

# Relative poverty: The indignity of gross inequality

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Which view of economic inequality has greater merit? The one espoused by Adam Smith, the father figure of capitalism? Or the teaching that unfolds from the Bible's pleadings for justice and righteousness?

It's a trick question. In fact, these two perspectives are broadly the same. Smith, like the biblical writers, was opposed to gross income inequality. They agree that the issue of how people are faring relative to others in society is not simply a question of envy. It's a matter of human dignity and social well-being.

There's another outlook on inequality that has many adherents. Let's call it the We Got Stuff school of thought. It points out, correctly, that almost everyone in the U.S. has things not even the rich had at one time—like microwaves and color televisions. And even the down-and-out have a standard of living that eludes most people in destitute nations. That's what matters, according to this way of thinking. Widening gaps between rich and poor are beside the point.

One global spokesperson for the Smith-and-scripture position is Pope Benedict XVI. In *Caritas in Veritate* ("Charity in Truth"), his 2009 encyclical, the pope inveighs against "the scandal of glaring inequalities." In October of this year, the Vatican's Pontifical Council for Justice and Peace highlighted the "urgent need of a true world political authority" to address such disparities, within as well as between nations. The council's 6,500-word document, "Towards Reforming the International Financial and Monetary Systems in the Context of Global Public Authority," calls for regulations to curtail the "inequalities and distortions of capitalist development."

As for the We Got Stuff school, this summer the Heritage Foundation issued *Air Conditioning, Cable TV, and an Xbox: What Is Poverty in the United States Today?* Following political scientist James Q. Wilson, Heritage senior scholars Robert Rector and Rachel Sheffield declared that the poor today live better than the rich did a century ago and enjoy conveniences that the middle class couldn't afford in the recent past.

Using Census Bureau data from 2005, Rector and Sheffield examined the home of the average family living below the federal poverty line. They found that, for example, "in the kitchen, the household had a refrigerator, an oven and stove, and a microwave." Also spotted were washing machines, ceiling fans, cordless phones and coffeemakers. "Poor families certainly struggle to make ends meet," the authors allowed, "but in most cases, they are struggling to pay for air conditioning and the cable TV bill as well as to put food on the table."

Rector and Sheffield are right that we shouldn't take our society's material progress for granted. But the trouble with this line of reasoning is that Americans today don't live in the 1890s or another bygone era. And they generally don't reside in the bush of Botswana or some other impoverished land, either.

As is customary for humans, Americans inhabit a particular space and time. They live in communities and need access to the resources that will help them participate fully in those communities. This means they need basics, such as a decent-paying job, health insurance and retirement security. At present it also often means needing cell phones, computers and reliable cars.

The biblical social ethic reflects this sense of particularity. The Jewish prophets and Jesus were not bowled over by the fact that the poor of their times lived large compared to the cavemen. They spoke precisely against the marginalization of

economically disadvantaged people *within their social contexts*.

Ronald J. Sider offers a compelling analysis of this biblical tradition in *Just Generosity: A New Vision for Overcoming Poverty in America*. For example, in the Hebrew scriptures the poor are seen as being on the verge of "falling out of the community," as Sider puts it. He quotes Leviticus 25:35–36: "If members of your community become poor in that their power slips with you, you shall make them strong . . . that they may live with you." That's Sider's emphasis on "with you," which underscores the inescapably relative quality of economic wellness.

Behind this ethos is a levelheaded account of human nature. "Precisely because of what scripture tells us about sin and power, biblical people must always oppose great extremes of power," Sider writes. "In a fallen world, powerful people will almost always take advantage of weak neighbors. And money, especially in a market economy, is power. Therefore, great extremes of poverty and wealth threaten justice and democracy."

In this connection Sider invokes John Calvin, who, in commenting on the biblical call for debt forgiveness every seven years (during the "sabbatical year"), wrote this:

In as much as God had given them the use of the franchise, the best way to preserve their liberty was by maintaining a condition of rough equality [*mediocrem statum*], lest a few persons of immense wealth oppress the general body. Since, therefore, the rich if they had been permitted constantly to increase their wealth, would have tyrannized over the rest, God put a restraint on immoderate power by means of this law.

One could also cite Smith's doctrine of "necessaries." Smith explains in *The Wealth of Nations*, that human needs include not just the rudimentary supports of life but "whatever the customs of the country render it indecent for creditable people, even the lowest order, to be without." Smith's examples are linen shirts and leather shoes. While ancient Greeks and Romans could live comfortably without them, custom has rendered each "a necessary of life in England," he wrote in 1776. "A creditable day-laborer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty."

Notice that neither Smith nor the Bible argues against the existence of any economic inequality. Material inequality is part of life, this side of eternity. What they warn against are gaping divides in which people grapple to keep from "falling

out of community."

Millions of Americans—the unemployed, the working poor, the uninsured and many others—have been falling for quite some time. That some of them may be doing so with cordless phones in their hands is not much consolation.