

ETHICS AND ECONOMICS

God and the Welfare State

Lew Daly

Cambridge, Massachusetts: MIT Press, 2006 (132 pages)

Most critics of President George W. Bush's faith-based initiative take one (or more) of the following three tacks: It is a particularly objectionable form of privatization; it is a violation of the separation of church and state (prostituting or perverting one or the other or both); it is a crass political move, intended either as a sop to conservative evangelicals or as an opening gambit to lure urban pastors and their churches away from their traditional allegiance to Democrats. Few get beyond these for-the-most-part facile objections to search for and take seriously any sort of theory that might animate the effort.

For at least two reasons, this is a problem for critics. First, by voicing a largely negative reaction, they cast themselves as defenders of a supposed status quo that was abandoned by the Clinton Administration more than a decade ago. They overlook the fact that in 2000 there was little difference between the presidential candidates on this issue and that in some states (such as overwhelmingly Democratic Maryland), innovative cooperation between government and faith-based organizations proceeds apace. It almost looks as if critics object to the faith-based initiative only because George W. Bush embraced it.

Second, their merely oppositional stance leaves them no effective way forward in addressing the pressing social problems that everyone acknowledges. No one is about to resurrect Lyndon Johnson's Great Society or to turn their backs on the faith-based organizations that have long worked in the most depressed communities and with the most distressed individuals.

These critics would be well-advised to read Lew Daly's *God and the Welfare State*, for Daly has taken seriously the complex of ideas underlying the faith-based initiative,

ideas that are theoretically sophisticated and have roots in the social teachings of the Reformed and Roman Catholic traditions. Focusing on the Roman Catholic doctrine of subsidiarity and the notion of sphere sovereignty developed by Abraham Kuiper (a turn-of-the-twentieth-century Dutch theologian and political leader), Daly shows how these ideas grew out of attempts to blaze a religiously inspired third way between secular social democracy and Anglo-American liberal individualism.

Composing such a short book, Daly's accounts are naturally sketchy, but they are nevertheless suggestive. The thirteen pages devoted to Kuiper offer a brief account of his principled pluralism, in which a limited state provides a framework of public justice in which natural confessional communities develop a full array of social services (including education). In principle, a Dutch Calvinist, Catholic, or Socialist could receive virtually every public service (with the exception of police and security) from institutions and organizations staffed by like-minded fellows. Each confessional (or secular) community would respect its bounds and the autonomy, within their spheres, of the others. It is important to note, as Daly does, that while this view begins from the acknowledgement of God's sovereignty over all, it explicitly eschews a confessional state: The government protects self-governing religious communities but does not enforce a public orthodoxy. Kuyperian sphere sovereignty is not even remotely theocratic.

Similarly, the fourteen pages devoted to the doctrine of subsidiarity note its origin in late nineteenth and early twentieth century papal encyclicals, especially *Immortale Dei* (1885) and *Quadragesimo Anno* (1931). In these documents, Daly finds suggestive similarities with the Reformed tradition and yet a significant difference: “[S]ubsidiarity puts the family and the church back in charge of the things that fall within their natural domains, but the ultimate good in this vision of graduated powers is the unified corporate order of medieval theology.” Subsidiarity, according to Daly, implies a hierarchy, enforced from the top.

Of course, both of these doctrines were developed on the continent and therefore have to be adapted to apply to contemporary America. In Daly's version, something gets lost in the translation. I mean this in a variety of ways.

Daly's positive argument—and one that he hopes his allies on the religious left will deploy as they engage proponents of the faith-based initiative—is that the European states that employ neo-corporatist models that owe something to these religious doctrines have much larger social welfare budgets than those found in the United States. If one takes the religious call to provide for widows and orphans seriously and works through faith-based organizations, one should be extremely generous, as are the European welfare states:

[W]hat makes subsidiarity in social services something other than charity is the comprehensive system of social transfers that backs it up, guaranteeing a living family wage in good times and bad. A subsidiary welfare state is not necessarily weak or inactive; it is limited only in the sense that it does not usurp or constrain the traditional role of religion in society. Christian Democracy repudiates charity in favor of the public transfer of resources; comparative results with the United States are striking.

In other words, compassionate liberals should see compassionate conservatives their faith-based initiative and raise them, using the professedly mutual interest in helping the needy in order greatly to expand transfer payments.

That the faith-based initiative has not yet produced such a change suggests to Daly that something else may be on the horizon: “[F]rom the beginning the faith-based initiative has been about helping the religious groups that provide social services, not the people who depend on them.” The faith-based initiative is “an effort to hollow out the welfare state by relinquishing its public authority to religious groups.”

Taken together, these two points provide a template for arguing with compassionate conservatives. Begin by accusing them of designs against traditional public assistance programs and argue that the only way to show their *bona fides* is by spending on a scale that would not be out of place in Germany.

Daly is not without trepidations about going down this path, at least if one takes his insinuations seriously. Thus, in his brief account of Kuyper, he cannot resist noting, “Kuyper’s thought influenced Afrikaner racial nationalism,” and, therefore, “serious questions remain about the possible dangers of sphere sovereignty and other similar doctrines in pitting social groups against one another or in justifying social hierarchies.” He offers a similar caution in his account of subsidiarity, noting the affinity of fascists and neo-fascists for Catholic-inspired corporatism.

Given the brevity of his overall account, these are hardly random details. They serve to raise questions about the motives and ultimate aims of the proponents of the faith-based initiative, which, as I noted earlier, can in his view apparently only be redeemed by signing onto his program of massive transfer payments.

Daly’s account of the politics of the faith-based initiative in the United States is similarly tendentious. Rather than examine the relatively modest program of recruiting and funding new faith-based service providers that the Bush Administration has actually undertaken, he focuses on what he calls “a massive political effort to reconstruct the social safety net around religious providers and their methods.” The actual behavior of the Bush Administration—which reports that in the 2005 fiscal year roughly eleven percent of grants from selected agencies went to identifiable faith-based organizations—is more consistent with an effort simply to expand and diversify the range of providers. The aim, as one report put it, was to level the playing field, enabling faith-based organizations to compete on equal terms with well-established secular and secularized providers.

Daly seems undeterred by these facts, however. Instead, he calls our attention to a small group of “dominionist” religious conservatives who “advance an explicitly theocratic version of welfare reform,” in which the state’s role would wither away altogether, to be replaced by churches. The line of connection to the Bush Administration’s actual program is quite indirect: Conservative Presbyterian George Grant influenced author and editor Marvin Olasky, who in turn influenced President Bush. This is hardly a smoking gun, and in no way accounts for the manner in which the thinking changes through its transmission from a conservative Reformed theologian to a president who might accurately be characterized as a mere Christian. It also does not account for the marginality of so-called dominionists

even among evangelicals and of the role of political give-and-take in the enactment of any policy. Stated another way, while Daly is cognizant of the way in which “the unique political circumstances of the Netherlands in the late nineteenth century” encouraged Kuyper to embrace pluralism, he seems unwilling to regard contemporary American circumstances as calling for a similar sensitivity to political differences and disputes.

In the end, Daly seems to be unable to get beyond his aversion to religious and political conservatives. However seriously he is willing to take what he regards as the religious underpinnings of the European welfare state, he seems to lack the capacity to imagine something attractively different in the United States. His American dream is neocorporatist; his American nightmare is theocratic. There is no room for anything in between, which is surely what we have and will continue to have.

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Fair Trade for All: How Trade Can Promote Development

Joseph E. Stiglitz and Andrew Charlton

Oxford, United Kingdom: Oxford University Press, 2005 (315 pages)

This book grew out of a study commissioned by the Commonwealth countries asking the authors to determine what a round of trade negotiations that focused on assisting less-developed countries would entail. Their stated purpose is “to describe how trade policies can be designed in developed and developing countries with a view to integrating developing countries into the world trading system and to help them benefit from their participation” (1). Further, they ask, “What would an agreement based on principles of economic analysis and social justice—not on economic power and special interests—look like?” (5).

Stiglitz and Charlton are quite critical of the current world trade regime, but the book differs from most others of that genre in that the criticisms are informed, and repeated references are made to both theoretical and empirical work that supports the criticisms. Even so, the book is unbalanced in that it focuses so much on possible ways in which less-developed countries may be disadvantaged in the current trading system that it does not give a full accounting of the many benefits realized by countries that have successfully integrated into the world economy. If the current system were as bad as the authors make it out to be, there would not be 150 members of the World Trade Organization and another 30 or so clamoring for entry. Apparently even the least developed countries judge the advantages of participation to outweigh the disadvantages.

What are some of the ways in which Stiglitz and Charlton consider the current world trading system to be unjust? They point to the following facts: both tariffs and nontariff trade restrictions fall more heavily on products exported by less-developed countries; multilateral agreements to liberalize services trade have focused on services in which