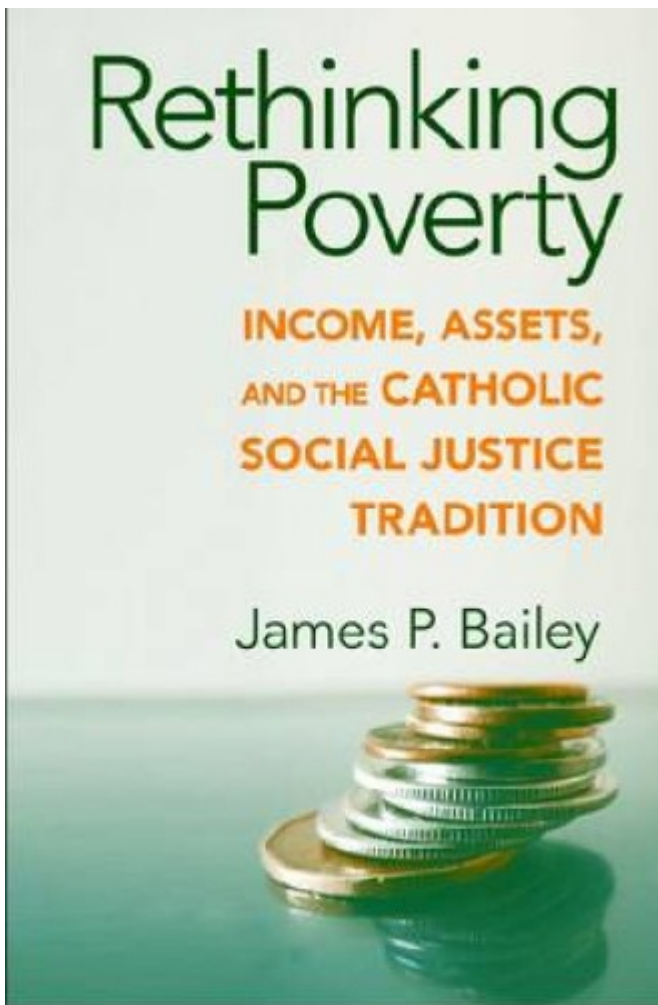


# Rethinking Poverty, by James P. Bailey

reviewed by [Shaun Casey](#) in the [November 29, 2011](#) issue

## In Review



## Rethinking Poverty

By James P. Bailey

University of Notre Dame Press

James Bailey has written a superb, creative and timely book whose primary audience should be the U.S. Congress. Unfortunately, the current members of Congress do not seem to possess the intellectual wattage necessary to profit from it. As a supercommittee of our congressional leaders meets to ponder reductions of federal expenditures of more than a trillion dollars and possible reform of the federal tax code, Bailey's wise volume could provide some Christian guidance.

Bailey describes and advocates adoption of what he calls asset building for the poor, a new strategy for fighting poverty by expanding lower-income people's financial and social assets. The reigning policy orthodoxy is that poverty is a function of income flow and consumption of goods and services. The goal of an asset-based strategy is to help people build a secure financial foundation that will keep them out of poverty.

Bailey gives a strong introduction to this emerging field of social and policy analysis. One astonishing aspect of his argument involves the degree to which the federal tax code favors the nonpoor's accumulation of wealth through mechanisms such as tax-favored retirement accounts and the mortgage interest deduction. These benefits accrue primarily to people who pay a substantial amount in federal income taxes. Why not offer incentives for wealth accumulation to people with lower income as well?

Bailey correlates the asset-building strategy with philosopher Martha Nussbaum's capabilities approach. Nussbaum first describes the distinctive activities of the human person by asking what the characteristic activities of the human being are. Second, she argues that the good life involves the ability to carry out these activities. And finally, she contends that people who are unable to perform these activities have a claim on society.

Bailey demonstrates that an overlapping consensus may be emerging among policy advocates, philosophers such as Nussbaum and Amartya Sen, and perhaps most interesting of all, proponents of Catholic social teaching. The consensus points toward supplementing current income-based antipoverty strategies with approaches based on assets and capabilities.

Bailey interrogates Catholic social teaching in light of these two approaches. Outlining the basic tenets of Catholic social teaching, such as the dignity of the human person, the social nature of persons and the preferential option for the poor,

he demonstrates that there is substantial agreement but also some dissonance among these three streams of thought. He also provides a quick tour of Catholic teaching on private ownership of property, the duty of the state to intervene in the economy on behalf of the poor, and the need for citizens to be able to participate in public and political life.

Earlier this year, a minor storm broke out in Washington when the Republican leadership in the House of Representatives released correspondence between members of their caucus and Archbishop Timothy Dolan, president of the United States Conference of Catholic Bishops. Lawmakers wanted to show that their draconian budget cuts are in accord with Catholic social teaching. Dolan's ambiguous response did little to counter their claim.

There is an opportunity for responsible moral voices, like Bailey's, to enter into this political morass and to suggest some specific tax code reforms that might benefit the poor and not only the rich. Unfortunately, instead we have gotten street theater and agitprop from progressive Christian leaders in Washington, where getting arrested passes for prophetic action. Bailey's work suggests that ethicists and economists can serve the country with concrete and specific budget proposals that might persuade, cajole or shame Congress to reform the tax code in a way that helps the poor instead of hurting them.