INEQUALITY AND CHRISTIAN ETHICS

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"Why is Inequality Back on the Agenda?" Economists Ravi Kanbur and Nora Lustig pose this question as the title of a recent essay. Their own careful answer contributes to the growing chorus of international and domestic voices attending to inequality, its causes and its effects. While economic and political analyses have been at the center of this renewed public discussion, less prominent has been an explicit focus on the moral dimensions. How and why does inequality matter morally?

The stated purpose of the series, New Studies in Christian Ethics, is to engage a secular moral debate and to demonstrate the distinctive contribution of Christian ethics to that debate. To that end, this book considers the various dimensions of the public discourse on inequality. It offers a constructive approach that engages resources in Christian social ethics along with perspectives in political philosophy and development economics. The book seeks not only to contribute to the wider moral debate about inequality, but also to shed light on how moral values operate (and should operate) in all aspects of the discussions. It aims to understand and then move beyond the numbers, providing a moral framework for understanding and responding to them.

At the beginning, it is important to clarify the distinction between poverty and inequality: while poverty is a condition of

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people at the bottom end of a socioeconomic distribution, inequality is a phenomenon of a distribution as a whole. While poverty can be understood in either absolute or relative terms, inequality is necessarily a relational concept. Related empirically and conceptually, the two concepts are distinct. As one example of the difference between poverty and inequality, consider the context of the United States: while the official US poverty rate was roughly the same in 1996 as it was in 1968, inequality of income expanded significantly over that period. (This is largely due to the fact that the “top” fifth of the population saw their incomes rise significantly, while the poorest fifth experienced little or no rise in real income.) The most explicit focus of this book is on the moral and social aspects of inequality.

In order to assess contemporary realities and recent trends, it is necessary to employ one or more measures of inequality. The choice of measure(s) is not without controversy, since no one indicator can fully capture the complexities of the issue. While various measures will be used, much of the analysis will employ a standard, summary measure of inequality called the **Gini coefficient**. The Gini coefficient for a population can vary from 0 to 1; values near “0” represent very low levels of inequality, and values near “1” represent high levels of inequality. Thus, if a Gini coefficient for a country increases significantly over time, as it has in the United States in the past three decades, it indicates rising inequality.

This chapter introduces the contemporary state of, and the public debate over, inequality of various kinds and in different contexts. The chapter concludes with an outline of the argument and structure of the book. Perspectives from Christian social ethics can make a vital contribution to the wide public

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2 The official US poverty rate for all persons in 1968 was 12.8 percent, while in 1996 it was 13.7 percent (US Census Bureau, Historical Poverty Tables – Persons, table 2 <http://www.census.gov/hhes/poverty/histpov/hstpov2.html>). I do not mean to overlook important changes in the composition of the poor or the causes of changes in the poverty rate over this period; these are not, however, foci of my inquiry.

3 The technical aspects and value-assumptions of the Gini coefficient are provided in appendix A.
debate. Toward that end, it is crucial to consider the multiple dimensions of contemporary realities and discussions of inequality.

**CONTEMPORARY INEQUALITIES AND PUBLIC DISCOURSE: THE US CONTEXT**

Over the decade of the 1990s, economic inequality has become increasingly prominent as an issue within American public discourse. Social scientists and commentators from a variety of perspectives have taken notice that since the early 1970s, inequality of income has increased across periods of economic boom and bust. By all measures, income inequality stands at its highest level in the postwar period. Overall US income inequality between 1968 and 1994, as measured by the Gini coefficient, increased by over 23 percent for families and by 18 percent for households.\(^4\) By the mid 1990s, the top 20 percent of the household income distribution received nearly half of total national income, exceeding the income of the middle 60 percent. The share of the top 20 percent also amounted to approximately thirteen times the share of the poorest 20 percent.\(^5\) The current income distribution in the United States is the worst of all developed nations.\(^6\) These trends and figures of inequality have received significant attention in the mainstream press and in scholarly circles.\(^7\)


\(^5\) Weinberg, “US Income Inequality,” p. 2, based on Census Bureau data. In 1997, the highest fifth of households claimed 49.4 percent of total income, the middle three-fifths earned 47.1 percent, and the lowest fifth dropped to 3.6 percent (US Census Bureau, Historical Income Tables – Households, table H-2, “Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Households (All Races): 1967 to 1997,” <http://www.census.gov/hhes/income/histinc.h02.html>).

\(^6\) See my discussions in chapter 4.

\(^7\) Some of the recent articles and opinion-editorials on various dimensions of economic inequality in the *New York Times* include Steven A. Holmes, “Income Disparity
Inequality has not always been such a focal issue of public discussion and debate in the United States. In 1958 John Kenneth Galbraith asserted in a widely read book that “as an economic and social concern, inequality has been declining in urgency.” He went on to state that “liberals and conservatives alike” agreed that increased production, instead of redistribution, was an appropriate social goal that would lead to reduction in inequality. This claim was widely associated with the sentiment that “a rising tide lifts all boats.” Alongsides the focus on the increase of production, Galbraith emphasized the need for aid programs aimed specifically at that small percentage of


people who would not benefit from growth. Such programs would comprise Lyndon Johnson’s War on Poverty beginning in 1964. The combined emphasis on production and targeted programs led to the decline in public discussion on inequality as an issue of its own merit.

In the 1970s social analysts continued to focus on poverty rather than on inequality as the principal issue of public concern. Sheldon Danziger and Peter Gottschalk introduce a 1993 edited volume in this way:

Conventional wisdom about income inequality in America is radically different in the early 1990s than it was ten to fifteen years ago. At that time, Alan Blinder (1980) began a review article on the distribution of economic well-being by noting that “the more things change, the more they remain the same.” Blinder’s central conclusion was “when we . . . consider the distribution of economic welfare — economic equality, as it is commonly called — the central stylized fact is one of constancy. As measured in the official data, income inequality was just about the same in 1977 . . . as it was in 1947.” (p. 416) Henry Aaron (1978) put it even more colorfully by stating that following changes in the income distribution “was like watching the grass grow.” (p. 17) . . . Inequality, in contrast to poverty, was not much discussed in Congress or in the media.10


As Danziger and Gottschalk go on to argue, postwar trends in inequality looked very different to most analysts in the 1990s. While there is now, in fact, a near-consensus that overall income inequality in the United States has increased over the past twenty-five years, significant disagreement persists regarding the relative importance of the causes for this rise in income inequality. The most discussed causes include the following: changes in tax policy, a structural economic shift to service and high-tech sectors characterized by bipolar earnings distributions, increasing relative returns to higher education, the greater impact on the US economy of low-paid labor in the developing world, changing demographic and household composition of the population, and the emergence of so-called “winner-take-all markets” across a variety of sectors.11

**CONTEMPORARY INEQUALITIES AND DEVELOPMENT DISCOURSE: INTERNATIONAL CONTEXTS**

Parallel to this discussion of inequalities in the United States, scholars and policymakers have recently heightened their concern about severe inequalities in international contexts. Questions of global inequality and of “North–South development gaps” have long been an important and disputed part of public debates within the international development community – engaging scholars as well as officials within groups like United Nations agencies, the World Health Organization, the International Labour Organization, and even the World Bank and the International Monetary Fund. Yet the past decade, during which the United Nations Development Programme (UNDP) has published an annual *Human Development Report*, has been notable for increased interest in the relationship of development and inequality.12 Discussions have focused on various


dimensions of inequality, including gender- and race-related disparities, rural–urban gaps, and cross-national comparisons.

As just one striking illustration of global inequality, a 1996 calculation by the UNDP received significant public attention:

Today, the net worth of the 358 richest people, the dollar billionaires, is equal to the combined income of the poorest 45 percent of the world’s population – 2.3 billion people. This of course is a comparison of wealth and income. But a contrast of wealth alone, if it were possible, would be even starker, since the wealth of the poorest people is generally much less than their income.13

This startling juxtaposition helped to shed public light on the magnitude of international disparities. That calculation was updated in the UNDP’s HDR 1999 to indicate that the wealth of the two hundred richest people alone exceeds the annual income of 41 percent of the world’s population.14 The HDR 1999 added that the world’s wealthiest three human beings hold assets that exceed the combined gross national product of the world’s forty-three “least developed countries” – with a total population of 568 million people.15

INEQUALITIES AND THEIR MORAL SIGNIFICANCE

Public intellectuals have lined up with distinct interpretations about the moral and social significance of inequality. Conservative columnist George Will entitled a 1996 Newsweek essay, “Healthy Inequality,” adding the byline, “Today’s most discussed economic ‘malady’ is actually a recurring benign phenomenon.” The rise in economic inequality evidenced since

1974. Will contends, is the result of the most recent technological revolution, a shift which will come to benefit society as a whole. But this social progress, like the Industrial Revolution, brings with it necessary short-term social costs, including inequality, that are decried only by those who fail to appreciate its longer-term benefits: “Such progress is, as usual, accompanied by a chorus from laments of sentimentalists who consider it a cosmic injustice that progress has a price. And the laments are loudest from those who make a fetish of equality.” From within the so-called “lamenting chorus,” commentators who are concerned with rising inequality question Will’s views of historical progression and inequality. In an article called, “Gulf Crisis,” Michael Walzer asserts that the rise in inequality has brought with it long-term perils for societies like the United States:

[I]nequality is dangerous for liberal democracy. And the dangers are self-perpetuating: disparities of wealth make it difficult to organize countervailing powers, and the absence of countervailing powers makes for increasingly radical disparities. The long-term effect of this process, the characteristic product of radical inequality, is tyranny in everyday life: the arrogance of the wealthy, the humbling of the poor.

Walzer’s concern is precisely one taken up in this book: what are the wider social, civic, and political costs of excessive socioeconomic inequalities? What levels of which inequalities are socially problematic or morally objectionable?

A response to the latter question requires the building of normative claims about full and equal personhood and social solidarity. Seen one way, accounts of moral equality make

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18 Stating the problem in this way suggests that inequality can be looked at as an “external cost” or “externality” to the market system, that is, as an effect that is not factored into decisions by individual economic actors but whose impact is felt by persons within that society. Such an approach is suggested in Lester Thurow, “Income Distribution as a Pure Public Good,” *Quarterly Journal of Economics* 85 (May 1971), and Sheldon Danziger and Robert Haveman, “An Economic Concept of Solidarity: Its Application to Poverty and Income Distribution Policy in the United States,” Research Series no. 37, International Institute for Labour Studies (Geneva: IILS, 1978). The insights of these thinkers inform my discussion in chapter 8.
claims for prohibiting or constraining certain inequalities – those that obstruct an equal moral attention to all people – while allowing other inequalities to persist as a result of empirical differences in their attributes, experiences, and luck. Since the meanings of equality and inequality are open to serious debate and interpretation, it is important to consider philosophical and theological debates that could inform a constructive theological approach from Christian ethics.¹⁹

Issues related to inequality and equality, of course, are legion. Few of them can be treated in detail in one book. The consideration of equality and inequality will raise related questions of justice and injustice, well-being and deprivation, freedom and oppression, solidarity and envy. The focus on evaluating inequality raises, of course, the question of the causes of inequality and its trends. Some of the issues noted here will be addressed throughout the book; others will only get indirect treatment. Hence it is important to acknowledge the limited, though broad, scope of this project. The following section lays out the structure of the inquiry into inequality and Christian ethics.

THE STRUCTURE OF THE BOOK

_Inequality and Christian Ethics_ is an interdisciplinary effort. Structuring the argument and analysis is no straightforward matter. There is a need to understand the empirical realities and trends of inequality as well as to provide a moral framework or approach of why and how they matter morally. The normative approach constructed in the book is called “a Christian ethical approach,” though it gains significant insights from philosophers and social scientists who do not work within the Christian tradition. Further, the approach developed here seeks to be a part of a pluralistic conversation on matters moral,

¹⁹ My overall approach thus begins with current socioeconomic realities, drawing on moral and theological visions and ideals in order properly to understand and respond to them. My methodology, which will be made clearer in the second half of this introduction, is thus similar to that of Karen Lebacqz in her _Justice in an Unjust World: Foundations for a Christian Approach to Justice_ (Minneapolis: Augsburg, 1987).
social, and economic, and thus the framework must also describe the kind of public contribution it makes. The structure of the book plays an important role in getting the interdisciplinary project “right.”

The book is arranged into three broad parts. The first part, “Contextualizing inequality,” critically reviews the philosophical, economic, and empirical discussions about recent inequality, both in international contexts and within the United States. Though the Christian ethical approach is not explicitly developed until the second part, the analysis in the first part is framed in a way that is consistent with the normative perspective outlined after it. Finally, the third part, “Transforming discourse, persons, and societies,” returns to the wider public debates, demonstrating various ways in which a Christian ethical approach can inform and contribute to discourse about inequality, development, and well-being. If the emphasis in part one is on inequality, and in part two it is on Christian ethics, then part three is the most explicit effort to draw inequality and Christian ethics together. Those chapters attempt to demonstrate how normative insights can be made explicit within debates that too often appear to be value-free. Substantively, the argument models how the values of a Christian ethical approach could be enacted in the public debate about inequality.

While various theological perspectives inform this book, this three-part structure follows the methodological concepts of liberation theology. The respective parts of the book correspond, in the terminology of Clodovis Boff, to the three “moments” of liberation theology: socioanalytic mediation, hermeneutic mediation, and practical mediation.20 Reviewing each of these steps provides a fitting way to outline more specifically the content of each chapter of the book.

20 Clodovis Boff, “Epistemology and Method in the Theology of Liberation,” in Ignacio Ellacuria, S.J. and Jon Sobrino, S.J. (eds.), Mysterium Liberationis: Fundamental Concepts of Liberation Theology (Maryknoll, NY: Orbis, 1993), 57–85, esp. p. 74. These mediations have also been characterized, less precisely, as sequential steps in doing liberation theology: seeing, judging, and acting. I prefer to employ the language of the three mediations, since they are not exclusively or sufficiently characterized as seeing, judging, and acting.
Socioanalytical mediation involves employing the resources of social theory and social science to examine and to understand contemporary socioeconomic conditions. In this step, the chief aim is to uncover structures and situations that produce oppression of persons and groups. This step in liberation theology is a form of “reading the signs of the times,” a concept of Catholic social teaching explicitly introduced in the Vatican II document, Gaudium et Spes (1965): “[T]he Church has always had the duty of scrutinizing the signs of the times and of interpreting them in the light of the gospel.”

Language of “reading the signs of the times” entails more than merely being aware of the latest cultural or social trends; it involves, rather, a critical, “eschatological” analysis of and response to current situations, including a call for transformation of various forms of injustice. This language of

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21 Second Vatican Council, Gaudium et Spes: Pastoral Constitution on the Church in the Modern World, para. 4, in David J. O’Brien and Thomas A. Shannon (eds.), Catholic Social Thought: The Documentary Heritage (Maryknoll, NY: Orbis, 1992). This language of “reading the signs of the times” arises out of an extensive biblical and theological debate over how to understand human and divine action within history. Biblical texts that employ this language within an eschatological framework include 2 Esdras 8:63–9:6 (in the Apocrypha) and Matthew 16:1–4. Encouraged by John XXIII’s papal encyclical, Pacem in Terris (1963), the Second Vatican Council employed this language to analyze and address social, economic, and political realities of the modern world. In Gaudium et Spes, the Council expressed an implication of reading the signs of the times that bears directly on this project: “[A]lthough rightful differences exist between men, the equal dignity of persons demands that a more humane and just condition of life be brought about. For excessive economic and social differences between the members of the one human family or population groups cause scandal, and militate against social justice, equity, the dignity of the human person, as well as social and international peace. Human institutions, both private and public, must labor to minister to the dignity and purpose of man. At the same time let them put up a stubborn fight against any kind of slavery, whether social or political, and safeguard the basic rights of man under every political system” (Gaudium et Spes, para. 29.). See also John XXIII, Pacem in Terris: Peace on Earth, in O’Brien and Shannon (eds.), Catholic Social Thought, paras. 39–45, 75–79, 126–129, 142–145.

22 The international Catholic Synod of Bishops, in the introduction to their 1971 document, Justice in the World, further explains that “scrutinizing the ‘signs of the times’ and seeking to detect the meaning of emerging history” (para. 2) require the understanding of human action within God’s “plan of liberation and salvation.” The Bishops go on to make the following statement, which has sparked significant controversy within the Catholic Church: “Action on behalf of justice and participation in the transformation of the world fully appears to us as a constitutive dimension of the preaching of the Gospel, or in other words, of the Church’s mission for the redemption of the human race and its liberation from every oppressive situation”
Catholic social thought has been appropriated by liberation theologians, consistent with more progressive strands in the official Catholic documents, to analyze socioeconomic conditions of deprivation and disparity. This book follows such a liberationist view of “reading the signs of the times.”

Chapter 2, which examines contemporary debates in political philosophy and development economics, is a reading of some intellectual signs of the times. It provides a critical examination of discussions by which this Christian ethical approach to inequality is informed. In particular, the question of “Inequality of what?” frames how equality and inequality have been understood in scholarly debates. Chapter 3 and chapter 4 critically analyze contemporary socioeconomic inequalities within international and US domestic contexts, respectively. An emphasis here is to demonstrate that the problem of inequality is more complex than merely examining trends in income for a country’s population. Rather, inequalities exist in various important spheres of life (including education and health), and they can be analyzed along lines of race, ethnicity, and gender as well. These two chapters trace the principal social and economic problems that the remainder of the book addresses.

The second part of the book corresponds to the hermeneutic mediation of liberation theology, “the specific moment by virtue of which a discourse is formally theological discourse.” This step involves drawing upon sources of theological authority, employing an approach consistent with the “preferential option for the poor” (discussed in chapters 7 and 8). Boff suggests, for instance, that the reading of the Bible should be marked by certain traits, including a prioritization of “application over that of explanation,” an emphasis on the “transforming energy of the biblical texts,” “accentuat[ing], without reductionism, the social context of the message,” and incorporating “popular” interpretations of texts. The second step, then, entails a

O’Brien and Shannon [eds.], Catholic Social Thought, para. 6, italics added for emphasis).

23 Boff, “Epistemology and Method,” p. 79.

24 Three theological sources noted by Boff are “the Bible of the poor,” “the great Christian tradition,” and “the social teaching of the church” (pp. 81–82).

constructive reading of theological sources within the context of the realities examined through socioanalytical analysis in the first step. Boff describes the task this way: “Liberation theologians are never mere accumulators of theological materials. They are authentic architects of theology. Thus, they arm themselves with the necessary theoretical daring and a good dose of creative fantasy, in order to be in a position to deal with the unprecedented problems they find on the oppressed continents.”

In this spirit, chapters 6 and 7 offer “creative” readings of two theological accounts of equality and inequality, from Reformed theologian H. Richard Niebuhr and liberation theologian Gustavo Gutiérrez. Chapter 8 employs and extends the insights of these theological accounts, alongside various social scientific and philosophical perspectives, to fill out a Christian ethical approach to situations of inequality.

The third and final part of the book corresponds to the practical mediation of liberation theology. While this step contains various tasks, its principal one is to move the social analysis and theological reflection “back to action”: “to action for justice, to the deed of love, to conversion, to church renewal, to the transformation of society.” This step can involve wide-ranging calls for social attention and social change as well as very specific proposals for public policy and social action.

The discussions and insights developed in chapters 9, 10, and 11 entail such a range. The problem of inequality is multi-faceted; so must be the response to it. Chapter 9 draws together and clarifies the kinds of moral contribution that the Christian ethical approach makes to public debate, and it goes on to delineate four particular “axes” that can focus and expand discourse about socioeconomic inequalities. Chapter 10 provides a specific proposal to incorporate a concern for inequalities more explicitly than has been done into debate about international development discourse. An “inequality adjustment” is proposed for the widely used “human development index.” The concluding chapter recasts some of the major

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26 Ibid., p. 83.  
27 Ibid.
insights and arguments of the book. More important, it explores the implications of the project for Christian ethics, the wider moral debate about evaluating and addressing inequalities, and actions and policies that would be consistent with this approach.