

A MORAL PERSPECTIVE OF ECONOMIC INEQUALITIES

Assoc. Prof. Roxana PARASCHIV, PhD

Adventus University of Cernica, Romania

roxana_paraschiv@yahoo.com

ABSTRACT: A Moral Perspective of Economic Inequalities.

The issue of economic inequalities is an old and intensely debated one in both the academic and the decision-making environment. When we talk about economic inequalities, we are actually talking about differences that go beyond the economic realm - for example, differences in access to education or health care, and the recent COVID pandemic has shown us, once again, that poverty also means lack of medicines, medical equipment, poor or late access to treatment, illness and death. This paper aims to address the issue of economic inequalities from a Christian moral perspective, in order to identify the valuable contributions of this perspective to a problem to which mankind has not found a solution. The Bible recognizes the reality of economic inequality as a mark of a world influenced by the presence of sin. Biblical wisdom should not be neglected when we address the issue of economic inequality. Even if the complexity of contemporary society is much higher than that of biblical society, the model of individual involvement in helping others remains valuable and deserves to be applied on a larger scale. There are no standard recipes for combating economic inequalities. Within certain limits, they are normal and acceptable. But when they cause suffering and deprivation, intervention is needed. Looking at this problem from the perspective of Christian morality, the first step to solving it is voluntary individual intervention, which has a dual purpose - training for the helper and easing the burden for the helped one. The major challenge is to find effective ways to encourage this involvement, the effectiveness of which could be spectacular. The methods used by non-governmental organizations in fundraising and in motivating the involvement of volunteers can be useful in this regard - transparent and impactful communication of identified needs, accountability in the use of resources, correct information on the results obtained. In fact, these organizations could be the most recommended to manage projects to combat poverty and reduce economic inequalities.

Keywords: *economic inequalities, poverty, private charity.*

Introduction

The issue of economic inequalities is an old and intensely debated one in both the academic and the decision-making environment. According to the latest report on this subject¹, 50% of the global population holds 8% of global income (which means, on average, an income below 230 euros / month), while the other half of the population holds 92% from global income.

Chancel and Piketty, analyzing the evolution of economic inequalities from 1820 to the present, found an increase globally in the period 1820-1910, then a stabilization². Economic inequalities are visible both between different geographical regions or states, and within each state, to varying degrees.

Unfortunately, when we talk about economic inequalities, we are actually talking about differences that go beyond the economic field - for example, differences in access to education or health care. The recent COVID pandemic has shown us³, once more, that poverty also means lack of medicines, medical equipment, poor or late access to treatment, illness and death.

This paper aims to address the issue of economic inequalities from a Christian moral perspective, in order to identify the valuable contributions of this perspective to a problem to which mankind has not found a solution yet.

A review of global economic inequalities

According to the World Inequality Report 2022, in 2021 an adult earned an average of 16,700 euros and had a fortune of 72,900 euros⁴. Obviously,

1 Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman (coord.), *World Inequality Report 2022*, p.26, available at https://wir2022.wid.world/www-site/uploads/2022/03/0098-21_WIL_RIM_RAPPORT_A4.pdf (accessed on 1.06.2022).

2 Lucas Chancel, Thomas Piketty, "Global Income Inequality, 1820-2020: the Persistence and Mutation of Extreme Inequality", in *Journal of European Economic Association*, vol 19, Issue 6, Dec. 2021, pp. 3025-3062.

3 Ioan-Gheorghe Rotaru, "Spiritual Lessons observed through the Coronavirus Crisis", in *Dialogo. Issue of Modern Man*, vol.6, nr.2/2020, pp. 71-82.

4 Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman (coord.), *World Inequality Report 2022*, p.10, available at https://wir2022.wid.world/www-site/uploads/2022/03/0098-21_WIL_RIM_RAPPORT_A4.pdf (accessed on 1.06.2022).

there are big discrepancies behind this average value. Graph 1 illustrates that the bottom 50% of the population (blue bar) owns 8.5% of total income and 2% of total wealth. The top 10% of the population owns 76% of the global wealth and 52% of the total income.

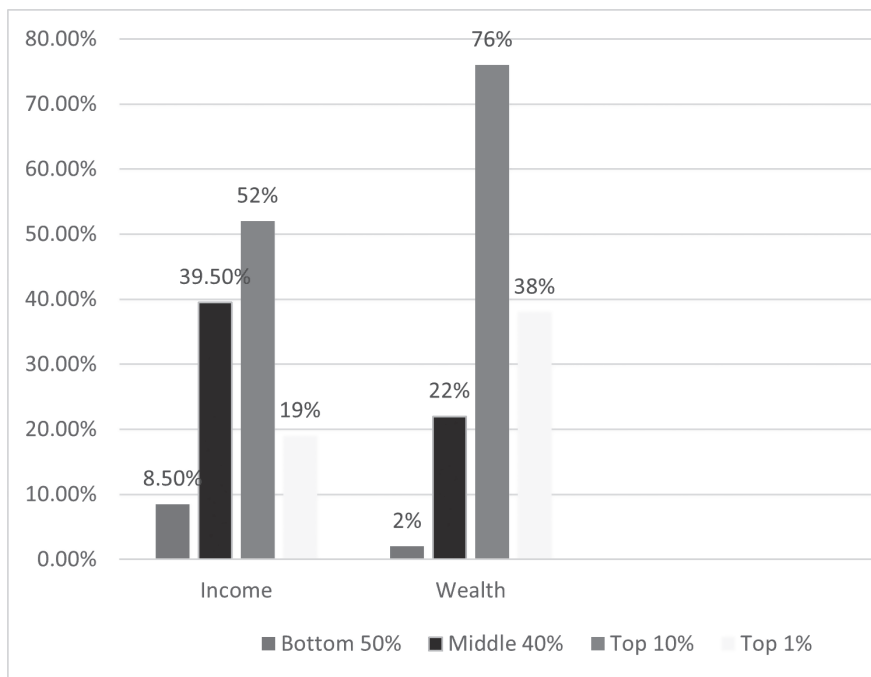


Chart no. 1 Global income and wealth inequality, 2021

Source: *World Inequality Report 2022*

Globally, Europe is considered the most “equal” region (the top 10% of the population owns about 36% of the total income) and the at least equal is Middle East and North Africa, where top 10% owns 58% of the total income⁵.

The United Nations uses a global multidimensional poverty index, consisting of 10 indicators from three main areas - health (nutrition and child mortality), education (years of schooling and school attendance) and standard of living (cooking fuel, sanitation, drinking water, electricity,

⁵ Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman (coord.), *World Inequality Report 2022*, pp. 30, available at https://wir2022.wid.world/www-site/uploads/2022/03/0098-21_WIL_RIM_RAPPORT_A4.pdf (accessed on 1.06.2022)

housing assets)⁶. Following the calculation of this index, it results that out of 5.9 billion people living in 109 of the countries studied, more than a fifth live in multidimensional poverty⁷.

According to *Global Wealth Report 2021*, 2.9 billion adults, representing 55% of the world's adults, owe a wealth of less than 10,000 USD, while for 56 million adults (1.1 of the total population) the individual wealth is more than 1,000,000 USD⁸.

All these statistics, coming from different sources, illustrate and demonstrate the economic differences between the regions and the world's population, differences that for some mean severe poverty, malnutrition, death. The economic and social development that has taken place globally in recent decades has not been able to reduce these gaps, but, on the contrary, to deepen them, which implies the need to look for more efficient alternative solutions.

The biblical perspective of economic inequalities

The Bible recognizes the reality of economic inequality as a mark of a world influenced by the presence of sin. "You will always have the poor among you" (Mark 14: 7 NLT) are the words of Jesus Christ. This statement is not God's original plan, but an acknowledgment of reality. A reality that, although painful, from a biblical perspective can become a blessing to man, when he follows the divine counsel regarding giving. According to Bible principles, the poverty around us offers the chance to fight selfishness and greed by cultivating generosity toward the underprivileged.

If we refer to the fundamental doctrines in economic theory, biblical principles are closest to liberal ideas, which validate individual freedom and free will. However, the Bible does not promote competition or the selfish pursuit of self-interest. This helps us understand that, from a biblical perspective, the world in which we live is affected by sin, and no organization or economic system works perfectly. Another important difference

6 ***, *Global Multidimensional Poverty Index 2021*, United Nation Development Program, 2021, p.2-3, available at <https://hdr.undp.org/system/files/documents//2021mpireportenpdf.pdf> (accessed on 20.06.2022).

7 Idem, p.1.

8 ***, *Global Wealth Report 2021*, Credit Suisse Research Institute, 2021, p.17, available at file: <///Users/roxana/Desktop/global-wealth-report-2021-en.pdf> (accessed on 1.07.2022).

between the biblical view and liberal economic doctrine is the way in which economic inequalities are viewed.

From a biblical perspective, people were created by God with different attributes, abilities, talents (Rom. 12: 6; Matthew 25: 14-30), and the differences between individuals are beneficial and likely to enrich our existence. Problems arise when differences, especially economic ones, threaten the survival or development of human potential. Unlike economic liberalism, which considers economic inequality to be result of individuals' various efforts to earn a certain income, the Bible recognizes that it can also be the result of injustice, damage, oppression, and ultimately the result of sin. Different views on the causes of poverty lead to different solutions. When poverty is seen as almost exclusively the result of inactivity, no outside intervention is needed to help those in need. However, when the causes are independent of the person concerned, such intervention is required.

However, setting clear limits on legitimate needs, to a decent standard of living or on the minimum accepted standard of living is an almost impossible mission, because man is a complex being, with physical, social, spiritual needs. Human dignity cannot be maintained in the conditions of exclusively covering physical needs, and for the other needs, universal limits are impossible to draw. This is one of the reasons why policies and measures to combat poverty and economic inequality have such limited results.

The central theme of the Bible is the redemption, the restoration in man of the image of God, destroyed by sin. Extreme poverty can be an obstacle to this goal, at least to the same extent as extreme wealth (Matthew 19: 23-24).

The Bible promotes the responsibility of both employees and employers, the rich and the poor. The Bible's answer to the problem of economic inequality is what we might call today "private charity" - in other words, it is the responsibility of every individual to care for the less favored. The model is the divinity that gave Himself for each of us. Faced with this model, no personal sacrifice is too great. However, the Bible does not encourage anyone to claim rights that they consider to have. The Apostle Paul says in Hebrews 13:5 (NLT), "...be satisfied with what you have". So we have the responsibility to help our fellow men, but not the right to pretend to be helped. This is a very interesting way in which the Bible discourages the initiative to do justice to yourself, with all the social prob-

lems and disturbances that would arise from it, without at the same time encouraging injustice.

Given that wealth inequalities are considered greater than income inequalities⁹, it is helpful to understand the biblical perspective on property. The Bible is not against property, but it does protect it (see the eighth commandment - Thou shalt not steal), but it regards it as a means, not as an end in itself¹⁰. Stephen Long expresses this principle very clearly:

The universal destination of all our goods tolerates some economic inequality, but nothing as drastic as what is present in contemporary society. A fixed number cannot be given for acceptable inequality, but any inequality that leaves some struggling to meet their basic needs and others able to meet their needs and much more is a sign of economic injustice. Recall that social justice requires that all working persons should be able to care for their families *and* make a contribution to the common good. Everyone should be able to use her or his possessions to fulfill the universal destinations that God intends for our property.

God has given people, for administration, the resources available in the world in which we live, but their use must be done responsibly, including to help the disadvantaged. By no means does the Bible approve of the greed and desire to use all that an individual possesses, only to satisfy his own interests.

Solutions to the problem of economic inequalities from a biblical perspective

As I said earlier, the solution the Bible offers to the problem of poverty is private charity. It is a solution that has many advantages, but also limitations. The advantages are related to the adaptation of the intervention to each individual need, which is impossible to achieve in the case of centralized programs. On the other hand, this action has an impact not only on

9 Lucas Chancel, Thomas Piketty, Emmanuel Saez, Gabriel Zucman (coord), *World Inequality Report 2022*, available at https://wir2022.wid.world/www-site/uploads/2022/03/0098-21_WIL_RIM_RAPPORT_A4.pdf (accessed on 1.06.2022)

10 Stephen Long, "Christianity and Economic Inequality" in Richard Madsen, William Sullivan (eds), *Economic Inequality and Morality. Diverse Ethical Perspectives*, Brookings Institution Press, Washington DC, 2019, p. 133.

the one who is supported, but also on the one who offers the support and thus cultivates his empathy and altruism.

The limitations are related to the differences between social organization in biblical times and today's society. Increasing the complexity of imbalances and needs sometimes requires specialized interventions, with resources that generally go beyond individual possibilities.

However, the biblical model has not lost its relevance. The Good Samaritan's parable shows us what is expected of each of us - to be attentive and receptive to the needs of our fellow men, whatever those needs may be. Although the parable impresses with the Samaritan's altruistic involvement, it does not convey the idea that the effort was beyond his powers. However, the problem of today's society is the same as then - the proportion of good Samaritans and priests and Levites is to the detriment of the former.

What would a world of "Samaritans" look like? Certainly with far fewer discrepancies than at present, and this without "the Samaritans" necessarily feeling the effort they are making as burdensome. And the 56 million people with incomes over \$ 1,000,000 would be enough to support large-scale projects. But if we look at things realistically, the world will never be made up of "Samaritans" alone. However, private charity, individual involvement can be further encouraged. Recent events related to the war in Ukraine show us that there is still a huge potential in this regard. More people than we think are willing to get involved to help their peers, but most do not know how to do it. Most of the time, the connection between those who are willing to help and those who need help is missing. The biblical society was much more inclusive and it cultivated social relations much more strongly, so there was no question that possible cases of people in difficulty would not be known. Nowadays, however, the poor are losing their voice more and more, and individualism is breaking the ties between members of society. New methods need to be identified to re-establish these connections adapted to contemporary realities. The recent crises - the COVID pandemic and especially the refugee crisis show us methods and tools that work. Social networks can be very effective ways of transmitting information through specialized groups, which can be accessed by all interested parties. Calls for help from these groups are very easy to meet with those willing to help. Even if there is a risk of infiltration of people who just want to take advantage of the naivety of others, the direct interac-

tion of people as well as the information transmitted by other members of the group, greatly reduce the risks. Non-governmental organizations also have a huge role to play in coordinating the desires and willingness to help and in turning them into coherent and effective support. The media coverage of these types of actions can stimulate the interest and involvement of several members of society.

Conclusions

In the multitude of Christian interpretations related to the economic field, ranging from monastic asceticism to the gospel of success, the biblical model can give us guidance. Jesus was concerned with the physical needs of men, but He always treated them in connection with the spiritual ones, showing the inseparable connection that exists between the physical and the spiritual.

If, on the one hand, the Bible urges us to be content with the state we are in (Hebrews 13: 5), even if this includes material deprivation, it also directs us to the concern to meet the needs of others, to lighten the burdens on who wears them. In this spirit, we cannot remain indifferent to the economic inequalities on the globe, especially when they imply the impossibility of our fellow human beings to cover their basic needs, to ensure a decent standard of living.

Addressing economic inequalities from the perspective of Christian morality raises, as a first question, how we can harmonize divine justice with economic inequalities, which requires an overview of the world and life. The Lord's Prayer can provide us with a different framework for addressing human needs. From a physical point of view, the "daily bread" is enough to meet our needs, which is a different approach from that of the consumerist society in which we live. If individuals guided their consumption behavior according to this principle, resources could be distributed more equitably. But such behavior cannot be imposed, because this imposition would be in contradiction with the freedom that God offers. It can only be chosen. Even if it had the necessary force to do so, Christianity should not impose a certain behavior on all people, because this imposition contradicts the very essence of Christianity - free will.

From a spiritual point of view, the Lord prayer tells us that we need belonging, forgiveness, eternal life, and all of this is offered without dis-

inction to all people. Although the Bible does not guarantee a life without problems (John 16:33), which includes material difficulties, God does not make any difference when it offers salvation.

We must also understand that equality between individuals is one that concerns rules, laws, access to education, healthcare, security, but not income distribution¹¹. Attempts to equalize income have not yielded good results and are not in line with biblical principles.

Biblical wisdom should not be neglected when we address the issue of economic inequality. Even if the complexity of contemporary society is much higher than that of biblical society, the model of individual involvement in helping others remains valuable and deserves to be applied on a larger scale. It is encouraging that volunteering is becoming more popular among young people, because it can fit into this model of individual involvement, especially if it targets social issues. The role of the state or supranational organizations should not be underestimated either, as there are much more consistent resources at this level, which can fund ambitious projects. However, the efficiency of the use of these resources remains problematic and differs from one country to another. State funding, through competition, of projects supported by various non-governmental organizations could be a better solution, provided that this funding is done correctly.

There are no standard recipes for combating economic inequalities. Within certain limits, these inequalities are normal and acceptable. But when they cause suffering and deprivation, intervention is needed. Looking at this problem from the perspective of Christian morality, the first step to solving it is voluntary individual intervention, which has a dual purpose - training for the helper and easing the burden for the helped one. The major challenge is to find effective ways to encourage this involvement, the effectiveness of which could be spectacular. The methods used by non-governmental organizations in fundraising and in motivating the involvement of volunteers can be useful in this regard - transparent and impactful communication of identified needs, accountability in the use of resources, correct information on the results obtained. In fact, these organizations could be

11 Joseph Isaac Lifshitz, "Jewish Economics", in in Richard Madsen, William Sullivan (eds), *Economic Inequality and Morality. Diverse Ethical Perspectives*, Brookings Institution Press, Washington DC, 2019, p. 158.

the most recommended to manage projects to combat poverty and reduce economic inequalities.

Given that, in order to reduce poverty and economic inequality, the focus would shift from the actions of the state or supranational organizations to individual initiatives, the question of financing these actions also arises. If some of the taxes paid by citizens to the state go in the fight against poverty, then these taxes should be reduced to give individuals the opportunity to finance their own initiatives, at the risk of making them less predictable. Again, we cannot talk about universally applicable recipes. There are countries where the state manages to effectively reduce economic disparities between its citizens, just as there are countries where this does not happen, despite the high level of taxes. Given that the state fails to do so, it is clear that private initiative, both at the individual level and at the level of non-governmental organizations, would be at least one more chance to reduce poverty and economic inequality.

Bibliography:

- ✦ Bible, King James Version, Cambridge, Cambridge University Press.
- ✦ Basu, Kaushik / Stiglitz, Joseph (eds.), *Inequality and Growth: Patterns and Policy*, Palgrave, MacMillan, 2016.
- ✦ Chancel, Lucas / Piketty, Thomas, "Global Income Inequality, 1820-2020: the Persistence and Mutation of Extreme Inequality", in *Journal of European Economic Association*, vol. 19, Issue 6, Dec. 2021, pp. 3025-3062.
- ✦ Chancel, Lucas / Piketty, Thomas / Saez, Emmanuel Saez / Zucman, Gabriel (coord.), *World Inequality Report 2022*, available at https://wir2022.wid.world/www-site/uploads/2022/03/0098-21_WIL_RIM_RAP-PORT_A4.pdf (accessed on 1.06.2022).
- ✦ García-Sánchez, Efraín et alii, "How Fair is Economic Inequality? Belief in a Just World and the Legitimation of Economic Disparities in 27 European Countries", in *Personality and Social Psychology Bulletin*, vol. 8, Issue 3, April 2021, pp. 382-395, available at https://www.researchgate.net/publication/350355054_How_Fair_is_Economic_Inequality_Belief_in_a_Just_World_and_the_Legitimation_of_Economic_Disparities_in_27_European_Countries (accessed on 30.06.2022).

- ♦ Madsen, Richard / Sullivan, William (eds), *Economic Inequality and Morality. Diverse Ethical Perspectives*, Brookings Institution Press, Washington DC, 2019.
- ♦ Rotaru, Ioan-Gheorghe, "Spiritual Lessons observed through the Coronavirus Crisis", in *Dialogo. Issue of Modern Man*, vol.6, 2/2020, pp. 71-82.
- ♦ ***, *Global Multidimensional Poverty Index 2021*, United Nation Development Programme, 2021, available at <https://hdr.undp.org/system/files/documents//2021mpireportenpdf.pdf> (accessed on 20.06.2022).
- ♦ ***, *Global Wealth Report 2021*, Credit Suisse Research Institute, 2021, available at file:///Users/roxana/Desktop/global-wealth-report-2021-en.pdf (accessed on 1.07.2022)
- ♦ ***, *Human Development Report 2020: The Next Frontier. Human Development and the Anthropocene*, United Nation Development Programme, 2020, available at <https://hdr.undp.org/system/files/documents//hdr2020pdf.pdf> (accessed on 27.06.2022).
- ♦ ***, *World Development Report 2022: Finance for an Equitable Recovery*. World Bank, 2022, available at <https://openknowledge.worldbank.org/bitstream/handle/10986/36883/9781464817304.pdf> (accessed on 5.06.2022).