

3/20/96 USA Market in the Image of the Creator

By WILLIAM MCGURN

ROME—What do you get when you take a Nobel Prize-winning economist, put him together with a Roman Catholic cardinal who runs a key Vatican think tank, and ask them to talk economics? The answer is an extraordinary level of agreement.

That's what happened here early this month at a remarkable symposium called "The Family and the Economy in the Future of Society," convened by the president of the Pontifical Council for the Family, Cardinal Alfonso Lopez Trujillo.

The cardinal brought the University of Chicago's Henry Becker together with an assortment of academics, family advocates, business leaders, union officers and this writer to discuss ways of sustaining the family consistent with the demands of a globalizing economy. And on the fundamental questions that matter to societies—the need for growth and opportunity, the unparalleled importance of the family, and, above all, the idea that people are assets and not liabilities—what participants found was a growing convergence between Catholic social doctrine and modern economics.

For much of the postwar era, of course, Rome has not been kind to what it calls unbridled or extreme capitalism, doubtless reflecting long historical memories of the antireligious liberalism of 19th century Italy or Mexico. But when the labels are put aside, there appears a striking affinity between market advocates and Catholic social principles. When Pope John Paul II talks about the right to economic initiative and puts it at the heart of his economic letter, for example, he sounds very close to how Prof. Becker defines capitalism. Likewise,

when Prof. Becker defines economic growth as the opportunity that gives young people the jobs and wherewithal that allow them to start families of their own, he finds a sympathetic ear in Cardinal Lopez Trujillo. Even the pope's call for solidarity as an intrinsic social virtue has its echoes in the cooperative arrangements free people make with one another in a market economy: Born free, capitalist man is everywhere in contract to his neighbor.

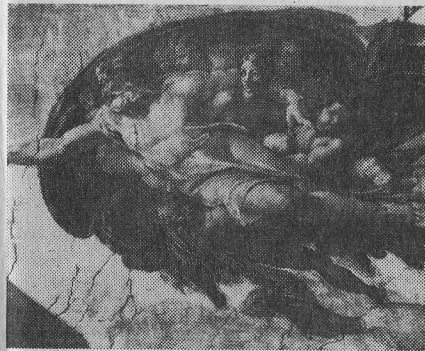
In one sense, this convergence might be thought to represent a growing sophistication within the church about the virtues of a market economy. Certainly it is true that this pope, who has had personal experience of the twin totalitarianisms of fascism and communism, has demonstrated an appreciation for the dynamics of a free economy far beyond that of any of his predecessors. Yet the convergence of market economics with Catholic social teaching also demonstrates a growing sophistication among leading economists for some of those intangibles—old-fashioned folk would call them virtues—that are essential if free societies (and free economies) are to sustain themselves.

For Mr. Becker, there are two critical points here. The first is that an ever more complicated and interlinked global economy is putting an increasing value on something he calls "human capital"—the skills, training, education and health of each person in society. The other is that an open economic system allows this human capital to reach its greatest fruition. In this equation, families play the key role.

To understand human capital, Mr. Becker told the conferees, you have to go back to the family, because it is families

who are concerned about their children and try, with whatever resources they have, to promote their children's education and values. Along with the pope, moreover, Mr. Becker is concerned about some of the artificial tax and regulatory incentives that serve to push mothers who might otherwise choose to stay at home back into the work force.

Nor is it a coincidence that this concern for the well-being of the family is most



acute in Asia, home to the world's most dynamic economies. These countries are trying a variety of means to shore up family life in a modern economy; indeed, Singapore is even experimenting with a law that will allow elderly parents to sue their children for support. Whatever their means, all recognize that any economy that depends on the thrift, hard work and enterprise of its people at bottom depends on the family to transmit these virtues to succeeding generations. Yet it is families who have been hit hardest today in many parts of the developed world, often by government efforts ostensibly designed to help them.

What does any of this have to do with the Roman Catholic Church? As the pope demonstrated in the run-up to the United Nations conference in Cairo, the church remains the chief obstacle to the re-ascendant Malthusianism of the day, which under the fraudulent banner of "science" or "economics" thumps for an increasing state say over all aspects of human life. The battle is as much theological as economic—whether man is, as Genesis teaches (and the pope has emphasized in his own theology), a being in the image and likeness of his Creator, or whether—as the new Malthusians would have it—he is an animal breeding to his own destruction, to be saved only by increasing government control. In this debate, it is worth noting, the market economists come down on the side of the angels.

On the last day of the conference, organizers took us for a private morning tour of the Sistine Chapel, where we gazed undisturbed upon Michelangelo's brilliantly restored ceiling. In the center stands the Creation scene, with the Lord about to give Adam life through the touch of His finger. Little noticed is that the cloud surrounding the Lord is shaped like a human brain. In Michelangelo's metaphor, the Creator who passed life to man was also passing something of his creativity.

"I come at it from my end, and you come at it from yours," Prof. Becker said later that morning, a reference to the respective visions of the economist and the theologian. "But what surprises me is how we end up in the same place."

Maybe not so surprising after all.

Mr. McGurn, a senior editor for the Far Eastern Economic Review in Hong Kong, was a speaker at the Vatican conference.