Austrian Economics and Distributism: Comparison in Light of Catholic Social Teaching

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Introduction: Brief History and a Solution

Debate between the Distributist and Austrian economic schools has a long history. Distributism became a coherent body of thought in the early 20th century with thinkers G. K. Chesterton, Hilaire Belloc, Father Vincent McNabb and others. It purports to be the elusive “third way” between socialism and capitalism, gaining much ground in grassroots economic discussions of late. As the name implies, Distributists believe that real economic freedom will be achieved through widely distributed property ownership and decentralized capital, in a so-called “society of owners” (Matthews).

Workers’ guilds, family farms and suspicion of big business are distinguishing features of this system. It forms the ethos of many back-to-the-land agrarian movements and worker-owner cooperative businesses like the thriving Mondragón Corporation in Spain. Distributists are troubled by the high degree of abstraction they see in the vast division of labor, where men employed by large, unfeeling businesses and are many levels removed from the final end of their work. Thus, early Distributism exhibits nostalgia for the property arrangements of the Middle Ages, when, they argue, men had greater economic freedom. Guilds allowed workers a direct connection to the product of their labor and direct involvement in their own business. Though the utopian nature of early Distributism makes it tempting to dismiss offhand, the growth of neodistributism, which more appropriately applies Distributist theories to today’s market, renders complete dismissal impossible.

The roots of the Austrian School of economics lie with the Spanish Scholastics, at the School of Salamanca. It became a coherent school of thought around the same time as Distributism, shaped by the towering figures of Carl Menger, Eugen von Böhm-
Bawerk and Friedrich von Wieser, and has earned respect for its robust business cycle theory. Austrian economists base their study on fundamental principles of human action—all theory is deduced from these points. Man acts; action requires choice; man chooses the alternative which he prefers. Goods are scarce; man cannot satisfy all of his ends at once; therefore decision-making also means economizing. Termed “praxeology” by Ludwig von Mises, this method of deduction embraces a true conception of the human person, breaking from mainstream economic schools such as Keynesianism and Neoclassicism which reduce man to a profit-maximizing, input-output agent and focus their study on empirical calculation and prediction. The powerful tool of praxeology allows Austrian economists to discover incontrovertibly true economic laws based on objective facts of human nature, and is the distinctive feature of this school.

Ordinarily heated, the economic discussion between Austrians and Distributists becomes even more poignant when it brings Catholicism to the table. Austrian economic thought can be highly compatible with the Church’s social teaching, and quite a few Austrian scholars past and present are also faithful Catholics. Praxeological analysis holds great appeal to Catholics—who, informed by their faith, seek an authentic human anthropology. Distributism was founded primarily by Catholic thinkers as an alternative to capitalism, and so it unsurprisingly parallels Catholic teaching more explicitly. On both sides, intellectuals who seek to adhere to Church teaching denounce the other’s views as incompatible with that same doctrine.

In order to avoid the name-calling and misrepresentations which characterize most dialogue on the subject,¹ comparison in light of the core principles of Catholic

¹ “Capitalism” has taken so many different meanings and Distributism so many outlandish positions that such confusion is hardly surprising.
social teaching will provide solid framework with which to observe each school’s ability to foster a Catholic approach to economic life and political organization. The dignity of man, subsidiarity, solidarity and the common good make up the four central themes of the Church’s social teaching. These principles point to a full, authentic, Catholic vision of the human person as made in the image of God and of society as the Body of Christ, which should be the measuring stick by which every social science is considered.

**Avoiding Common Controversies: The Problem of Policy Recommendations**

The importance of this topic should not to be underestimated. Though the secular or Protestant economic community may remain largely unaware, the search for a “Catholic” economics remains a volatile subject, ever since the release of papal encyclicals commenting on the subject. Church proclamations on the economy, government and society flow naturally from her responsibility to promote the welfare of God’s children. The organization of a country’s government and economy shape its society, in turn affecting the spiritual and material wellbeing of citizens. It is therefore within the Church’s duty to speak out against social injustice, to defend the poor and to point toward a moral society.

Confusion about the import of these teachings, discerning the extent to which various pronouncements constitute required belief, is a main source of conflict. Distributists jump quickly to accuse the Austrian School of disloyalty, pointing to issues such as the just wage, the Austrian opinion of which may seem counter to papal recommendations. However, such accusations often unintentionally miss their mark—which, unfortunately, is not an uncommon problem on either side of the debate.
Distributist arguments frequently mischaracterize Austrian and libertarian principles, confusing the free market with our current, interventionist economic system.

In addition, Distributists tend to exaggerate the binding power of encyclical recommendations. Their desire to follow the letter of bishops’ and papal recommendations is, while admirable, not required. In a telling quote, Blessed John Paul II clarified:

The Church does not have technical solutions to offer for the problem of underdevelopment as such… For the Church does not propose economic and political systems or programs, nor does she show preference for one or the other, provided that human dignity is properly respected and promoted, and provided she herself is allowed the room she needs to exercise her ministry in the world (41).

Recognizing that this comment comes from an encyclical titled *Solicitude Rei Socialis* (On the Social Teaching of the Church) gives it even more significance (Mirus).

When popes and bishops make economic recommendations they desire the advancement of the human people and the greatest justice for all. They assume that policies which they affirm will succeed in accomplishing their stated goals—not harm the very people they seek to help. When the Church speaks on subjects of faith and morals (teachings like the virgin birth and the Trinity) the faithful are morally obliged to listen. But, while popes do confer with and are advised by economists, and have in more recent years shown greater understanding of the nature and workings of the market, some subjects unmistakably lie outside of his office and he is therefore unable to speak definitively.

For example, Pope Paul VI advocated direct government-to-government aid from developed nations to underdeveloped ones.² Both economic analysis and historical

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² See Pope Paul VI’s encyclical *Populorum progressio*, 44.
evidence have, however, proven this method one of the most detrimental forms of aid, decimating the economies of South African countries and India\(^3\) (Bandow). At the time of this encyclical, Catholic economists—Austrians among them—who warned against the negative effects of direct aid were deemed unfaithful or dismissive of the pope’s words, arrogantly preferring their own superior, material knowledge to that of our earthly spiritual Shepherd. One should hesitate, however, before placing either label upon them.

Many churchmen, by their very nature as churchmen rather than economists, understandably possess little real knowledge of economics.\(^4\) Not even papal recommendations can change human nature, the very nature which allows these economists to praxeologically arrive at their conclusion. As Austrian economist Dr. Thomas E. Woods, Jr. aptly noted in his 2005 book *The Church and the Market: A Catholic Defense of the Free Economy*, if all Church pronouncements on economics were infallibly true, there would be no need for economic science (4). For these reasons, though this by no means constitutes an in-depth treatment of the issue and any deviation from encyclicals and bishops’ or cardinals’ statements must be considered with utmost care, adherence to specific policy recommendations will not be considered a factor in this analysis.\(^5\)

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\(^3\) This is usually due to misuse of the funds given to the underdeveloped countries by corrupt governments.

\(^4\) In his book *Economic Thinking for the Theologically Minded*, Samuel Gregg laments this fact. Theology schools largely neglect to provide their students any kind of economic formation, leaving them without a solid framework from which to understand the market and the implications of policies they choose to advocate in their concern for God’s people. His book is an excellent primer for such students.

\(^5\) For a more in-depth look at the confusion surrounding papal infallibility in the realm of economics, see the article “Economic Science and Catholic Social Teaching” by Thomas Storck for a Distributist perspective and “Catholic Social Teaching and the Market Economy Revisited: A Reply to Thomas Storck” by Thomas Woods for an Austrian perspective.
Method

Within each theme of Catholic social teaching, an overview of the topic as found in the *Catechism of the Catholic Church* will first be presented before analysis of Distributist and Austrian theories. The *Catechism* is essentially the primer to the infallible teachings of the Church, summarizing and citing the Bible, encyclicals, apostolic letters and doctors of the Church to provide a concise source for the fundamental beliefs which all Catholics profess and share. Blessed John Paul II, under whose direction the *Catechism* was compiled and approved, said this in the Apostolic Constitution *Fidei Depositum* upon the publication of the *Catechism*: “[The Catechism] is a statement of the Church’s faith and of Catholic doctrine…[it is] a sure norm for teaching the faith…showing carefully the content and wondrous harmony of the catholic faith. [It] is offered to every individual who asks us to give an account of the hope that is in us (cf. 1 Peter 3:15) and who wants to know what the Catholic Church believes” (3). It therefore serves as an appropriate and accessible means to survey the core of Catholic social teaching.

Human dignity and the common good are not given separate analyses because they are so inextricably woven through consideration of the other principles. Some theory will also be discussed, as it is futile to praise the effectiveness of a theory if it crumbles upon implementation in the real world.

In order to avoid falling into a false dichotomy between Distributist and Austrian economics, another point must be clarified: references to libertarianism and the Austrian School of economics are used almost interchangeably within this argument. They are treated as one and the same by Distributist critics, and for those sympathetic to this
school, more often than not the two go hand-in-hand.\textsuperscript{6} For this reason, any application of Austrian theory to government and policy will here be libertarian, for it is essentially Austrianism put into full practice. Libertarianism here refers to a favoring of the unhampered free market and small government embraced by many of the political right.

**Subsidiarity: The Catechism**

Perhaps the most important principle of Catholic social teaching for economics is subsidiarity. The definition of subsidiarity in Blessed John Paul II’s encyclical *Centessimus annus* states that “a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to co-ordinate its activity with the activities of the rest of society, always with a view to the common good” (5.48). Put more simply, large organizations should not assume tasks that smaller, more decentralized organizations can do just as well.

The purpose of subsidiarity is to involve as many people as possible in the life of society. Society is a fundamental aspect of the human person; part of our vocation as beings created in the image of God is our interaction in community. Further, the purpose of all social institutions should be the human person—it only makes sense that by coming together in society we better ourselves and each other (CCC 1879).

\textsuperscript{6} The nature of Austrian economic science is such that one must not necessarily follow the other. Austrians hold that economic science is value-free, and thus it is possible to separate the science from its policy applications. So Austrian economics can show us that the minimum wage causes unemployment, but it does not tell us that we should advocate the abolishment of the minimum wage. It can tell us that unhampered, government-free markets will be more productive and lead to greater prosperity than hampered markets, but it does not tell us that we must be libertarian. As soon as economists move to apply the findings of their policy, they make a value judgment.
By emphasizing the need for leadership at decentralized levels of society, solidarity recognizes fundamental yet often hidden reasons to prefer local organizations, focused closer to home. It allows more people involvement in society. Groups (for example, cities and towns) enabled to make decisions which affect their own spheres of influence are closer to the problems in their own area. Decentralized decision-making results in solutions which meet local needs both more appropriately and more efficiently, as opposed to one-size-fits-all packages or disproportionate allocation passed down by higher levels of government less familiar with local context and circumstances. It also serves an important role in the protection of man’s rights, by giving local leaders and even individual citizens greater initiative and responsibility—thereby providing them increased incentive to defend those rights (1882).

According to the *Catechism*, “certain societies such as the family and the state” are essential to the flourishing of man within his community (1882). The family should be upheld by social institutions, not undermined.⁷ Government and voluntary associations bring individuals together in order to achieve what was impossible separately; yet, these kinds of associations—especially the state—carry the potential to encroach upon human dignity (1883). Thus, the principle of subsidiarity forms the tool by which we discern a balance.

Later, the *Catechism* affirms that subsidiarity is incompatible with communism of any kind, puts limits on intervention and praises voluntary associations. Finally, arguably

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⁷ Government assistance programs to unwed mothers are just one example of policies which undermine the formation of strong families. An unmarried woman receives tax credits for each of her children. If she has more children, she will receive more money; if she marries the father of her children, they risk losing money. These kinds of policies help to spread the corruption of families.
the least understood (and most avoided) aspect, subsidiarity seeks the establishment of a “true international order” (1885).

**Subsidiarity: Analysis**

One Austrian principle immediately visible within subsidiarity is the division of labor. The Austrian conception of man mirrors almost exactly the *Catechism*’s words: “Through exchange with others, mutual service and dialogue with his brethren, man develops his potential” (1879). Only through exchange in the division of labor is man able to break free of Robinson Crusoe isolation and become truly productive. Austrian theory affirms that exchange can indeed be mutual service—one man meeting the need of another receives in turn what he himself needs.

Mutually beneficial exchange expands the potential of one man by allowing him to specialize, learning to use his gifts and talents in conjunction with more efficient uses of God-given resources and cooperating with those around him to raise the standards of living for all in society. It affords him an added measure of security, in that he no longer relies solely on himself. The division of labor naturally fosters dialogue, drawing individuals together into a civilized community, neighbor supporting neighbor. Additionally, increased productivity results in more free time which man can put to many previously impractical uses, including development of the arts, contemplation, or even the dedication of individuals to full-time service in the Church. It is clear that without such a sharing in the tasks of production, man would have less need of his fellows and would toil mightily to provide everything necessary for self-sustenance.
Very few would deny the benefits of the division of labor. Distributists, however, while acknowledging these benefits, do hold certain reservations—especially traditional Distributists, as characterized by founding lights Chesterton and Belloc.\(^8\) Observing the tendency of the market economy toward concentration, they argued that the further removed man becomes from the product of his work and the source of his employment, modern man finds himself essentially in a position of slavery, entirely at the mercy of his employer.\(^9\) Chesterton’s famous dream for society constituted “three acres and a cow” for every citizen. He envisioned a just distribution of property where every man owns his own land and becomes either his own employer or part of a workingmen’s guild, reminiscent of the Middle Ages institutions by the same name.\(^{10}\) These small associations of men who ply the same or closely related trades would allow direct connection between worker and product to ensure each man a say in the terms of his own employment.

The basic tenet of Distributism holds that property should be widely distributed among the people, rather than under the control of the state or in the hands of a few wealthy individuals. This is their idea of social justice. Production should be accomplished by the smallest possible unit. So this is the epitome, or rather the extreme, of subsidiarity.

Distributists are therefore very concerned about market concentration and favor heavily regulation of big businesses in order to level the field with small family

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\(^8\) Or “Chesterbelloc,” as the dynamic duo came to be referred.
\(^9\) Thomas Woods’s article in *The Freeman*, “The Fallacies of Distributism,” critiques this theory into oblivion.
\(^{10}\) Early Distributists looked to the Middle Ages with nostalgia, considering it a time of true economic freedom. However, the real conditions in which people spent their days shows that this may be wishful thinking (see again Thomas Woods’ *The Church and the Market*, Chapter 6: Answering the Distributist Critique, “Insecurity” and the Free Economy).
businesses. Their ideal strives to give workers the means of their own subsistence, citing John Paul II who calls for “associating labour with the ownership of capital” (Laborem).

A critique can be made of the early Distributist notion that freedom is essentially the ability to be independent from the division of labor if necessary. Subsidiarity emphasizes our existence in communion with each other—the Distributist ideal would isolate us. Having an independent farm and the ability to provide entirely for oneself, rather than remaining dependent upon others for the means of subsistence, succeeds more in filling the day with chores than freeing man to realize his full potential. One might wonder how “free” Chesterton’s economically free person would feel.

Few Distributists hold this view today, however. Neodistributism avoids such utopian visions, making it much more potent. Responding to harsh, dismissive criticism, their focus instead lies on a worker-owner conception of business. This blueprint for business organization carries potential to be applied in today’s market economy. In a worker-owner model, all workers have a share in the ownership and leadership of the company, forming a cooperative in a way which essentially applies the idea of a guild to the market today.

The most famous example of this organizational type is the Spanish Mondragón Cooperative. As a single cooperative it encompasses approximately 250 small businesses. In each business the members are themselves simultaneously workers and decision-making part-owners. Distributists hold up this business model as an example for the rest of modern business, that the lowest order possible—the worker-owners themselves—can equal or better the success of corporations with higher-order management, and simultaneously result in a more dignified worker environment. The
cooperative has in fact been extremely successful and serves as a powerful apologetic for the model, even withstanding Spain’s poor economic conditions in 2012 when other businesses failed (Burridge).

The principle of subsidiarity also speaks of a need for family to be defended within society and, if need be, assisted by outside institutions. Here, it is libertarian policies which begin to run into trouble. The Church clearly teaches that in some cases assistance from outside sources is necessary. Staunch opposition to government intervention espoused by libertarian policy would not make an exception in this circumstance. The Catechism’s vague term “social bodies” leaves room, however, for this aid to be provided through private organizations which, the libertarian would argue, form at the demand of the people.

Some question still exists as to the efficacy of relying solely on private organizations. A private charitable organization relies exclusively on the free will donations of others—it is possible they could find themselves unable to bring in the level of funding necessary to provide for those in need. And while this kind of charity unquestionably holds more meaning than formulaic distribution of money obtained through taxes, would not the libertarian solution of private charities hit against the same kind of perverse incentive problem in an attempt to distribute aid impartially? These objections also transfer directly to the problem of aid to the poor.

One of the most important draws of Distributism is its emphasis on the family unit, rather than the individual. Family is central to Catholic social teaching and in fact all aspects of Catholicism, because it forms the building block of a healthy society. Unsurprisingly, then, talk of the “family” appears frequently in Distributist works. This
highlights a fundamental difference between the two schools: Austrian economics, which is a method of economic analysis, and Distributism, a socio-economic theory.\textsuperscript{11} It is not uncommon, therefore, for methodological differences to cause misunderstanding. Distributists speak loosely about the family in many different contexts, where an Austrian consideration of the family would expand the subject of analysis from man as an individual to his family as a whole. Thus, understanding this difference shows that Austrian economic theory is no less considerate of the family—it is simply not expressed in the same way. Additionally, application of Austrian theory in libertarian politics yields the libertarian opposition to government overreach into family life, which the \textit{Catechism} explicitly rejects.

A more obvious obstacle for the libertarian philosophy lies in the necessity of the state. The \textit{Catechism} asserts that at least some level of government is necessary to the full development of the human person. Most importantly, government enables men to come together in order to accomplish what they could not do apart (1882).

Military protection serves as a prominent example. Subsidiarity requires that no higher organizational body take over responsibilities which a lower one can do equally well. The responsibility, then, of higher levels is to aid coordination among more decentralized levels of society and support them when needed. The lowest level upon which military protection can satisfactorily be ordered appears to be the national level. If split into smaller, privately owned factions which must compete for their customers’ patronage, prices and unequal ability to pay would give some—most likely the wealthy—

\textsuperscript{11} Most Distributists do not, in fact, consider economics a science (see David W. Cooney’s 2011 article “The Science of Economics,” on DistributistReview.com). Distributist dismissal of the possibility of a positive economic science seems to result from observation of Keynesian, neoclassical, mathematical approaches to economics, lumping Austrian theory together with these without understanding (or, in some cases, awareness of) praxeology.
significantly better protection than the poor. At very least, protection agencies would require oversight by a larger authoritative body, if only to provide coordination between the many separate organizations.

Distributist theories fall into an opposite problem. Social organization within a Distributist economy inherently requires the presence of the state, in order to ensure that the distribution of property and means of production remains fair and even. Given this duty, government must establish an income level and property distribution to enforce. The relatively arbitrary nature of these decisions immediately makes this system vulnerable to corruption and, more importantly, it begins to smack of socialism. In *The Church and the Market*, Thomas Woods demonstrates how entrusting the government with this kind of power will result in a tyranny no different from socialism. Quoting Joseph Zoric,

> Who does the limiting in the distributist economy? If I have a bakery and my business includes the baking of bread, doughnuts, and wedding cakes, would I be allowed to expand my bakery to include cherry tarts and apple turnovers? Or would this expansion be looked upon by the distributionist police as an unfair advantage over the bakery across town…? Would Michael Dell be limited to selling computers to his college dormmates at the University of Texas rather than to the entire nation (and the world)? It is nothing more or less than a thorough and ongoing socialist state that could limit my bakery’s search for more markets or Michael Dell’s quest to create the biggest computer company in the world. You may call it whatever name you want but the socialist state would most certainly be the result.

It goes without saying that tendency toward socialism poses the most significant stumbling block to either school thus far. The *Catechism of the Catholic Church* specifically condemns the socialist state as inherently incompatible with human dignity:

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12 Another concern about the privatization of defense lies in its potential to develop into mafia-like groups, falling into espionage, social conflict and general chaos. Hans-Hermann Hoppe provides a libertarian argument on this subject in the final chapter of his work *A Theory of Socialism and Capitalism* (2010). While some of his reasoning is sound, other aspects of the argument remain unsatisfactory.
“The principle of subsidiarity is opposed to all forms of collectivism” (1885). Even a neodistributist, whose position would be stated in less extreme fashion, would have difficulty avoiding this conclusion.

Finally, subsidiarity also involves advocacy of the “creation of voluntary associations and institutions…‘on both national and international levels, which relate to economic and social goals, to cultural and recreational activities, to sport, to various professions, and to political affairs’” (1882). The language of the Catechism is strongly reminiscent of Austrian and libertarian rhetoric: voluntary organizations are the preferred alternative to state programs. Wherever possible, libertarian theory seeks to move the organization of programs from government control to the private sector. Each of the above associations will better function apart from government influence and would form if demanded in a free, global market.

A Distributist economy would hope to foster much the same environment, with the notable exception of workingmen’s guilds. In a guild, men of the same trade work together in complementary, harmonious fashion, benefitting from what is essentially a limited division of labor while at the same time retaining direct connection with the product of their work.

In another Distributist example of subsidiarity, Distributism would grant local levels of government more power than they currently possess. According to David W. Cooney in his October 2012 article “Utopia,” for example, a state would be unable to override the laws of a local government. A state could “contribute to education in a poor area, but… [have] no authority to dictate what must be taught.” Cooney argues that
removing this level of interference provides a degree of freedom unmatched at any point in American history.

For a final thought on subsidiarity, one can do no better than the *Catechism’s* perfect clarity: “God…entrusts to every creature the functions it is capable of performing, according to the capacities of its own nature. This mode of governance ought to be followed in social life. The way God acts in governing the world…bears witness to such great regard for human freedom” (1884).

**Solidarity: The Catechism**

The social virtue of solidarity is the “acceptance of our social nature and the affirmation of the bonds we share with all our brothers and sisters” (Sirico). It is characterized by affirmation of human rights and mutual service, dedication to justice and freedom, and concern for the poor. It includes not only material welfare, but also spiritual (1942). Essentially, solidarity means living in loving communion with one another and being concerned for the welfare of others before yourself.

The *Catechism* here contains three important points for economics. First, evidence of solidarity in society is “manifested…by the distribution of goods and remuneration for work” and a striving for social order in which conflicts are peaceably resolved (1940). Second, solidarity among the various peoples of society provides the only solution to socio-economic problems: “solidarity of the poor among themselves, between rich and poor, of workers among themselves, between employers and employees… [and] among nations and peoples” (1941). The *Catechism* also points to this principle as necessary for the establishment of world peace. Third, flowing out from
sincere solidarity, affluent nations have the responsibility to care for those countries incapable of rising from poverty on their own, whether due to tragic history or some other reason (2439).

**Solidarity: Analysis**

The first point states that the extent to which solidarity is achieved in society will be revealed through the distribution of goods (wealth) and compensation for work. It runs conjointly with the second point. Upon first glance, widely varying amounts of wealth owned and earned by members within a capitalist economy may seem to indicate that this system does a poor job of fostering solidarity in society. This conclusion may be reached too quickly, however. The full import of this point can be seen in the example of a country like South Africa, where apartheid resulted in horrible impoverishment for the overwhelming majority of its citizens at the hands of a small, opulent minority. No solidarity, no communion existed between these peoples.

Though our own country is a poor model of free market capitalism, the example of the United States is telling. While without doubt there exist both the wildly rich and heartbreakingly poor, the societies of market economies are characterized by great numbers of middle-class citizens. The poor will be with us always\(^{13}\) —as will the rich, it seems. Therefore a vast majority of middle class citizens, with enough to live comfortably and share with others, indicates a society in which solidarity among the people can, with a cooperating culture, be fostered. This is especially true when realizing that a market economy, rather than keeping the poor as they are, affords them the

\(^{13}\) Cf. Mark 14:7
opportunity to raise themselves and their children into a more comfortable future situation.

Having different classes of people poses no problem for Catholics. The *Catechism* itself mentions both the poor and the rich, and nowhere recommends material equality. Distributists seek to create a thoroughly middle-class society, deemed more “just” than a free market economy which allows variation in earnings and social status. This may be well-intentioned, but it misses the mark. Harmony can exist between rich and poor, worker and employer. It is the natural order of things. Human beings are subordinate to God—mere dirt beside His majesty—but our relationship to Him is one of love and trust.

The most important point for solidarity is the last, which speaks about international solidarity. The ability of a free market society to care for the poor in other countries far surpasses that which a Distributist society could muster. People in an agrarian society will be much less able to assist their poorer brothers and sisters abroad. In their relative independence from the free market, they subsist on little more than what is enough for themselves. While living frugally and ascetically may be a more noble lifestyle and comfortable amenities are by no means required for a happy and content life, it certainly does not leave many “leftovers” with which to bless others.

In a free market, there are myriad ways to help. In fact, it may be one of the principle reasons for God’s design of the prosperity we find in the free market. Proper use of our own gifts and talents benefits the entire community, whether we remain aware of it or not. And indeed, market operations are typically more effective at lifting peoples
out of poverty than either direct aid or charity alone. In today's very global world, reverting to an agrarian society would seem almost selfish.

Conclusions

The development of economic activity and growth in production are meant to provide for the needs of human beings. Economic life is not meant solely to multiply goods produced and increase profit or power; it is ordered first of all to the service of persons, of the whole man, and of the entire human community. Economic activity, conducted according to its own proper methods, is to be exercised within the limits of the moral order, in keeping with social justice so as to correspond to God's plan for man (CCC 2426).

The social teaching of the Catholic Church paints a picture of the social order which encompasses a rich and full conception of the dignity of the human person. It requires a balance. Speaking about socialization, the Catechism shows both its essentiality and its dangers, and presents the social virtue of subsidiarity as a guide for discerning the line between enough and too much. This line is rarely, if ever, black and white. While Mises may say, “There exists no middle way,” the Church respectfully disagrees (79). A fully humanizing view of man does not sell him short, assuming him incapable of losing the battle to corruption. Instead it recognizes that within his fallen nature, man requires both freedom and limits to that freedom.

“[The Church] has likewise refused to accept, in the practice of ‘capitalism,’ individualism and the absolute primacy of the law of the marketplace over human labor. Regulating the economy… solely by the law of the marketplace fails social justice, for ‘there are many human needs which cannot be satisfied by the market’” (2425). A

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14 Here meaning the coming together of people to help organize society, sometimes through government.
15 Evidenced, for example, by a belief that the only possible social arrangement which guarantees man’s rights is complete free market capitalism, because even small levels of government will tend to bring more under their control and tend toward corruption.
complete conception of the human person, a moral construction of society which best fosters human dignity and demonstrates concern for the common good through subsidiarity and solidarity, will also be the most prosperous—for humanity will flourish as it approaches the fullness of freedom in God’s social design.  

The mixing of disciplines has created many problems for Distributist theory. A survey of the occupations of prominent Distributist figures reveals specialization in many different fields: theology, history, law, philosophy, political science. With rare exceptions, Distributist thinkers have no real economic training. This enables them to draw insight from many different perspectives, but lack of economic knowledge unintentionally leads their good-intentioned analysis into misrepresentations and fallacies and leaves their recommendations vulnerable to hidden consequences. Frustration on the part of both Austrian/libertarians and Distributists stems from this fundamental misunderstanding, each group speaking past the other.

Distributist arguments and accusations often come up empty often for the very same reasons Church economic prescriptions sometimes seem off: they simply do not know better. While by the same token Austrian economists receive no special enlightenment, the very nature of their analysis, which is unique from all other mainstream economic schools critiqued by Distributism, is such that they begin and end with fundamentally true principles. In order to facilitate a more meaningful dialogue, each school must first acknowledge the very different ideological framework from which

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16 It is important to note that a Catholic understanding of freedom differs from the one we find in society today. Today, we think of freedom as having the ability to do “whatever I want.” Instead, a Christ-centered understanding could be called freedom for excellence: “Freedom is the disciplining of desire so as to make the achievement of the good, first possible, then effortless. Thus, I become increasingly free in my use of the English language the more my mind and will are trained in the rules and tradition of English” (Barron). In other words, framework and rules allow us to order our actions, thoughts and will in a correct way, and thereby set us free to excel within that framework.
his opponent approaches the same questions. Most importantly, Distributists must come to understand the nature of praxeology and its implications for the study of economics. In this way, by humbly approaching the other from a base of mutual understanding and withheld judgment, conversation between the two schools would result in the maturation of both toward a realistic and authentic Catholic economic philosophy.

In conclusion, we see that Distributist arguments fall short of their stated goals and on the whole fail in their attempt to provide a more faithfully Catholic economic theory. Closer examination of Austrian principles in light of Catholic social teaching affirms the Austrian method's success in presenting an economic theory true to the nature of the human person. This conclusion holds despite the fact that many founders and pioneers of Austrian thought espoused atheistic and nonChristian worldviews, and in so doing provides powerful evidence of the positive nature of Austrian economic science. General revelation allows the discovery of God's truth by all of His children, Christian or otherwise; stated perfectly by Saint Augustine, "wherever truth may be found, it belongs to his Master [the Lord]" (18:28).
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