

Malcolm: This is your host, Malcolm Schluenderfritz; joining me today is my cohost Peter Land, from Philadelphia, and our special guest today, Phillip. Philip is a really amazing guy; we met at a conference where I was talking to a group about all my ideas on life and politics and everything else in-between, and after Philip and I had argued for . . . I don't know, really late into the night, he called me the next day to see if we could carry on the argument further at a better time. And since then we've been arguing about everything ever since. He is probably the best debating partner I've ever met, and he actually reads books and articles that I suggest, which is rather amazing, in my experience. So, glad to have him join us.

And before we launch into our topic, I also wanted to say that a listener contacted me to say that the podcast was really great, but that it destroyed his headphones. And so I wanted to warn everybody that we're not liable for any damage to equipment from listening to our podcast, and more importantly, we're not liable for any damage to people's brains, either. If after listening to these podcasts you can't see the world in the same way, or have new thoughts that won't go away, you know, well, we're sorry about that, but we're not liable. Everyone is listening at their own risk.

Peter: 01:48 I think that's partly what we're going for, Malcolm, just to add.

Malcolm: 01:53 That's could be true, yes, maybe it is the desired effect, but desired or not, in any case, if you don't like the results to your brain, we're not responsible.

And our topic today is economics. Economics is a fairly controversial topic, because it is so closely related to politics. As soon as political or economic topics come up, everyone's going to disagree, so I just wanted to issue a cautionary note that we here on the podcast today, probably disagree on some of these topics, and could very likely disagree before the end of our time here. But if you disagree with us, you know, we'd like to hear about it. You could, if not become a podcast guest, at least write in and get your "point" considered. So if you don't like what you hear, give us something better! We're always willing to entertain new ideas.

Peter:02:50 Malcolm, can listeners send in requests through the website, or how would that happen?

Malcolm: 02:58 Yes, listeners can comment through the website. The iTunes feed does not enable comments, but the website does. So there is a

comment feature for every podcast.

So to start our discussion on economics, I thought a good question would be, why do we have to care about the economic role, what do we mean when we say "economics" and why is it important to engage them when we're trying to live the Christian life in a more radical way in a community setting? Why can't we just focus on culture, or praying together, having meals together; what is it about economics that makes it important for the Christian life?

Peter: [03:38](#) Well, I'm no expert on economics, but my understanding is that economics has to deal with the distribution of goods, and things that we need for everyday life. You know, I remember reading about the root word of economics from Greek had to do with "household", the household, and so I appreciate that; economics has to do with the nuts and bolts of living, and how we acquire the things we need. So in a way it touches on every aspect of our life, because we all need things; we're not completely self sufficient to bring back a topic that we started with in one of the earlier podcasts. We are somewhat codependent, or interdependent and economics becomes that means through which we acquire the things we need and we work together to share the goods that are common to all humanity. So I appreciate economics to the degree that it impacts my life . . . and for us living in America, in this global economy it has a radical impact on everything we do, whether we acknowledge that or not.

Philip: [05:06](#) Yeah, I first of all want to say that I appreciate you both having me on. And I'm on this podcast using a pseudonym, partly because I was anticipating at some point today we'll get into some contentious territory, but I feel we just jumped right in from the start. I've really appreciated hearing from Peter about how economics deals with the distribution of goods and with the goods that are common and meant for the use of all. So for my part, I think the question is important because as Christians we understand that we're not pure disembodied spirits. Rather we are human persons composed of matter and form, and as such we interact with the world of nature, and the world of culture, in a material way, at least in partially material way. So the ways that the material world around us is structured are going to influence our behavior and ultimately our flourishing. So a little pithy phrase I tend to use is that the fundamental question of political economy is "who owns what?" Who owns what? And the answer to that question determines of course how conducive or not conducive to [human] flourishing the economy is going to be.

Peter: 06:33 Can I just ask for you to follow up on that point, and maybe clarify what you mean by asking that question "who owns what," and [saying] that will determine the degree of economic flourishing?

Philip: 06:50 Yeah, who owns what. And honestly there's an addendum, it's "Who owns what?" And "What do they do with it?" That's the full question. One of the worst mistakes you can make today, living in the modern world, in the west in particular, is to think that the economy that you grew up in, that you were born into, is sort of just the way things are, naturally, and that it's not really any kind of political ideology or fixed set of conditions at all, it's just the natural bartering and trucking that human beings have always done since time immemorial. That's the biggest lie you could swallow. We live in a particular arrangement, particular economic arrangement, where we have something called private means of production in the hands of a few. The origins of this system are really well outlined in a book by Ellen Meiksins Wood called the origins of *Capitalism, a Longer View*. (Even though it's called that, it is actually a very short book.) She traces the origins of our arrangement of who owns what back a few hundred years, to the British countryside during something called the Enclosure Movement, that I'm sure Malcolm can talk more about. But throughout history there've been so many different ways societies have answered that question about who owns what. Sometimes things were owned by no one, like the commons, or the land in the Americas before colonialism. Other times there were deliberate decisions to have everything owned in common, other times there are decisions to have certain entities like the state own certain things, or not others; intermediate institutions like guilds can own things. And those things owned, well that's important too; what kind of property can the state own, what kind of property can the guild own? The reason the question is "who owns what", instead of just "who owns property", is because there are different kinds of property, and some have more bearing on your life than others, right? The means of production are a particular kind of property. That's the kind of property people use to generate wealth. And in our system that's the kind of property people use to generate commodities. We can get into the weeds later, but for now I just want to leave you both, and the listeners, with the sense that we, (whether or not we have ever thought about it, or decided whether or not it is right or wrong) all live in a very specific and very contingent, and actually very recent (on the historical timeline) very recent arrangement of "who owns what," in which that special kind of property is protected by the state, and is

privately held in the hands of a few people, and the rest of us have to work for a wage.

Malcolm: 09:45 Philip, thanks for bringing up the idea that our current economy is not just “natural”, not just the way it has always been. I think that's a temptation in any culture, to imagine the way we do things is the *only* way, or at least the only *viable* way. I think it is especially problematic in the modern world, because we have this idea of “progress;” that everything just gets better and better, so however we do it now must be better than the ways things were done in the past. It's also particularly a problem in the United States, where we have a certain kind of warped patriotism that makes us feel that the way we do it here, in the present moment, is better than what anyone else in any other time might have done. For those listeners who have not perhaps thought very much about economics, it might be worth clarifying a few terms; I know Philip, you used the term “commodities;” what is a commodity as opposed to wealth? And for that matter, what is “wealth”? And as far as the means of producing wealth; what are some examples of the kinds of property that would be considered productive property, the means of producing wealth; what does that encompass?

Philip: 11:03 Thanks, Malcolm, those are great questions. Yeah, let me break it down further, because, yeah, sometimes I might forget myself, and I don't know where your listeners are at and how much they've read. And for what it's worth, I'm not an expert here on economics. But these are concepts that are used even in the tradition of Catholic social teaching, these are concepts that are used in the Papal magisterium, so it seems good to have some familiarity with what these words mean. I'll start with wealth. As far as I understand it, wealth is the assets you own minus your liabilities, so everything you own. Commodities are products that are made to be sold. So maybe we can break “commodity” down. Because “commodity” is really important. There's a line in the Papal Encyclical *Quadragesimo Anno*, released on the 40th anniversary of *Rerum Novarum*, that reads something like “As our predecessor has said, Human Labor can not be bought and sold as a mere commodity.” What does that mean when human labor is bought and sold as a commodity? Well, when I think about some of the things you produce, Malcolm, you produce (pardon the confusing language) you produce “produce” [Laughs] You make, or grow fruits and vegetables! And you grow them to eat them, or to share them; [whereas] a commodity is something that is made *just* to be sold, and in

particular to be sold for a profit. So commodities are easily dispensed with, easily exchanged. And when human labor becomes a commodity, that means that all the particulars about you and your being, your social life, your personality, your dignity, are erased from the equation, because your labor exists for the sole purpose of being bought and sold on the market. Does that answer some of your questions?

Malcolm: 13:05 Yes, thanks Phillip, that was great. I think too it might be a good thing to point out for our listeners that when we say "means of production," classically those are divided into at least two groups, called "the land" and "capital." And "Land" is a wide term meaning any of the forces of nature. So the fact that the wind blows over a particular hilltop, and can be captured by a wind turbine, that's a form of means of production, the wind. And then "capital" would be the wind turbine that gets put up. The wind turbine is not to be consumed, it is to produce electricity that we can then consume as wealth or exchange as a commodity. So who owns the means of production, we're talking about who owns the land, all the natural resources, (in particular farmland,) but also any of the other forces of nature, and who owns capital, the kind of wealth that is used to create other wealth, from the shovel I use in the garden, to the factory that makes shovels, to the wind turbines; all the things that are not valued in and of themselves, (nobody really wants a shovel (unless I guess it is an antique, at which point it stops being capital and becomes a kind of wealth)) nobody wants a shovel for itself, they want a shovel so they can cultivate a bed of cabbages.

Philip: 14:34 Thank you Malcolm, and one of the main reasons this is so important, this question of "who owns what," and "what do they do with it" is because it affects what we do, me and you, almost everyone probably listening; it affects what we do most of the time. And so in our current arrangement, because of the fact that we don't have . . . what G. K. Chesterton says, "Where the worker owns his own shovel," because we tend not to have this arrangement where workers own the means of production, they do spend their time selling the only thing they *do* own, which is their labor. And that usually takes the form of a wage and a 40 hour work week, or maybe more than that. I know people who work a lot more than 40 hours. And I wonder if given the choice, they'd rather do something different.

Malcolm: 15:35 Thanks, Philip, thanks for bringing that up. I think for me

the importance of the economy comes down to the fact that every aspect of our culture, every aspect of our society, has a certain power to shape our mindset. We spend very little of our daily time in church. Or even in prayer, for that matter. On average, even if you spend a few hours a day in prayer, the bulk of your time is spent working for a living. And how you and the community around you does that will have a huge impact on how you see the world, how you see yourself, how you see God, and His relation to you. If we see ourselves in a certain way in the workday world, we won't be able to shut that way off just because we show up in Church. And that's where I want to clarify something for our listeners: I am interested in living the Christian life. I'm not particularly interested in what happens in D.C. So when we're talking about the economy, I'm not particularly interested in what I think our president should do to the economy. Of course it will have an impact on our lives, but really I feel that if we have to wait until the folks in D.C. are living a Christian life, whether in economics or in any other aspect, we're going to be waiting a long time. I'm probably going to be dead before I can start living a Christian life on that scheme. So when we speak about economics, I'm focusing both on what's wrong with our current order of things, and then what we can do differently. How we can live the Christian life in an economic sense. And how that would have to look different than the dominant economic vision of our mainstream culture. Because politics is ultimately downstream of culture. Everyone imagines that if they could just get the perfect government into place, everything would be perfect, but that's not the case. They actually follow *our* lead. We should create laws by living them. The imposition by force of a law that society does not approve of is usually a failing project. And that's certainly not the way our country works. In our country, social changes happen *first*, laws swing over afterwards.

So for us, for our economic life together, I think one of the biggest problems that we're facing is that our society, the way our economic society works, is fundamentally unjust, in that what we do, our simple actions of making a living, buying and selling, are hurting people in other places, but it is hidden from our view. William T. Cavanaugh wrote a wonderful book called *Being Consumed*. It is absolutely fascinating. One of the points he brings up is that if you got a room of Christians together, and asked them "Would you kill somebody for a cheaper shirt?" The answer would be no. None of us are the kind of people who would kill somebody for a cheap shirt. Certainly not the kind of people who would kill somebody to avoid spending ten more dollars on a shirt. And yet we are *all* that sort of person. We're all buying cheaper goods that were made in sweat shops where people literally die



from overwork and exhaustion making these articles of clothing and other goods that we buy, when we could of course spend a little more and buy goods that were not made at the cost of somebody else's life, but we don't. Our economic structure is oriented such that the cheaper good will usually displace the more expensive one. And it also ties into the poverty concept we talked about last time. In our society we all have to individually . . . we're all in competition with one another, as individuals. And that is directly opposed to the Christian vision of living together as the mystical body of Christ. If in our work and in our daily living we see ourselves as individuals in competition, it is very unlikely that in church we will be able to see ourselves charitably as the mystical body of Christ. So that we don't need the President of the United States to come out with a new bill that radically restructures our economy in a more Christian dimension. In fact, that probably wouldn't be desirable. What we need to do is to live as Christians regardless of what our wider economic system tries to disciple us into doing.

Philip:20:44 Thanks, Malcolm. And a point of clarification: When I say society as a whole answers the question who owns what, that doesn't mean that we have to acquiesce. And in a sense each of us has to answer that question at each of the levels of our lives. So in a previous episode, I think it was the second part of the community podcast, you talked about your urban farming project. And the ways that you have to decide . . . I mean they are kind of implicit questions for you, Malcolm, but at a certain point you do have to decide how to divide up a plot of land; are you going to be giving people seeds, are you going to be selling people materials, are you going to have a shed of tools that's available for everyone? When people get married, they have to decide if they want a joint checking account or not. These are questions we all have to answer; parishes have to answer them, churches have to answer these kind of questions. Just because we were born into a society that answers the question in a particular way, of course that doesn't mean that at all the micro-levels of our lives, like our families, our churches, our communities, our organizations . . . we can answer the question differently, and it seems to me that's actually part of the way that you change society, by demonstrating in your lived experience that other ways of answering that question are more fruitful for the Christian life.

Peter:22:20 Well, great points, Malcolm and Philip. What happened to me in my life was that up until about College I had very little awareness of how

my life was impacting other people from far away places. Like you mentioned Malcolm, about a sweatshop factory in another country. I think for the most part it's very easy to live somewhat unconsciously in relationship to the actions that we have and the things that we are spending our money on, in particular. I think that's one of the vices of our culture, that we're kind of unknowingly participating in system that is interconnected throughout the world, but is very much negatively impacting other people, other peoples and other cultures. Or at least . . . the weights are kind of lopsided in our favor at times. We have a lot more wealth and so I guess our purchasing power . . . I guess we can get a lot more out of the current economic system. And so when I was in college, becoming aware of the global economy, I think that is a fundamental starting point, is learning about where our money is going, how it is impacting others, and feeling responsibility, cultivating a responsibility for our everyday economic activity. Knowing that it is impacting people, I think at times it is easy to convince ourselves that we're just kind of . . . it doesn't have much of a consequence. And so as I became aware that our money plays a role in other people's lives, it became important to me to spend it in ways that were not only responsible, from my perspective, but supporting healthy local initiatives, small businesses, not just feeding the purse of some global national corporation. And wanting to spend money in a way that was supporting the livelihood of peoples around the world as well. Ensuring fair wages and other things like that. So I think it is a good place to start, at least for me, is this need to be aware of the implications and consequences of our economic activity, our buying and spending, in the world in which we live, because it such a global economy.

Malcolm:25:32 Peter, I really like what you said about how easy it is to be unaware; I think that's a key aspect of our current economic system, that it is sort of virtualized. Things just "appear" on the shelves. You know, none of us see a thing though; we all see some little aspect of a bigger reality that we then participate in. G. K. Chesterton talked about how in our culture (of course, in his day almost a hundred years ago, it was less) but even then, he said few people were there at the beginning and the ending of a thing, a full circle. And today it has become even less so. We see the last step of our goods. On the shelf. And our family has decided . . . it makes very little sense . . . you know we talked in the last podcast about being in solidarity with others, and how being in solidarity doesn't really help anyone. But we decided so that we could be in solidarity in some small way with people who work in sweatshops, that we would not buy any goods



from a country that didn't have good labor protections. Which comes down to only buying goods from the United States, Canada, Europe, Japan, a few other countries. And so we've been doing it for about three years now, ever since reading Cavanaugh's book. And it is really difficult, it really puts a brake on one's ability to consume. You'd go into the store, with money to spend, and item or after item you'll take down from the shelf, it's like "well, it's from China, Vietnam, Bangladesh, Thailand", any of these places sweatshop labor is likely to be used, and environmental protections are not followed. And in some cases it's amazing; when I was trying to buy a particular product, it wasn't marked; so I asked the seller where it was made, they didn't know, they directed me back further up the chain. As I went through this long supply chain, eventually I got to some multinational company, and they said "we have no clue where this product comes from. We've got factories all over the world, and you can't really expect us to know where this product comes from." Nobody is in charge. *It's running by itself*. And that's an alarming thing. In the Christian moral tradition it's known that if we sit down and just let our minds run by themselves, there're likely to run wrong. If we succumb to that sort of idleness, that sort of drifting and daydreaming, it's bad for our persons. We've built an economy on the idea that this sort of drifting, this sort of lack of control, this purposelessness, this fragmentation, is the best way; that somehow, apart from our *willing* any good, good will just flow up from us all pursuing our individual interests. And really that seems a very naive and questionable assumption from a Christian standpoint. How could we expect that good things would just sort of *appear* out of a void when that's not the way it is with anything else? In everything in life, doing the good, on whatever level, takes effort, takes attention; and even then, even if one's trying one's best to do what's right, or to do a good job with something, it's likely to go wrong. And now in our economy, in our relations with one another, we're being asked to believe that a rising tide lifts all boats; that so long as we shop, everything will go fine, we can rest at peace and only good will come of this, when obviously the results are quite otherwise. So part of what we could do if we built a more local Christian economy, is that we could know the people that we work with, know the things we are working on, and really attempt then to live out the Christian life, in a way that's impossible when we only see one little snippet of a process that impacts lives we are never going to see or experience.

Philip:29:52 The point about how much of our economy runs in the background of our lives and is hidden from us is really horrifying. And

today, this week in particular, I'm hearing a lot in the Catholic media world about a term called remote cooperation with evil. And if you want to talk about cooperation with evil, you can't buy any piece of electronic equipment, a phone, a laptop, the electronics in your car, all of that is going to be sourced . . . if you follow the line of production, you're going to find slave camps and you're going to find dead children, particularly in the Congo. And then you want to talk about the exchange of money between rich and poor countries. I remember learning that for every one dollar of aid that developed countries give the global south, those global south countries lose 24 dollars in net outflow. But you only ever hear about the aid! You never hear about the loss and exploitation. So this system that produces some relative level of comfort for some percentage of western people requires just constant brutal exploitation. We don't see that aspect of it. For us it's just kind of it becomes like banal and mundane, but as you (Malcolm and Peter) said, that level of comfort that we have is only given to us because of brutal exploitation of the poorest of the poor. And also, Malcolm, I appreciate your point that there's a kind of slight of hand that happens when people talk about our economy. As if there's a magic that happens where if enough people pursue the vice of acquisitiveness, then magically on a macro scale it transforms into the virtue of justice, or order. That's kind of magic doesn't happen, ever, right? Vices don't just transform into virtues, just because enough people pursue them, right? So on that note, I have an interesting question for all three of us, which is: what would you say is *the* fundamental problem with our economic order? Would you say, Malcolm, that it's precisely that it requires us to believe in the transformation of vice into virtue? Or what would be the number one reason to believe that there is something wrong with the state of affairs economically?

*We ran out of time to finish this transcript. So from here on, this is just a summary of what was said.*

Malcolm: 32:35 That's pretty near the top of the reasons to doubt our system is just: the mismatch of intentionality, the idea that we can intend evil but that good will come from it. We can never do evil that good may come. But there are other problems, and the other one I mentioned, the virtualization of life, is also serious. Virtualization can be seen as a symptom of a certain type of Gnostic, spiritual pride, which wants to escape the physical. This can be seen in fringe views like trans-humanism, which actually represent certain trends in our culture. God told Adam to till the

soil, but we've largely stopped doing this. Work wasn't a curse; it was a remedial remedy for pride. Adam and Eve wanted to be like gods. God said, "Go fight some weeds!" It was a *corrective*. It was a way to show them that they were limited and dependent. Because we tend to see work as a curse, we have bought into the idea of transcending work. But if we "transcend" it, a double share ends up laid on somebody else, at which point it becomes a curse indeed. When we shirk the work we are supposed to do, others collapse under the load. St. Paul tells us to carry one another's burdens.

I think those two aspects, the idea that good will come from evil, and the virtualization of our economy, are the two worst aspects of our current economy.

Peter: [37:11](#) I think a great danger is the growth in our nation of a people who are merely consumers. People who seek their satisfaction in things that bring immediate sensual pleasure, things they can consume, but that isolate us from others and from the purpose of human life. The economy is implicated in all of this. As Malcolm said, God gave us the task of earning our daily bread. Work is not always easy, but it can be deeply satisfying. We're all seeking the easiest life possible, whatever brings us the most immediate happiness. We're losing the joy of working with our hands and living within our means. Right now, we can have whatever we want, whenever we want it. We're grasping after the "apple;" complete human power over our lives. We ignore our limitations and the limitations of others. These trends are very dangerous to our souls and to our ability to relate to others. We're not interdependent with others any more. We're not necessary to one another. How do we begin to orient our life, our economic affairs, in a way which will bring about the deeper good of the human good, not just for ourselves, but also those around us?

Philip: [41:13](#) Thanks to both of you. I appreciate those answers, though they might be different from mine. (Here Philip recaps what Malcolm and Peter said.) Sometimes we get so wrapped up in criticizing all the details that we forget about fundamentals. For me the major problem is that our current, capitalist economy inverts the order of the common good; it encourages each individual to prioritize their private goods over the common good. The only commandment of capitalism is to keep generating profit; that is a private good, not a common good. We tend not to think about the impact on others, particularly those less fortunate. A second thing I'll say very quickly, similar to Malcolm's concern, is that our capitalist

economy tends to commodify everything; you can even buy and sell hugs on craigslist! Christopher Lasch points out that work that used to be done for love in families is now done for a profit. Everything that was once sacred is cheapened.

Malcolm: 45:11 William T. Cavanaugh told the story of a man who rented out advertising space on his forehead to pay off his college loans. He put a temporary tattoo on his forehead advertising aftershave or something. He felt that he owned his forehead, so why not profit off it? But we don't own our bodies! We belong to the Lord. We don't really own anything. So if we see things as if we had an absolute ownership over them, we probably won't see them as the Christian should.

Phillip: 46:19 More than that, we see them as metaphysically cheap. We would never think of selling the most important things in life. Some friends visited me from overseas, who were not fluent in English. They passed a church named "Blessed Sacrament" which was holding a rummage sale. There was a sign up saying "Blessed Sacrament Sale." And my friends were shocked; they thought that the church was selling the Eucharist! No Christian would ever sell the Sacrament; that is the height of our Christian life. Similarly, the human forehead is part of the human body; how could you use that to advertise aftershave? There's something so offensive about that.

Malcolm: 47:36 It comes from this idea that the individual becomes just another commodity. In manufacturing we talk about labor costs. Labor costs are something any manufacturer tries to cut down on, because it constrains the profitability of the operation. But "labor costs" is a cipher meaning "human lives." There isn't just an abstract "labor" out there; labor is a group of human beings each made in the image of God; by calling them "labor costs" one has reduced them to their work. This is not a relation of friendship, it is just a relation of utility. This commodification of the human being will lead to the destruction of the sanctity of life. When we hear "the culture of death" we usually think of abortion, but there are multiple aspects to this. In one sense we are a culture of death because we only value other human beings as useful, not for the wonder and glory that God gave them. We define people *by* their work.

We've all talked about the many problems with the current order of things and how difficult they make it to see things as God sees them, and to have

an authentic Christian spirituality. So then the question becomes, what do we do about this state of affairs? How can we avoid being disciplined by our economic system into a "culture of death?" And how can we keep our realization of the problems in our society from turning us into cranks and producing cult like attitudes towards the wider world? We'll be discussing possible solutions in our next podcast episode.