

Briefing Paper: Cost of Living Crisis

Monday, September 5th, 2022

A briefing paper from the Bishops' Conference Department for Social Justice on the cost of living crisis. The briefing looks at the current context and invites a response based on the key principles of Catholic Social Teaching.



The Catholic Bishops of England and Wales are acutely aware of the impact of the cost of living crisis up and down the country. It is having a devastating effect on families, pushing many deeper into poverty and leading many others to struggle with day-to-day living costs.

We know from news reports and from our pastoral experience, as well as from the experience of Catholic charities, that it is not an exaggeration to say that some families are having to choose between “heating and eating”. This situation will not improve soon, and it will almost certainly worsen as winter approaches.

The Lord hears the cry of the poor! (Psalm 34) And the Church must respond, as best she can, to that cry at every level.

The political and economic context and response

The roots of the situation we face are complex and there are no easy solutions. There are both long-term and short-term causes of the current crisis including:

- The extraordinary rise in the cost of energy.
- The very high cost of housing in this country and its effects on rents.
- Rising food prices.
- The longer-term effects of the pandemic.
- An ageing population leading to higher taxes whilst public services appear to deteriorate.
- The weakening of the institution of the family which leads to greater financial needs and financial fragility in many households.

There are also secondary effects of the crisis. Stress and increased poverty will lead to a worsening of mental health. Shortages of labour in health and social care are severely affecting the delivery of these services. And there has been an increase in industrial unrest. In addition, family members are having to increase their working hours and, therefore, may not be able to care for their children or for elderly parents themselves. This puts still further pressure on social services. At the very least, increased working hours leads to greater strain on family life.

It is not within the competence of the bishops to comment on the technical detail of how to resolve or ease these problems, and we accept that many of them involve difficult trade-offs. Peace and the security of the country must be a priority, and the situation in Ukraine has inevitably had an impact on many elements of the cost of living. In addition, challenges such as climate change have to be faced, and there are

legitimate debates about how to balance the need for more housing with environmental concerns. We are pleased that there are many Catholics in public life who are engaging with other people of goodwill in trying to produce long-term solutions to these political and economic challenges.

However, Catholic Social Teaching tells us that, when there is urgent and dire need, justice requires that this is addressed as a priority. In this regard, we urge government to:

- Ensure the timely uprating of welfare benefits, especially those for the elderly and for families with children.
- Remove the two-child cap on universal credit payments or, at the very least, suspend it pending a review of its impact.
- Consider reform of the tax system so that it better recognises family, child-rearing and other caring responsibilities.
- Ensure that priority is given, in tax and welfare policy, to protecting the most vulnerable.

As the new government assesses its future priorities, we ask that it:

- Considers how the principle of subsidiarity can be applied to our centralised system of welfare and public services to make delivery more effective and more efficient. This principle has long been part of Catholic social teaching and was raised by Pope Benedict in his encyclical letter, *Caritas in Veritate*: “[By applying the principle of subsidiarity] with the active participation of private individuals and civil society...it is actually possible to improve social services and welfare programmes, and at the same time to save resources”. (60)
- Recognises the work that faith and other civil society groups were able to do during the pandemic to ameliorate suffering and ensure that their role is fully recognised in government policy initiatives to relieve the cost-of-living crisis.
- Recognises the long-term nature of many of the problems that are causing the cost-of-living crisis and devote itself to the promotion of the common good and inter-generational solidarity above factionalism and party interest. As the Church Council, Vatican II, taught: “Political parties, for their part, must promote those things which in their judgement are required for the common good; it is never allowable to give their interests priority over the common good.” (*Gaudium et Spes*, 75).

We also recognise the responsibilities of employers at this time. Businesses, especially the owners of small businesses and the self-employed, may themselves be struggling with increased costs. Nevertheless, Catholic social teaching demands that, if an enterprise can afford it, it should pay a living wage to its staff. We also ask employers and managers to be aware of the stress that their staff may be under and respond with compassion and understanding.

Love, charity and social action

Promoting justice, relieving poverty and building the kingdom of God on earth is the responsibility of all individuals and institutions in society. Therefore, we must all do what we can to respond to the current crisis.

Pope Francis, quoting St. Thomas Aquinas, has said that “the poor person, when loved, is esteemed as of great value”. There is an unbreakable bond between love of God and love of neighbour. Pope Benedict XVI, in an encyclical letter, *Deus Caritas Est* (God is Love) commented that “the Church’s deepest nature is expressed in her three-fold responsibility: of proclaiming the word of God, celebrating the sacraments and exercising the ministry of charity. These duties presuppose each other and are inseparable” (25). He also wrote about how the pagans were struck by the loving concern of the early Christians for those in greatest need. He specifically described how Justin Martyr († c. 155), in speaking of the Christians’ celebration of Sunday, mentions their charitable activity. The Christians of the early Church made offerings in accordance with their means and those offerings were used to support orphans, widows, the sick and those who for other reasons found themselves in need. (*Deus Caritas Est*, 22).

The work of local parishes, the agencies of the Church in England and Wales, and Catholic charities continue this tradition. Throughout the current crisis, the Bishops of England and Wales will ensure that Catholic charities do all they can to address the urgent needs they face. We acknowledge the excellent work within parishes that supports those in need in their local communities. We ask parishes to continue to do everything possible at this time and to consider innovative ways of providing further material help and pastoral support. We also urge all Catholics to give whatever time and financial resources they can to charitable endeavours that support those who are affected by the current crisis. We applaud the work of Catholic schools that have long been supportive of, and responsive to, children in families who might be struggling financially or in other ways and encourage them in this work.

We should never forget the spiritual needs of the poor and their special gifts. As Pope Francis wrote in *Evangelii Gaudium* (The Joy of the Gospel): "The great majority of the poor have a special openness to the faith; they need God and we must not fail to offer them his friendship, his blessing, his word, the celebration of the sacraments and a journey of growth and maturity in the faith." (200) Our parish communities must always be open to those suffering from hardship who will be in particular need of companionship and spiritual support at this time.

Finally, we offer our prayers for all those who are suffering from the cost of living crisis. We also offer our prayers for Her Majesty's government that it will govern with wisdom, justice and humility and find ways, both long term and short term, to alleviate this crisis which is having a devastating effect on so many people.

St. Thomas More, pray for our servants in public life

St. Francis of Assisi, pray for the poor

St. Elizabeth of Hungary, pray for the homeless

A Statement on the Cost of Living Crisis from the Bishops' Conference of England and Wales

Catholics are present in every local community, seeking to contribute constantly to the support of those in need. So we are well aware of the dramatic impact this crisis is having, with many people knowing they face choices between 'heating or eating', especially as winter approaches. The affluence to which our society has become accustomed seems to be seeping away.

I, and my fellow bishops, recognise the complexity of the causes, both short and long-term, that bring about the crisis now affecting so many. There are many Catholics in public life and in the charitable sector who are engaging in trying to produce long-term solutions to these political and economic challenges.

Catholic Social Teaching

Catholic Social Teaching indicates key principles which help to fashion just solutions to urgent and dire need.

The principle of serving the common good means that the needs of the poorest in society must be given urgent attention. The time for giving priority to factional interests has passed. Today our focus should be on the elderly, families who have the care of children, and all those least able to absorb the huge increases in the cost of living that we face. This means giving immediate attention to issues such as the level of welfare benefits and the impact of the two-child cap on universal credit payments, among other possible actions. Businesses too, especially small businesses, are facing acute challenges and will need help to survive. Their support for employment and family income is crucial.

No one is to be cast aside or 'discounted'. I am confident that throughout this crisis, the Catholic community will do all we can to act on this conviction and promote this principle. (Cardinal Vincent Nichols)

Similarly, the principle of subsidiarity can be applied to our centralised system of welfare and public services to make delivery more effective and more efficient. This principle, long part of the social teaching of the Catholic Church, seeks "the active participation of private individuals and civil society" through which "it is actually possible to improve social services and welfare programmes, and at the same time save resources" (*Pope Benedict XVI, Caritas in Veritate 60*).

Parishes and Charities

The work of our local parishes, and of Catholic charitable agencies, is based on the firm conviction of the inherent dignity of every person. No one is to be cast aside or 'discounted'. I am confident that throughout this crisis, the Catholic community will do all we can to act on this conviction and promote this principle.

I know that parishes will continue to do everything possible, including innovative ways of providing further material help and pastoral support. I also urge all Catholics to give whatever time and financial resources they can to charitable endeavours that support those who are affected by the current crisis. The work of Catholic schools, that have long been supportive of, and responsive to, children whose parents might be struggling financially or in other ways, is to be strongly applauded and encouraged.

The spiritual needs of the poor and their special gifts should never be forgotten. As Pope Francis wrote: "The great majority of the poor have a special openness to the faith; they need God and we must not fail to offer them his friendship, his blessing, his word, the celebration of the sacraments and a journey of growth and maturity in the faith" (*Evangelii Gaudium – The Joy of the Gospel – 200*).

I trust that our parish communities will always be open to those suffering from hardship and in particular need of companionship and spiritual support at this time. They can help us to understand the humility we must have before God.

Finally, I ask that we all offer our prayers for those who are suffering from the cost of living crisis. I pray that all in our society will work together to find ways, both short and long term, to alleviate this crisis which threatens the well-being of so many people.

Saint Thomas More, pray for all who serve in political and public life.

Saint Bernadette, pray for the poor.

*Cardinal Vincent Nichols
President, Catholic Bishops' Conference of England and Wales*

5 September 2022