Anthony Annett

*Cathonomics: How Catholic Social Thought Can Create a More Just Economy*

Washington DC: Georgetown University Press, 2022

Many authors have offered critiques of the modern economic system, from Thomas Piketty’s (2017) *Capitalism in the 21st Century* and Binyamin Appelbaum’s (2019) *The Economists Hour* to Kate Raworth’s (2017) *Doughnut Economics*. Joining that list is Fordham University economist Anthony Annett (2022) with his book *Cathonomics: How Catholic Tradition Can Create a More Just Economy*.

Annett critiques our modern economic system from the view of an insider, but one who never lost touch with his working-class roots. He grew up in Ireland and attended Trinity College Dublin – the first in his family to graduate from college. He later earned a Ph.D. studying macroeconomics and political economy from Columbia University in New York City. Annett joined the International Monetary Fund as a speechwriter for IMF presidents, including Christine Lagarde. His broad interest not only in economics, but also in history, theology and philosophy, might have served him well as a speechwriter, but, as Annett notes in the book’s preface, left him unsatisfied with the field’s technical, mathematical focus. Human relationships in all their complexity were, in the modern economic paradigm, reduced to satisfying individual preferences.

Annett identifies many social and environmental challenges, from poverty and income inequality to environmental degradation. He lays much of the blame on ‘neoliberalism’ which he defines as ‘the extension of the values of neoclassical economics across all aspects of the economy and society… It is the belief that efficiency is the highest standard, that growth is the only goal as growth will trickle down, and that the private sector needs to be unshackled from the grip of government to be efficient and innovative’ (p. 102).

In *Cathonomics*, Annett attempts to restore the human dimension of economics by putting relationships front and centre. Economics is a social science and the economic system is embedded within the social system. Furthermore, the social system is embedded within Earth’s ecological systems. An economics that serves the common good recognises and enhances these economic-social-ecological relationships.

Many authors, such as Raworth and Jeffery Sachs, Annett’s colleague who wrote the foreword, have offered their insights on sustainable development. What makes *Cathonomics* unique is its use of Catholic social teaching as the framework for a more just and sustainable economics. Annett deftly uses Hebrew scripture, Aristotle and Thomas Aquinas, and the social encyclicals of the popes to embed economics within the boundaries of a good society.
The book’s first two chapters establish the historical, theological and philosophical basis of Catholic social teaching. Annett draws on Hebrew scriptures and the teachings of Jesus to emphasise ‘the idea that we care called to respect both our fellow human beings and the rhythms of nature’ (p. 5). The philosophical core of the book rests on the virtue ethics of Aristotle and his medieval interpreter, Thomas Aquinas. For Aristotle, the purpose of human life is to achieve a state of *eudaimonia*, or human flourishing. Poverty and plain bad luck can hinder reaching this state of human flourishing. But Annett emphasises Aristotle’s caution that wealth is not an end in itself. Wealth is useful only to the extent that it leads to human flourishing. The blind pursuit of wealth can also be an impediment to human flourishing. Aquinas addresses notions of property rights, saying ‘man ought to possess external things, not as his own but as common, so that he is ready to communicate them to others in their need’ (p. 26).

The popes, going back to Leo XIII in 1891, have written public letters (encyclicals) that address the social dilemmas of the day. Annett summarises these, thirteen encyclicals in all, and distils from them ten key principles of Catholic social teaching. They are the common good, integral human development, integral ecology, solidarity, subsidiarity, reciprocity and gratuitousness, the universal destination of goods, the preferential option for the poor, Catholic notions of rights and duties, and Catholic notions of justice. Each of these has a strong connection to our modern economy and its ills.

Annett presents his critique of neoclassical economics, and the sprawling neoliberalist paradigm, in chapters three and four. As a specialist in macroeconomics and former IMF employee, he is most credible taking on global issues like income inequality, tax havens and sustainable development. He does acknowledge the gains in poverty alleviation, health and other sectors. However, Annett aims most of his criticism towards the narrow conception of gross domestic product (GDP). When GDP is used as a measure of economic well-being, it falls far short of Aristotle’s vision of *eudaimonia*, or human flourishing.

In the last several chapters, Annett dives into several specific challenges: namely inequality, environmental crises and globalisation. He interrogates each one using the ten principles of Catholic social teaching. Annett not only uses the principles to illustrate the failings of the neoliberal paradigm, but also as a way to heal and repair our relationships with each other and the Earth systems on which we depend.

In the preface’s brief biographical section, Annett describes his broad interest in economics, history, theology and philosophy. He expertly weaves history, ethics and economics together in a way that is compelling but never preachy.

Every author faces limits on what to include in the book. Although it is well-researched and quite comprehensive, Annett missed an opportunity to engage with some notable scholarship in Chapter 7: Care for Our Common
Home. Much of the chapter describes *Laudato Si’*, Pope Francis’s 2015 encyclical on the environment. He notes that environmental crises, such as climate change, violate the Catholic social teaching of integral ecology, solidarity, distributive justice, and the preferential option for the poor. However, this chapter is notably light on economics and political economy. In particular, the work of Nobel Prize winner Elinor Ostrom fits in well with the principles of Catholic social teaching. The Nobel committee awarded Ostrom the prize in 2009 for her work on ‘economic governance, especially the commons’. She showed that communities can, through relationships built on solidarity and reciprocity, sustain their shared resources such as fisheries and forests (Ostrom 1990). Ostrom’s work on global commons and climate change likely influenced the decentralised structure of the Paris Agreement (Ostrom 2010). She used the term polycentricity to describe the nested layers of decision-making authority that govern complex commons. Polycentricity is nearly identical to the Catholic social teaching of subsidiarity (Cole 2015). Both concepts refer to solving a problem at the lowest level possible and the highest level necessary.

The idea of merging economics with Catholic social teaching may sound strange at first, and perhaps even off-putting to non-Catholics. However, Annett shows that Catholic social teaching has roots in well-developed philosophical and faith traditions that can appeal to the religious and non-religious alike. These teachings provide a thorough structure on which to build a new economic paradigm, one that prioritises human flourishing through relationships with each other and the Earth.

**ERIK NORDMAN**

*Grand Valley State University, Michigan*

**References**


