

2017 - Issue Two

# Recent Attempts at Family-Centered Economics

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**Allan C. Carlson**, *Third Ways: How Bulgarian Greens, Swedish Housewives, and Beer-Swilling Englishmen Created Family-Centred Economies— and Why They Disappeared* (ISI Books, 2007).

There is surely something very wrong with the present economic system. It is ten years since the eruption of the global financial crisis in the summer of 2007, yet the world's economies show no sign of regaining their formal vigour. Instead they limp on, or perhaps more accurately, are kept alive, by unprecedentedly low interest rates from the main central banks. The biggest losers from this are the young, who graduate from university with crushing debt levels only to find that the high-income jobs they were promised are an illusion. All this against the background of recurrent financial crises that seem to require massive bail-outs from the public sector, otherwise known as the tax payer.

There is also growing discontent with the academic study of economics itself. Indeed, the most obvious fault of modern economics has been its complete and utter failure to either predict, explain, or remedy the global financial crash. There also seems to be a huge dichotomy between the messy and unclear world we live in and the subject as currently taught, that is, by way of mathematical models of great elegance and power that show a beneficent system that moulds the rational self-interest of individuals into an efficient flux. Indeed students around the world have founded "Post-Crash Economics" societies, demanding that their professors drop some of the equations and actually look at the real world.

If we take a step back however, the economic failures of the last ten years may be seen as the most visible symptom of a deeper malaise in modern capitalism, a malaise that is centered upon the heart of the global economy—the United States. In the US average incomes are lower now than they were at the end of the millennium. In fact, although economic growth has been reasonably good over the last forty years, this has not been felt by the ordinary person, as real wages have been stagnant. There are two main reasons for this: essentially all the benefits of economic growth have gone to the rich, whilst there has also been a notable shift in the share of the economic pie. Wages have fallen back, whilst the share going to corporate profits has soared.

None of the above would be a surprise to Allan C. Carlson, whose book *Third Ways* was published in 2007, but which seems more relevant now than when it was originally published. Carlson is a professor of history at Hillsdale College, Michigan, and president of the Howard Center for Family, Religion & Society. His deep scholarship is apparent in the copious references at the end of *Third Ways*, which consists of individual chapters examining various attempts at family-centred economies in the twentieth century:

This volume examines a very different search among some Europeans and North Americans for a Third Way, a form of social and economic organization that in important respects would be neither capitalist nor Communist....unlike both, [these searchers] treasured rural culture, family-scale farming, gender complementarity and the vital household economy. (Preface, x)

To my mind the best chapters of the book are its first two, dealing with the English Distributists of the 1920s and 1930s, followed by the US battle for a family wage regime in the first half of the twentieth century. Each chapter on its own is worth the price of the book. Indeed, Chapter One, “Chesterbelloc and the Fairy Tale of Distributism,” is the best modern summary of Distributism that I have seen. Carlson notes how most writers on Chesterton dismiss his work on Distributism, the attempt together with Hilare Belloc to propose a humane economic system based upon the principles set out in the first great encyclical on Catholic social teaching, *Rerum Novarum* (1891). There Leo XIII states:

We have seen that this great labour question cannot be solved except by assuming as a principle that private ownership must be held sacred and inviolable. The law, therefore, should favour ownership, and its policy should be to induce as many people as possible to become owners.[1]

In fact it is hardly surprising that Distributism is condemned by most Chesterton biographers, generally men interested in his literary works. Distributism not only diverted him from literary work, but chronic overwork to fund his Distributist projects, including the movement’s journal *GK’s Weekly*, probably contributed to his relatively early death at the age of 62 in 1936. However Chesterton himself, despite the undoubted brilliance of his essays, the recognition of his religious masterpieces such as *St Francis of Assisi* and *The Everlasting Man* (on Jesus), and the enormous popularity of his Father Brown detective stories, always felt the advocacy and support of Distributism to be the most important thing he ever did.

*Third Ways* discusses in some depth how the Distributists tried to implement *Rerum Novarum*’s teaching. As Carlson notes, there were three main aspects of this: measures to support small, family-owned businesses, a bias in favour of the family farm and agrarian economics generally, and insistence that the family must be the fundamental basis of any political and economic system. I was also pleased to see the author argue that Distributism had a much more coherent and practical programme to support small business than is generally accepted.

Inevitably, in a relatively small canvas not everything is satisfactorily covered. Carlson has read Chesterton and Belloc’s books on the subject, but he does not seem to be fully aware of all the Distributist material published in *GK’s Weekly*. I have recently argued that study of this material shows Chesterton to have been much more knowledgeable of conventional economics than is generally credited.[2] There is also little on Distributist material produced by other authors. In particular, I am surprised at the book’s lack of coverage of the thought of Father Vincent McNabb OP, the third major inspiration behind Distributist thinking, and one whose insistence on a return to the land would seem very much in tune with Carlson’s agrarian sympathies.

*Third Ways*’ second chapter, *The Wages of Kin*, is a fascinating account of the struggle to build a family-friendly wage regime in the US in the early twentieth century. Contrary to general belief, workers and trade unions have not always campaigned for wage equality between men and women; in fact, as Carlson shows, from the very beginnings of trade unions in early Victorian Britain, workers aimed at a society where: “labouring men of this country should return to the good old plan of subsisting their wives and children on the wages of their own labour and they should demand wages high enough for this purpose”. Similar views were expressed by workers in the USA. This was not only theory; the book documents how family wage systems were increasingly put in place in Europe and the US in the first

half of the twentieth century.

All of this changed, of course in the 1960s, when militant feminism emerged as one of the main “progressive” causes of that era’s social revolution. In the US, as Carlson notes, Congress was persuaded to add “sex” to the Civil Rights Act of 1964 without realising the implications of what it was doing. Shortly afterwards, President Lyndon Johnson issued an Executive Order forbidding sex discrimination, and the Equal Employment Opportunities Commission, established in 1968, ran roughshod over state laws in order to promote sex equality in the workplace. In many quarters it is politically incorrect even to question these policies, but Carlson documents their impact:

*Several consequences followed from this dramatic weakening of the family wage. First, family households with only a single male wage-earner experienced a decline in real income, a predictable result of the effective expansion in the labour supply achieved through the elimination of the gender barriers. Using constant dollars, the median income of married-couple families, when the wife was not in the paid labor force, was \$34,956 in 1973 and \$30,218 in 1993, a decline of 13.6 percent.... These changes led to the declining well-being of children... [Another] consequence of the disappearance of the family-wage system was that American families became fully industrialized or commodified for the first time. As married women moved into the labor market there was a sharp decline in “the production of immediate use values within the family” ... [such as] gardening, food preparation, home repairs, childcare. (50–51)*

It is worth noting that during the British Industrial Revolution it was well known that employers sought women and children even for hard, heavy labour in the mines and factories, as they were cheaper and more docile than men. Carlson describes how the main, consistent advocate of women’s full participation in the US workforce from 1903 onward was the National Association of Manufacturers—the advocacy body for larger American corporations.

I noted earlier how US real wages have been stagnant for over 40 years; *Third Ways* provides an explanation for this phenomenon that you will not find mentioned in any economics textbook, nor indeed in any modern media analysis. It would have not surprised G.K. Chesterton, however, who predicted exactly this over one hundred years ago in the first major Distributist text, which analyses the curious alliance and effective similarity of outlook between Gudge, the capitalist, and Hudge, the would-be reformer:

A horrible suspicion...has sometimes haunted me: the suspicion that Hudge and Gudge are secretly in partnership.... Gudge the plutocrat wants an anarchic industrialism; Hudge the idealist provides him with lyric praises of anarchy. Gudge wants women workers because they are cheaper; Hudge calls the woman's work “freedom to live her own life”. [3]

The breadth of Carlson’s book is impressive, covering such varied topics as a campaign for family-friendly economics led by Swedish housewives, and the Christian Democratic roots of European economic reconstruction post 1945. There is also a workmanlike chapter on the economist Karl Polanyi,

whose important 1944 book *The Great Transformation* argues that the growth of the capitalist system in Europe was not the natural, organic process generally depicted, but rather a consequence of government policy to establish nation states.

I thought I was well-read in the field of alternative economics, but the author's coverage of the Soviet economist Chayonov's attempt to build a network of peasant-centred communes was unknown to me, as was the "Green Rising", the rise to power of agrarian parties and of land redistribution in Eastern Europe in the early 1920s. Unfortunately, both of these movements came to nothing. Small-scale peasant farming was tolerated by Lenin in the early 1920s, but when Stalin assumed power after his death in 1924, forced collectivization of agriculture became state policy. Chayonov was arrested by the secret police and died in the labour camps. The final stage of the First World War saw the collapse of the Hapsburg, German, and Russian empires that had dominated Eastern Europe. Consequently, countries such as Poland and Czechoslovakia (Bohemia) regained their independence. Their newly sovereign governments promoted the "Green Rising" of land reform, policies which enjoyed widespread popular support. However, the region was squeezed between the Communist threat from the East, and the rise of local fascist or nationalist movements, with democratic agrarian parties being overthrown by brutal coups d'état.

Indeed, as the book points out, all of these pro-family movements failed, squeezed out in democratic societies by an unholy alliance of big business and intrusive big government—what Belloc and Chesterton called "The Servile State" ninety years ago. Now that Communism has fallen, the Servile State seems the only game in town. Yet *Third Ways* ends with cautious optimism:

However, those who still seek an authentic liberty premised on personal liberty, family integrity, and a culture of enterprise might still look to the Third Way tradition to find the shape of a fresh alternative...It might be called the Family Way....In the end, the Family Way means reconnecting everyday tasks with the great purposes of the Creator. Only then do common deeds bend towards transcendence. (It) offers a way, perhaps, to overcome much of our alienation, to reconcile humankind with its created nature, to bring about a simple and yet profound coming home. (184-86)

*Russell Sparkes has a long-standing interest in both Catholic Social Teaching, and G.K. Chesterton and the Distributist movement. A former Chairman of the Chesterton Institute, in 1995 together with Stratford Caldecott he founded the Sane Economy project of the Centre for Faith & Culture. His books include: Prophet of Orthodoxy—the Wisdom of G.K. Chesterton (Harper Collins, 1997), Sound of Heaven—a Treasury of Catholic Verse (St Pauls, 2001), and Cardinal Manning and the Birth of Catholic Social Teaching (CTS, 2012).*

[1] *Rerum Novarum: On the Condition of Labour*, 15 May 1891 (S3). Official translation: the Vatican Polyglot press, included in *The Social Teachings of the Church*, ed. Anne Freemantle (Mentor-Orbis Books, 1963).

[2] Russell Sparkes, "Chesterton as Economist", in *The Hound of Distributism: A Solution For Our Social And Economic Crisis* (ACS Books, 2011).

[3] G.K. Chesterton, *What's Wrong With the World* (London: Cassell, 1910).

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