utopian, and the second is that it must involve a revival of the sentiment for property. Concerning the first question, Distributivism is not a cure for poverty, ignorance, or disease; a perfect division is not sought, young men will still get acne and old ones gout; fools will gamble away their fortunes, and the poor will be with us, as always. What is sought is to restore the institution of property so that it becomes a real distinguishing mark of our society, to the extent that real power, economic, social, and political, is shifted to the lowest possible level.

Concerning the second question, we find a real bar to Distributivism. Mary Ann Glendon notes the problem:

"Most Americans are highly dependent on big business and government: about a fifth of the labor force are public employees; a third work for the central core of large corporations (many under government contract or subsidy); the pensions of retirees are invested in the same corporations; recipients of governmental largesse include

even less likely the expression of contrary views. The best reform is to decentralize power; the rest will then take care of itself.

not only welfare clients, but a substantial fraction of the middle class (through government-insured loans, Medicare, and retirement income funded with general tax revenues). Most of these dependents have children or others who are in turn dependent on them."⁶

In such a situation, "reform" as such is impossible without a reform of manners and morals. To some extent, that is happening, as people discover that the corporate world treats all workers as temporary, moveable, and replaceable. People are learning to take more responsibility for their own economic well-being. Nonetheless, we are still a long way off from reviving the sentiment for property.

That problem aside, let us look at just a few ways that in which property can be revived.⁷ I am not here offering a complete program, but merely pointing to a few things that may be done in order to demonstrate the kind of thinking that will be necessary to restore any meaningful subsidiarity. A more complete discussion can be found in Hillarie Belloc's *The Restoration of Property* or G. K. Chesterton's *The Outline of Sanity*. But what is being attempted is nothing less than a

⁶ Mary Ann Glendon, *loc. Cit.* Pg. 85.

⁷ Let me note right away that we are talking about income producing property. Even though a large segment of the people own their own homes, the combination of zoning laws, permit requirements, "suburbanization," etc., combine to diminish the economic value of the home, which is no longer a center of even domestic production, but a mere domicile and a consumer item.

complete shift of power, both political and economic, for if we will not shift the latter, we cannot shift the former.

Differential Taxation

Tax rates for employee-owned business could be lowered relative to corporations. This would recognize the “social” value of employee-owned businesses and provide a real advantage in the marketplace.

Differential Regulation

No one would deny the need to regulate the workplace for such things as employee safety. Yet it seems that the real experts on this subject are the employees themselves. Government regulation often involves matters of no importance while overlooking areas of real danger, are expensive to implement, and are often poorly enforced. I would suggest that in companies where employees have real rule making authority, either because they own the company or because they have a strong union, that rule making be left to employees. This would give an advantage to the employee owned company and give other companies an incentive to have a union.

Encouraging Cooperative Ownership and Employee Stock Ownership Plans (ESOPs)

Cooperatives allow holders of small capital to gather for larger projects and enterprises. In many states, there is no legal form under which they can exist. ESOPs allow for worker control of corporations by the purchase and/or distribution of company stock to the workers.

Reduce Property Tax Burden

At one time property presupposed income, and the property tax was a form of income tax. For most people, this is no longer true. Nonetheless, many governmental expenses that have nothing to do with property are funded by the property tax. In Texas, this tax is a substitute for a state income tax, is highly regressive, and supports functions that have nothing to do with property, such as schools, and junior colleges. Property should be properly taxed for those services it receives, such as streets, police and fire, etc. but other services should find other sources.

Limiting Zoning Laws, Licensing Requirements, etc.

The economic value of one’s home is severely limited by zoning laws. Often these laws are trivial and overbearing. Certainly, no one wants a lead smelter or major factory in their back yards, but zoning, licensing, and other restrictions often involve “overkill”. This is especially true for the poor, for whom a home may be the only economic asset.

Breaking the Educational Monopoly

The largest monopoly in this country is education. Vouchers, charter schools, freedom to choose one’s district, and home schooling would help break this monopoly and restore control and responsibility for education to parents.

Breaking the Partisan Political Monopoly

Effective entry to the political system is controlled by the two political parties, which in itself is an extra-constitutional arrangement.

Nonetheless, these parties are encoded in law by protections that make third parties difficult or impossible. They are also the recipients of vast public subsidies. The subsidies should be ended, and the requirements for getting on the ballot should be lightened so that politics may encompass as wide a range of views as is practical.

Summary

Distributivism is based on the realistic and intuitively grasped notion that *power follows property*, combined with a genuine love of freedom and a desire to spread the benefits of freedom and economic initiative as widely as possible. It is a real response to the Pope's call for "a change of lifestyles, of models of production and consumption, and of the established structures of power which today govern societies." (CA 58.1) As such, it deserves the serious and prayerful consideration of faithful Catholics everywhere.