

# **Subsidiarity: More Than a Principle of Decentralization – A View from Local Government**

**Joseph Drew\* and Bligh Grant†**

\*Institute for Public Policy and Governance

University of Technology Sydney; Joseph.Drew@uts.edu.au

†Institute for Public Policy and Governance

University of Technology Sydney

***Abstract:*** A common interpretation of the principle of subsidiarity in the federalism literature is that decentralized government, which is closer to the people, is better able to respond to the preferences of its citizens. However, when the principle is denuded of its moral foundations in this fashion it not only fails to provide the grounding for achieving human dignity and the common good, but may also become the harbinger of fiscal crises and social dysfunction. We provide a more comprehensive account of the principle of subsidiarity and contrast this with various conceptions prominently presented in the federalism literature. We then explore how this more comprehensive view of subsidiarity would look in practice. In short, we argue that mere decentralization of government fails to capture the ontology and desirable outcomes of the principle of subsidiarity.

Various interpretations of subsidiarity are invoked in the federalism literature. For instance, Boadway and Shah (2009, 245) define subsidiarity as the principle that “taxing, spending and regulatory functions should be exercised by lower levels of government unless a convincing case can be made for assigning them to higher levels of government.” Another luminary of the federal scholarly community, Wallace Oates (1999, 1122) defines subsidiarity as the “precept... that public policy and its implementation should be assigned to the lowest level of government with the capacity to achieve the objectives.” Moreover, Oates (1999, 1122) seeks to justify this interpretation of subsidiarity as decentralization by noting that “its intellectual roots, interestingly, are found in twentieth-century Catholic social philosophy.” In point of fact, Oates’s (1999) interpretation is quite discordant from Catholic social philosophy – a philosophy which may have its modern origins in *Rerum Novarum* (Leo XIII 1891), but can trace its history back to at least the metaphysics of St Thomas Aquinas (thirteenth century).

Subsidiarity has its roots in the Catholic Natural Law tradition, which asserts that there are universally evident and universally binding existential ends for people which can be discerned by reason, the order of nature, and the ordinance of G-d (Messner 1952; Velasquez and Brady 1997; Hittinger 2003). It acknowledges that people are ruled by the same impulses which affect other animals – for instance, the instincts for procreation and survival – but asserts that we alone are conscious of the impulse, and the connection to inherent ends (Novak 1994). As such, the “end occupies a central position in natural law ethics” (Messner 1952, 52). The precise specification of the existential ends of persons is a matter of some discordance; however, Aquinas nominated “human life, the union of male and female, care of one’s children, a well ordered society, and knowledge particularly knowledge of G-d” (Velasquez and Brady 1997, 87; see also the expanded specification of Messner 1952). Clearly some of these ends can be achieved by a

person acting alone – for instance, the preservation of human life – but equally some of the existential ends require associations of various types (for example, the family for procreation and care of offspring; Kenney 1955). Thus, it would seem from the observation of nature and reason that a plurality of human associations are required for human flourishing (Chaplin 2014).

The major contribution of the principle of subsidiarity is to assert that there is a proper assignment of functions to social structures required for persons to achieve their existential ends, both individually and in association. It is thus especially useful for addressing fiscal issues, not the whole question of authority. Moreover, Catholic social teaching asserts that “concern is one of propriety, which suggests that certain powers and responsibilities properly belong to various actors in society, prior to and apart from the consequences that may be generated” (Golemboski, 2015, 535). This should not be interpreted as suggesting that we have no business in assessing the consequences of subsidiarity; indeed, consonant with Messner (1952), Sirico (1997), Novak (1999), and the various Magisterial statements we spend some time in explicating on the positive outcomes arising from a right assignment of functions. Rather, it is a statement that the principle of subsidiarity does not depend on its *outcomes* for its justification. Instead, the principle focuses on two key concepts within an ontology of plural social forms, namely human dignity and the common good (Messner 1952). Human dignity is the recognition of a person’s inherent right to pursue their existential ends as evident in Natural Law (Beckley 1991). The common good, on the other hand, is the “help accruing to the members of society in fulfilment of their ends, as the result of their cooperation” (Messner 1952, 118). Subsidiarity seeks to protect human dignity whilst recognizing the need to balance the common good within a context of plural social forms (Messner 1952; Kenney 1955; Sirico, 1997).<sup>1</sup>

At this point in our exposition of subsidiarity it is almost incumbent upon us to quote at length the first use of the neologism articulated by Pope Pius XI in *Quadragesimo Anno* (1931, paragraph 80):

As history abundantly proves, it is true that on account of changed conditions many things which were done by small associations in former times cannot be done now save by large associations. Still, that most weighty principle, which cannot be set aside or changed, remains fixed and unshaken in social philosophy: Just as it is gravely wrong to take from individuals what they can accomplish by their own initiative and industry and give it to the community, so also it is an injustice and at the same time a grave evil and disturbance of right order to assign to a greater and higher association what lesser and subordinate organisations can do. For every social activity out of its very nature to furnish help to the members of the body social, and never destroy and absorb them.

Notably, the “Church proposes subsidiarity, then, not as a ‘policy’ or as a mere political preference, but instead as one among the unchangeable ontological principles of the socio-political order” (Brennan 2014, 31). Moreover, the articulation of Pope Pius XI was no one-off assertion, but has been reaffirmed by Pope John XXIII (*Mater et Magistra* 1961), Pope John Paul II (*Centesimus Annus* 1991), the Pontifical Council for Justice and Peace (2004), and Pope Benedict XVI (*Deus Caritas Est* 2005).

It ought to be recognized as well that it would be quite wrong to consider subsidiarity merely as an ornament of the Church, and thus relegate a comprehensive articulation of the principle to the domain of Christian theologians. For instance, Eisenhower’s (1955) State of the Union Message declared:

The aspirations of most of our people can best be fulfilled through their own enterprise and initiative, without government interference. The Administration follows two simple rules: first, the Federal Government should perform an essential task only when it cannot otherwise be adequately performed: and second, in performing that task, our Government must not impair the self-respect, the freedom and the incentive of the individual ... Government can fully meet its obligations without creating a dependent population or a domineering bureaucracy.

We are by no means suggesting that it is only in subsidiarity that profound defenses of the institutions of civil society, or “intermediary bodies,” reside. For instance, in his discussion of the political theory of local government Wickwar (1970, 6–7) reminds us that the theory of sovereignty as articulated by Bodin (1606) was replete with a defense of said bodies; that Montesquieu (1749) made the same point,<sup>2</sup> and that “the self-governing community” is a cherished element of the reaction to the Enlightenment represented in idealism and its later manifestations, including traditions of municipal socialism (Wickwar 1970, 30–59) and, we would add, discussions of civil society (see, for example, Seligman 1992; Hyden 1997). Indeed, a broad church of contemporary writers emphasize the same general point (see, for example, Oakeshott 1975; Gray 1996). However, it is with the principal of subsidiarity with which we are concerned and in this regard our explication agrees with that of Golemboski (2015, 546), wherein “the various political principles described by ‘subsidiarity’ are not [mere] friendly variations on a theme but rather entail fundamentally incompatible understanding of social and political life.” However, we go one step further, by arguing that common interpretations of subsidiarity in the federalism literature are in fact quite misleading misrepresentations which may give rise to injustice, social dysfunction, and fiscal crises among decentralized units of

government. Extant representations of subsidiarity in the federalism literature focus on a trickling down of responsibilities from central government to decentralized governments in an apparent obsession with the geographic proximity and scale of various tiers of government. By way of contrast, a comprehensive view of subsidiarity, which truly has its intellectual roots in Catholic social philosophy, will assert a social ontology of plural social forms and be preoccupied with human dignity and the common good.

In the next section we build a more comprehensive understanding of the principle of subsidiarity, one which is responsive to Catholic social teaching (albeit with a conservative interpretation of same). This is followed by a closer look at the dangers inherent in government-centric (ontologically thin) interpretations which dominate the extant federalism literature. However, we realize that pointing out the differences between competing conceptions is of little practical import. Thus, in the penultimate section of the paper we paint a picture of what a comprehensive understanding of the principle of subsidiarity would actually look like when applied to decentralized government (it might be noted that because our focus rests on local government, particularly in the context of the Antipodes, we do not consider functions such as welfare, which are generally the responsibility of higher tiers of government). Our paper ends with a plea for a firm distinction between the (moral) principle of subsidiarity and (what we would term) the principle of decentralization, along with a recognition of some of the benefits of countenancing the former over the latter.

### **A MORE COMPREHENSIVE CONCEPTION OF SUBSIDIARITY**

The etymology of the term ‘subsidiarity’ is instructive for an understanding of the principle, notwithstanding that there are, in fact, a number of explanations in the literature. The most

commonly invoked etymology asserts that “subsidiarity” is derived from the Latin *subsidium* which was used to describe reserve units in Roman military campaigns. As such, the term conveys more than the common English translation of “help” or “assistance.” Thus, Messner (1952) draws on the etymology to assert that *subsidium* is perhaps better defined as temporary assistance which is provided only in times of *bona fide* need, and then in a manner designed to make it superfluous as quickly as possible. Vischer (2001, 103), by way of contrast, invokes an etymology which suggests that subsidiarity means “to ‘seat’ (*sid*) a service down (*sub*) as close to the need for that service as is feasible.” Behr (2003, 105), however, draws on the Latin *sub sudeo* and the concept of Roman auxiliary troops to suggest that the term connotes a meaning of “‘help’ ... from the bottom up, not from the top down, as the inferior and mediating groups all participate in achieving the common good of the more perfect association.” The three etymologies emphasize different aspects of the principle of subsidiarity – which reflect the different perspectives of authors in the extant literature.

Our emphasis in the following discussion of the principle and its application to decentralized government is firmly on the need to balance human dignity and the common good in a context of plural social forms. In so doing we recognize that human dignity is an inherent right, but also (drawing heavily on the conservative interpretations of Sirico 1997; 2014; Novak 1994; 1999; Kenney 1955; and Neuhaus 1999) a right which must be understood in terms of “what Pope John Paul II has come to call the ‘subjectivity’ of the human person; that is, the very core of personal responsibility, on which human dignity is grounded” (Novak 1994, 27). Such an interpretation emphasizes that the person is responsible for achieving those existential ends which can be met alone and also contributing to the common good, which provides help to the person and others in fulfilment of their ends.

To balance human dignity and the common good the principle of subsidiarity employs both negative and positive obligations. Negatively, subsidiarity is “a principle of nonabsorption” which respects the person’s and persons in association’s right to pursue their inherent ends without interference (Chaplin 2014, 72). Positively, the principle prescribes that “all societies of a superior order must adopt attitudes of help (*subsidium*) – therefore of support, promotion, development – with respect to lower order societies” (Pontifical Council for Justice and Peace 2004, paragraphs 185–86). Thus, the positive obligation directs us to go beyond merely preserving pre-existing plural forms necessary for human flourishing, but also to provide *subsidium* when lesser associations become unable to perform their function for the common good *and* to assist in the development of new lesser associations should it be necessary for the common good. Moreover, we must remain cognizant of the nature of *subsidium* – evident in both etymology and the requirement to preserve the plurality of society – that it be delivered as temporary assistance in a manner designed to make it superfluous as quickly as possible (Messner 1952).

As we have noted, the discussion of the principle of subsidiarity in the federalism literature focuses on decentralization of government. It is therefore a salient and legitimate avenue for us to examine. The role of government is dictated by the common good and indeed “the political community exists consequently for the sake of the common good in which it finds its full justification and significance and the source of its inherent legitimacy” (Paul VI 1965, paragraph 74; see also John Paul II 1991, paragraph 11: “the State has a duty to watch over the common good ... the State exists in order to protect their rights and not stifle them [the person, the family and society]”). That is, we posit a limited role for government according to the observation that the State should not displace the ends of persons and lesser associations from which it derives its



legitimacy (for to do so necessarily erodes its legitimacy in addition to violating pre-existing plurality and potentially impinging on the dignity of the individual; Messner 1952). Otherwise stated, it is not in the nature of associations to destroy the very source of their legitimacy: For instance, a church does not seek to dissuade its adherents from a belief in G-d, nor does a family ordinarily seek to destroy its offspring. Moreover, the fact that individuals, families, and other associations are prior to the political community (not just historically, but also in an “immediate and irreplaceable instantiation of basic human goods”) suggests that there is no reason in nature to presume anything other than an instrumental role for government (Finnis 1998, 191). Indeed, Finnis (2013, 156) notes that proof of the instrumental nature of the State can also be had by asking the “State’s government and the law to prove that its jurisdiction rightly reaches so far into the lives of those persons and associations whose good is more intrinsic than its”. Thus, government should be “as big as it needs to be to fulfil its mandate; but no bigger” (Chaplin 2014, 74).

To facilitate the co-operation of persons and lesser associations in pursuit of their existential ends, government has a clear role in creating the economic, legal, and physical infrastructure required. This role is in addition to creating the existential space for individuals and lesser associations in the event that government has previously taken action to occupy the space and remedying deficiencies of lesser associations – such as ensuring a minimum wage and implementing anti-trust legislation. In this way government can ensure the rights and obligations of the lesser associations and provide *subsidium* where there is a *bona fide* need (Messner 1952; Vischer 2001; Chaplin 2014). Notably, this includes the role of “guard[ing] against free markets own tendency to erode these social institutions [lesser associations]” (Vischer 2001, 119). Moreover, the government’s role in facilitating the common good confers both a right to levy

taxes but also “the limit of the State’s right” (Messner 1952, 634). That is, government has a right to levy sufficient taxes required to fulfil its mandate – but not the right to levy taxes to provide goods and services which are the proper role of persons and lesser associations.

It seems that one of the main motivations for the annunciation of subsidiary in *Quadragesimo Anno* was the fear that “following upon the overthrow and near extinction of that rich social life which was once highly developed through associations of various kinds, there remain virtually only individuals and the State” (Pius XI 1931, paragraph 78). Pope Pius XI appealed to the self-interest of the State in providing a reason for why a society comprising only government and persons was not desirable, namely that such a situation would be of “great harm [to] the State itself; for, with a structure of social governance lost, and with the taking over of all the burdens which the wrecked associations once bore, the State has been overwhelmed and crushed by almost infinite tasks and duties” (Pius XI 1931, paragraph 78). Recent sovereign crises in a number of countries would certainly seem to support the contention of Pius XI (1931).

However, a number of other reasons have since been advanced for why we should prefer a plural society. Neuhaus and Berger coined the term “mediating structures” to put forward an argument regarding the importance of “institutions standing between the individual in his (*sic*) private life and the large institutions of public life” (cited in Vischer 2001, 116). The argument is that mediating institutions (which include families, neighborhoods, churches, and voluntary associations) are critical in transmitting values, providing meaning, and reducing the potential for alienation (Neuhaus 1999; Vischer 2001). We recognize that mediating structures are put forward as an argument against megastructures (which include government, but also large corporations and other powerful institutions (such as trade unions)) and the private sphere. However, we believe that it is valid to apply the argument in this context, given that a society

reduced to just the State and persons would in fact represent a greater gulf between the public and private spheres. In addition, Fort (1999, 395) notes the salience of size – “because of their small size mediating institutions allow individuals to see and experience the consequences of their actions.” That is, in a small association persons can see how their co-operation promotes the common good and, in so doing, in turn assists the person to achieve their own existential ends.

Another important reason for preferring plural forms is found in the observation that there is “intrinsic value [in the] collaborative activity” itself (Hittinger 2003, 279). Thus, in addition to the tangible good produced when persons come together to pursue an end, we have the good of collaboration itself (think, for example of the collaborative good generated when a person strives as part of a team in the workplace). If society were to be composed of just the State and the person then it is hard to see how the collaborative good might be experienced.

A fourth argument against a society reduced to just the State and persons is the potential for such an arrangement to foster a state of dependency. Returning to the Natural Law roots of subsidiarity we are reminded of the fact that only some of a person’s existential ends can be realized alone. If there were no other associations then persons would have no option other than to depend on the State for certain ends. Moreover, because of a “moral weakness [from which] none of us are exempt” we might expect that persons will also fall to the temptation of looking to the State for ends properly satisfied by themselves (Novak 1994, 27). A state of dependency is not a state of human dignity and does not create the conditions necessary for personal growth (Kenney 1955; Sirico 1997).

A fifth objection to society comprising just the State and persons is the absence of moral proximity in such an arrangement. Moral proximity implies “accountability,” “transparency,” “moral counselling” and is in short “the very thing which the suffering person – every person –

needs: namely, loving personal concern” (Benedict XVI 2005, paragraph 28(b)). Further, “this love does not simply offer people material help, but refreshment and care for their souls, something which often is *more necessary than material support*” (emphasis added; Benedict XVI 2005, paragraph 28(b)). Bureaucracies generally seem incapable of gaining the intimate knowledge of the person and the person’s problems which is required for effective intervention. Moreover, it is those in the closest contact with the person who have the greatest stake in ensuring the success of any intervention (Sirico 1997). A remote State simply handing out a fixed quantum of money – without examining the circumstances of the person – may perversely enable destructive behaviors (for instance, by providing the financial means to continue to consume harmful drugs or drink to excess) or fail to support the person to grow (perhaps additional funds are called for to pay for vocational training, counseling, education, or other necessary items so that the person can more fully contribute to the common good). Indeed, Novak (1994, 27) claims that the welfare state “has deliberately been constructed to be amoral ... that it neither demands nor rewards responsible behaviour ... pays equal benefits to those who spurn virtue...[and] subsidises irresponsibility.” Whilst many would recoil from his conclusions, it is certainly the case that the State tends to treat all needy persons alike (according to administrative expediency and equity considerations), despite the fact that each person has different needs, responds to different incentives, and is at a different stage in achieving their existential ends. It is a “mistaken notion that man (*sic*) can ‘live by bread alone’ – a conviction that demeans man and ultimately disregards all that is specifically human” (Benedict XVI 2005, paragraph 28(b)). Only close contact, mentoring, and an acknowledgement of reciprocal responsibilities can facilitate the kind of personal growth which leads to human dignity – charity

organizations have long employed these practices, which government bureaucracies have shunned (generally because of political considerations) (Sirico 1997).

A sixth objection to reducing society to just the State and the person is the apparent inertia of bureaucracies which prevents them from responding to the spontaneous possibilities visible to lesser associations (Benedict XVI 2005). Moreover, there is a question of competency (Finnis 1998) – in many cases government is not the most competent entity to achieve a desired outcome (as testified to by the literature on government failure – see, for example, Wallis and Dollery 1999).

To understand the objections against reducing society to just the State and persons it is instructive to consider a fundamental form of association – the family. The family is a critical mediating structure for transmitting the values and culture of society to the next generation (for example, when some parents choose to teach their children manners). Moreover, the transparency afforded by its small size allows each member to understand how their co-operation contributes to the common good through which some of their ends are realized (for example, children learn that doing chores frees up time for parents which parents can then invest in family activities). In addition, the family produces familial bonds of love – a collaborative good which would go missing if we, like the Spartans, had the State raise children or if parents sub-contracted out the task (despite the fact that both of these approaches might be more “efficient”).<sup>3</sup> Moreover, as children grow parents generally take great delight in teaching them the skills required to become independent. In addition, because of the moral proximity between parent and child when intervention is required (say in the instance of a child developing the “habit” of lying) this is delivered with loving concern, knowledge of the cause of the problem, and a high stake in ensuring success: Ideally, children want to please their parents because they

know how much they are loved and treasured as a unique and special person, and sometimes it is this desire to please, more than any other factor, that propels young people to personal growth (it is hard to see how such a bond of love could exist between the State and a person). Moreover, should a need or opportunity arise for a child to develop an end parents are in a position to respond spontaneously (for example, a child expressing an interest in the fine arts might prompt the parent to take them to a local art gallery). Finally, we need only look at the disturbingly frequent accounts of abuses of children in State custody (relative to the number of minors in State custody) to perceive that a loving family is immeasurably more competent at child-rearing. In short, the existence of an association called “family” would seem to deliver better outcomes for the infant person than might be expected if there were only the State in its stead.

In sum, subsidiarity is a social ontology predicated on a plurality of social forms which seeks to strike a balance between human dignity and the common good. We take the source of the State’s legitimacy (the common good), the need to preserve plural forms for human flourishing, and the need to preserve person’s dignity to posit a limited role for government. Moreover, through recourse to the ideas of fiscal sustainability, the importance of mediating structures for reconciling the private and public spheres, the intrinsic value of the collaborative good, the potential for introducing dependency, the need for moral proximity, and the greater scope for spontaneity by smaller associations, we have shown why it is undesirable to reduce society to just persons and the State. We now compare this more comprehensive conception of subsidiarity with the various interpretations of the principle found in the federalism literature.

## **SUBSIDIARITY IN THE FEDERALISM LITERATURE**

As noted in the introduction there are a number of invocations of the principle of subsidiarity to be found within the corpus of federalism literature. Invocations tend to be government-centric (built upon thin ontological foundations), although the various interpretations are nuanced according to their emphases on legal, economic, political, or effectiveness considerations. For instance, Twomey and Withers (2007, 6), writing for the Council for the Australian Federation, assert that “the principle of subsidiarity ... states that matters should be dealt with by the lowest level of government practicable.” Moreover, the authors point to legal barriers (specifically the Constitution of Australia, which does not recognize local government) and economic arguments (in particular spill-over effects, fiscal capacity, and economies of scale) to argue against devolving further functions to local government. Similarly, Deem, Hollander, and Brown (2015, 421) have argued that “subsidiarity is commonly understood as a decentralist principle that proposes that the functions of government should be performed as close to the people as practical” and that “although the most appropriate definition remains open to debate and deserves further research, for the present purposes we adopt the predominantly decentralist definition of subsidiarity as it is generally understood in Australian academic and public policy literature.” Moreover, an argument has been advanced that the political preferences of citizens are consistent with further decentralization of government (predicated largely on effectiveness considerations), but that political culture may not be compatible with same (Brown 2002).

All of the aforementioned literature presents subsidiarity as “a trickling down of power or aid” (Hittinger, cited in Brennan 2014, 34). Yet within Catholic social teaching subsidiarity is not about indulging lesser governments or even lesser associations, but instead recognizing that the properly ordained power structure of society “is in the person and persons in community” (Neuhaus 1999, 1), notwithstanding an important but limited role for government as discussed

earlier (Messner 1952; Sirico 1997; Novak 1999). That is, the properly ordained power structure resides in the dignity of the person who must form associations in order to pursue the perfections evident if reason is applied to the state of nature. Moreover, “contrary to much public discourse, subsidiarity is, in principle, no more attached to devolution ... than to centralisation” (Golemboski 2015, 535). It is about the *proper* assignment of functions – whether this be higher or lower. As the Reverend Robert Sirico (1997) astutely notes, there is absolutely nothing to be gained by replacing an intrusive central government with a collection of intrusive decentralized governments. In fact, we would contend that there is a distinct danger in doing so because “local governments ... closer to their constituencies ... have superior knowledge of the preferences or demands of local residents” (Oates 2005, 353). That is, a cohort of decentralized governments in closer geographic proximity to their constituents will likely hear more demands and –if predisposed to believe that government rather than persons and associations should meet demands – will likely become larger in scope than a comparative central government. Otherwise stated, what is for Oates (1999), Brown (2002), and others an advantage of decentralized government – its closer proximity to the people – could also represent a threat to the financial sustainability of local governments if the closer geographic proximity results in hearing and responding to more needs and demands for services which are not matched by higher revenues (see our discussion on expenditure growth and taxation limitations below).

Another area in which a thin ontological interpretation of subsidiarity represents a danger not found under more comprehensive conceptions of the principle might be found in the propensity for public budgets to be converted into political capital (see, for instance, the seminal work of Weingast, Shepsle, and Johnsen 1981 on political capitalization of public budgets; Brennan and Buchanan 1980 on restraining a Leviathan-like government intent on exploiting



monopolistic powers to maximize budgets; Friedman 1993 on the vested interest within government for continuing ineffective services, or the more recent work of Drew and Dollery 2017 on political capitalization of public budgets in Australian decentralized government). As long as the focus of subsidiarity is (erroneously) placed on the meeting of citizen demands by government there is the potential for politically opportunistic behavior to put upwards pressure on public budgets (“according to [a] re-election mechanism, [by which] voter decisions correspond to a ‘what have you done for me lately?’ evaluation”; Weingast, Shepsle, and Johnsen 1981, 652). This is perhaps even more likely in a decentralized system of government, because probability alone suggests that fewer persons need to be indulged in order to effect political outcomes in smaller electorates (Feld 2014).

However, perhaps the greatest danger inherent in a thin ontological interpretation of subsidiarity (removed from the moral force of Catholic social teaching) relates to the potential for a learned helplessness within a society conditioned to believe that the government has a rightful role in wholly performing tasks which could be accomplished by persons or persons in their associations (Novak 1994, Sirico 2014). It is found in the breakdown of social structures, such as the family, benevolent foundations, and clubs, which leads to a concomitant diminution in social cohesion (Beabout 1998; Fergusson 2013). It is also evident in the inability of government to know all and be all to the many cultures, religions, and world-views making up a society (Sirico 1997).

We now outline some of the major steps involved in implementing a more comprehensive conception of the principle of subsidiarity at a local government level. Clearly we are not able to specify an entire manifesto for the introduction of subsidiarity at the sub-national level within the constraints of a single journal article. We simply seek to apply some broad brushstrokes to

demonstrate how a “subsidiarity local government” would differ from the version of local government promoted by thin ontological interpretations of the principle. In so doing, we hope to highlight the enhanced state of dignity, social cohesion, and fiscal sustainability which might result if political actors were to set aside some of their short-term ambitions and misconceptions of the justification and source of legitimacy of the State (Messner 1952; Paul VI 1965; Sirico 1997; Novak 1999).

### **IMPLEMENTING SUBSIDIARITY IN PRACTICE**

The scholarly literature has many examples of fiscal crises in local government, and the various interventions made to offer redress (see, for example, Andrews 2013 on the regulatory response to fiscal distress in England and Wales; Scorsone and Padovani 2014 on the debt crisis [including multiple municipal bankruptcies] in local government in the United States of America; Li and Yang 2015 on the sub-national debt crisis in China; and Drew and Campbell 2016 on local government insolvency in Australia). Part of the reason for these local government financial crises may be found in expanding public budgets (although this is by no means the entire explanation). Table 1 provides details of two complementary measures of local government spending (for large OECD nations for which there are consecutive records): spending as a proportion of total government expenditure; and average annual growth in local government nominal expenditure. Except for three instances, the proportion of government spending by local governments has increased over the relevant period (moreover, this reflects a trend in relative budget expansion) and in all cases the average annual growth rate in local government expenditure has exceeded the average annual inflation rate for the respective period. However, we are aware that this type of data might be distorted by shifts in service

responsibilities between tiers of government (including the case where inappropriate assignment of responsibilities has been redressed), the corporatization of previous government functions, and the effects of fiscal austerity. Therefore, whilst the evidence is compelling, it is not conclusive.

[PLEASE INSERT TABLE 1 HERE]

It could be countered that such expansion of local government expenditures need not threaten local government financial sustainability in any way, given that government can fund as much activity and subsidy as it likes, so long as the public is willing to pay the requisite taxes. There are two principal reasons for disputing this assertion regarding the financial sustainability of local government. First, the evidence of multiple local government bankruptcies and insolvencies suggests that a number of local governments have failed to be able to “fund as much activity as they like.” Second, there is some reason to believe that the public is not willing to pay (or does not have the capacity to pay) the requisite levels of taxation. For instance, in Australia populist support for long-standing local government taxation limitations in the largest state of New South Wales remains strong, whilst one other state (Victoria) has recently introduced local government taxation limitations, and South Australia and Western Australia are mooted to soon introduce taxation limitations (ABC News 2015; Drew and Dollery 2016). Moreover, this reflects the experience abroad, for instance in North America (see, for example, Taylor 2014).

We believe that a studious adoption of the principle of subsidiarity could provide part of the solution for those jurisdictions facing local government financial sustainability crises (although we reiterate that the justification for the principle of subsidiarity does not depend on the consequences). In addition, adoption of subsidiarity also offers the hope of creating a more

cohesive society where the dignity of the person is respected and promoted (Bezovan, Matancevic, and Baturina 2016). It should not be inferred that the remedies apply only to local government; indeed, a careful application of subsidiarity would go a long way towards addressing some sovereign political and financial crises; however, in a single journal article of this type it would not be possible to do justice to all tiers of government. Moreover, as we note above, the damage of thin ontological interpretations might be expected to be most keenly felt at the subnational level.

Messner's (1952) seminal work on Natural Law provides us with a template for implementing the principle of subsidiarity at a local government level. Specifically, Messner (1952, 197) outlines a "threefold duty with corresponding rights:" (i) "the creation of the conditions necessary for the independent activity of the lesser communities for the attainment of their inherent ends," (ii) "the declaration and definition by law of the rights and obligations of the lesser communities," and (iii) "fulfilment of the tasks of the lesser communities ... when and so far as these are unable to fulfil them." The first "duty" described by Messner (1952) relates to the need to promote and create the existential space for the operation of lesser associations. In a society where government has taken on many of the functions which were once provided by lesser associations, this duty necessarily involves divestment of some extant local government services and support (Zimmermann 2015). The second duty reflects the need to provide legislative protection for lesser associations and, if necessary, legislate for the establishment of important associations. Messner's (1952) final duty refers to the need for superior orders to provide *subsidium* when lower orders are unable to carry out tasks required for the common good – but, as noted earlier, strictly in a manner which makes the assistance superfluous as quickly as possible.

Readers should remain cognizant that the following discussion is orientated towards local government (and that the authors write from the perspective of the Antipodes, where local government has a rather limited remit focusing largely on roads, the arts, recreation, and waste removal). Therefore, many of the essential functions of government which are generally assigned to higher tiers of government (such as anti-trust legislation, welfare, and the like) are not considered here. Moreover, where local government does fulfil a broader remit the principles remain unchanged (although the details will clearly differ according to the specific circumstances of the jurisdiction). A case in point is the provision of education, which occurs at a local government level in the northern hemisphere. Education is generally offered according to either full or partial public funding. Where persons do not have the capacity to pay full fees, there is clearly a case for funding, given that an educated person can more fully contribute to the common good. However, parents have the right to establish their own institutions for education – human dignity concerns would seem to argue against a State monopoly on education – and to receive a subsidy no higher than the full cost of publicly funded education, if they choose to do so (see Messner 1952, 602). Moreover, the idea of personal responsibility and the common good would suggest that subsidies should be tailored to the individual circumstances of the person or their caregivers, rather than being applied in a blanket fashion irrespective of need (see our discussion on local government taxation relief and co-production). Other institutions, however – such as police services (which also are not a function of local government in the Antipodes) – need to be funded on an ongoing basis out of taxation revenues, because they represent an essential service towards the common good, which is of the nature of a public good. In sum, the principles of human dignity and common good are to be applied to all cases of associations *and* institutions – the nature of the funding by government is dependent on the goods produced and

the assignment of functions within federations (of which there are so many permutations that space does not allow us to specify each).

The first duty of the greater communities (in Messner's terms, synonymous with the State) is the area requiring the most attention by local governments wishing to embrace a comprehensive conception of subsidiarity. In particular, it is necessary for local governments to review all existing functions with the objective of divesting services which have previously been provided by associations, or could be provided by associations. This is clearly a necessary step towards creating the space for lesser associations to operate. *At the same time*, local governments must actively promote the formation of associations and provide support – whether financial or purely facilitative – in a manner consistent with the concept of *subsidium*. It is important to stress that divestment must be accompanied by active promotion and *subsidium* for lesser associations – subsidiarity is not about vacating important social endeavors; rather, it is about fostering the formation of associations which are in the best position to provide for the common good in a manner which emphasizes dignity (Sirico 1997). Every step must be taken to ensure that there is no diminution in the common good as a result of divestment (moreover, it may be necessary to defer divestment until such time as lesser associations have been promoted and developed to an adequate level of capacity).

In similar vein, it is important for local governments to review the level of financial assistance and subsidies provided to existing special-interest groups and persons, with a view to reducing the assistance *whenever circumstances allow, or when it is unhelpful for the dignity of the person or association*. An important part of this process will involve communicating to special-interest groups and private beneficiaries the need to promote dignity and adjust what are often unsustainable trajectories in spending. As noted by Milton Friedman (1993, 9) over two

decades ago, the problem with government is that “once the activity begins, whether it proves desirable or not, people in both the government and the private sector acquire a vested interest in it ... if the initial reason for undertaking the activity disappears, they have a strong incentive to find another justification for its continued existence.” Otherwise stated, unless there is some process of review leading to reduction and divestment, the size of government must inevitably grow and grow (Kenney 1955; Friedman 1993). If revenues do not keep apace – and the taxation limitation literature seems to suggest that it often will not – then financial sustainability will falter (and an unjust impost may be placed on future generations via debt). Even if revenues do keep up with expanding budgets we have a problem: the wider body of taxpayers (which we concede may sometimes also include recipients) are being imposed upon to fund a climate of dependency, which the principle of subsidiarity suggests will rob persons of their dignity.

In this regard, it is a curious fact that neither taxpayers nor the recipients of *subsidium* are generally aware of the level of assistance which they contribute or receive. Certainly most taxpayers know their total tax impost – but few are aware of precisely how much goes towards paying for assistance to associations and persons. This failure to make the taxpayer-recipient relationship transparent and accountable not only ignores the dignity of each party, but also fails to set up conditions of moral proximity. That is, without indicating to the recipient that taxpayers have been imposed upon in order for them to receive the benefit, it is difficult to see how the recipient might feel morally accountable towards taxpayers. This is not about humiliation – “any humiliation is caused by the circumstances not the benefactor” – but rather respecting the rights of the wider body of taxpayers, ensuring recipients understand the value of goods and services in the absence of price signals and fostering reciprocal responsibility (Sirico 1997, 572). Moreover, if taxpayers are unaware of the quantum which they contribute towards the program of

assistance, they will hardly be in the position to lobby for changes to the status quo. Thus, one method of providing some balance to the inevitable protests by recipients and providers of assistance which is tapered off would be to provide the wider body of taxpayers with some information regarding how much they are being imposed upon for the respective benefit.

However, merely creating space through divestment, actively promoting the formation of associations to conduct the functions vacated, and reducing the extant state of dependency of persons and associations does not fulfil the “first duty” of local government. It is also important for local government to actively encourage the formation of associations to satisfy needs which are currently unmet – whether they be in the field of social, cultural, recreational, or political expression. The democratic process gives greatest weight to majority views; therefore, without associations to enhance the audibility of minority positions to the political elite, social dysfunction may emerge. One particularly topical example of this in the western world can be found in the assertion that radicalization of Muslim youth is promoted, at least in part, by a sense of disconnection with both the wider community and more moderate Muslim voices (Akbarzadeh 2013). Promotion of Muslim youth groups, interfaith assemblies, or Islamic outreach events (where the wider community can come to learn of positive elements from Islamic culture) could perhaps provide important mediating structures which might reduce alienation and assist in transmitting cultural values, and hence provide part of the solution to a very pressing problem. Thus, adoption of the principle of subsidiarity can advance social cohesion.

The “second duty” of government is to establish a legal framework for the operation of lesser associations. A legal framework for incorporated associations does exist in Australia and many other developed countries. Whilst implementing legislation of this sort is not a local



government function, it is important to briefly consider the matter as it is clearly a prerequisite for the successful execution of the first and third duties. A framework for association is important in order to specify the legitimate activities or objectives of the association, to establish associations as legal entities capable of entering into contracts, to ensure fiscal probity, and to manage disputes between members. The incorporation of associations also protects same against undue interference by government (depending on the particular legal framework of the country or state of incorporation). Moreover, we extend Messner's (1952) second duty to suggest that there may be times when coercive legislation from higher tiers of government is required to "encourage" local governments "therefore of support, promotion, development – with respect to lower order societies" (Pontifical Council for Justice and Peace 2004, paragraph 186). An example of this is the establishment of "lesser associations" to carry out the important oversight of local government transparency and accountability – what is referred to in Australia as external audit committees. For one reason or another, local governments in New South Wales, Australia have been reticent to initiate external audit committees, and only about half of the local governments have an audit committee of any form (and invariably this does not comprise external independent actors). By way of contrast, in the state of Victoria local governments are required by law to establish an independent audit committee and all local governments do so. Thus, it can be seen through this example that there are instances in which coercive legislation by higher tiers of government may be a necessary impetus for the formation of important associations relevant to local government.

Messner's (1952) "third duty" of greater communities speaks directly to how *subsidiuum* should be provided to lesser associations. In particular, our earlier discussion of the principle stressed the importance of establishing *bona fide* need, making the *subsidiuum* superfluous as

quickly as possible and establishing reciprocal responsibility. Before providing *subsidium* to a person or association it seems important to establish whether the assistance is indeed required, what efforts the person or association has made to provide for their own interests, and what plans the person or association has made to ensure that they might in time be able to provide for their own needs. There would be very few cases in which a person could not make at least some contribution towards the goal for which *subsidium* is sought. For instance, if a person required assistance in meeting local government taxation expenses they might suggest how much they could contribute (rather than be provided with a set concession irrespective of wealth, as occurs for pensioners in Australia), or how they intend to contribute to the local common good in other ways – for instance, by doing some volunteer work (perhaps volunteering to help out in a literacy program). In similar vein, an association seeking funding to achieve some goal might show how much their members have pledged to contribute towards the expense, or detail the in-kind support that members could provide towards achieving the outcome.

In this regard, the use of matching grants and co-production mechanisms seems particularly apt. Rather than providing a set figure of assistance to an association, a local government can offer to match the association's internal and external fundraising efforts up to a certain ceiling. This will encourage associations to exert maximum efforts towards raising their own funds to achieve the desired ends – including community fund-raising. This in turn promotes engagement between the association and the wider community. Moreover, should the request for *subsidium* be accepted then it must be remembered that the association still has its part to play. That is, the emphasis should be on co-production rather than having the local government or a sub-contractor complete the task for the association. For instance, if the funds are to paint the community center the local government might consider providing some materials

and equipment on the condition that the association provides the labor. In so doing, the act of collaboration itself becomes a good, in addition to the original good sought (in our example, the painting of the community center).

In sum, implementation of subsidiarity at the local government level involves divestment of extant functions, promotion of lesser associations, tapering off of financial support, appropriate legislative frameworks, and adherence to the principles of *subsidium* when responding to requests for assistance. Otherwise stated the implementation of subsidiarity for local government is about supporting the common good rather than displacing the proper role of persons and persons in association.

#### CONCLUDING REMARKS

Contrary to the pervasive thin ontological interpretations of the principle of subsidiarity within the corpus of scholarly literature on federalism (see, for example, Oates 1999; Deem, Hollander, and Brown 2015), we propose a broader interpretation of the principle which emphasizes human dignity and the common good within a society of plural forms. In this conservative reading of the principle of subsidiarity, government is accorded a much more limited role which responds to its mandate of contributing to the common good (Messner 1952; Sirico 1997). Specifically, we argue that the State should not displace the ends of persons and lesser associations from which it derives its legitimacy (for to do so not only violates pre-existing plurality and potentially impinges on human dignity, but also erodes government's very source of legitimacy). Moreover, we show how a conception of subsidiarity which is more responsive to Catholic social teaching (at least to the conservative mind) has significant benefits for persons and society – although we stress that the principle, thus conceived, *does not derive* its justification from the consequences.

Moreover, we argue that the competing conceptions of subsidiarity are not inconsequential quibbles about definition, but represent completely different concepts. It is perhaps an error in scholarship which has gained currency simply as a result of the perceived error being reiterated on a regular basis by luminaries of federal scholarship. Much confusion would be avoided if this perceived error was corrected. Thus, we assert that the term “Principle of Subsidiarity” as it appears in general use within the federalism literature should instead be replaced by the term “Principle of Decentralization.”

However, this admonishment should not be taken to suggest that we believe the principle of subsidiarity has no place at all in federalism scholarship. It may indeed be the case that “what the free world needs, rapidly, is a devolution of significant responsibilities from centralised bureaucracies to citizens, alone and in their multiple associations” (Novak 1999, 106). With the help of Messner’s (1952) “threefold duties” we have shown that there is a path from potentially unsustainable trajectories in spending and a situation of “virtually only individuals and the State” towards what is perhaps a more socially just, cohesive, dignifying and financially sustainable society (Pius XI 1931, paragraph 78). The path requires courageous community leadership and a setting aside of political capitalization. However, impetus for reform is apparent, given that it appears that we may well be approaching the eight-decade-old prediction of a future of a “social governance lost, and with the taking over of all the burdens which the wrecked associations once bore ... [a] State [that] has been overwhelmed and crushed by almost infinite tasks and duties” (Pius XI 1931, paragraph 78).

## References

- ABC News. 2015. Plan to cap WA council rate rises being considered as inquiry set to be announced. <http://www.abc.net.au/news/2015-08-04/plan-to-cap-council-rate-rises-being-considered-in-wa/6672432> (accessed February 23, 2017).
- Akbarzadeh, Shahram. 2013. Investing in Mentoring and Educational Initiatives: The Limits of De-Radicalisation Programmes in Australia. *Journal of Muslim Minority Affairs* 33 (4): 451–463.
- Andrews, Rhys. 2013. Local Government Amalgamation and Financial Sustainability: The Case of England and Wales. *Public Finance and Management* 13 (2): 124–141.
- Australian Bureau of Statistics (ABS). 2015. *Government Finance Statistics, Australia, 2013-14*.
- Beckley, Harlan. 1991. Love, Human Dignity, and Justice: Some Legacies from Protestant and Catholic Ethics. *The Notre Dame Law Review* 66 (4): 1053–1073.
- Behr, Thomas. 2003. Luigi Taparelli D’Azeglio, S.J. (1793–1862) and the Development of Scholastic Natural Law Thought as a Science of Society and Politics. *Journal of Markets and Morality* 6 (1): 99–115.
- Benedict XVI. 2005. *Deus Caritas Est*. Vatican City: The Holy See.
- Beabout, Gregory. 1998. The Principle of Subsidiarity and Freedom in the Family, Church, Market and Government. *Journal of Markets & Morality* 1 (2): 130–141.
- Bezovan, Gojko, Jelena Matancevic, and Danijel Baturina. 2016. Social Innovations as a Contribution to Strengthening Social Cohesion and Mitigating Social Crisis in European Social Programs. *Revija za Socijalnu Politiku* 23 (1): 61–72.
- Boadway, Robin, and Anwar Shah. 2009. *Fiscal federalism: Principles and practice of multiorder governance*. Cambridge: Cambridge University Press.
- Brennan, Patrick. 2014. Subsidiarity in the Tradition of Catholic Social Doctrine. In *Global perspectives on subsidiarity*, ed. M. Evans and A. Zimmermann., 107–127. New York: Springer.
- Brennan, Geoffrey, and James Buchanan. 1980. *The power to tax: Analytical foundations of a fiscal constitution*. Cambridge: Cambridge University Press.
- Brown, A. J. 2002. After the Party: Public Attitudes to Australian Federalism, Regionalism and Reform in the 21<sup>st</sup> Century. *Public Law Review* 13: 171–190.
- Chaplin, Jonathan. 2014. Subsidiarity and Social Pluralism. In *Global perspectives on subsidiarity*, ed. M. Evans and A. Zimmermann., 107–127. New York: Springer.

- Deem, Jacob, Robyn Hollander, and A. J. Brown. 2015. Subsidiarity in the Australian Public Sector: Finding Pragmatism in the Principle. *Australian Journal of Public Administration* 74 (4): 419–434.
- Dollery, Brian, and Bligh Grant. 2013. Symposium on Amalgamation and Financial Sustainability in Local Government: Part 2. *Public Finance and Management* 3 (3): 142–147.
- Drew, Joseph, and Nicole Campbell. 2016. Autopsy of Municipal Failure: The Case of Central Darling Shire. *Australasian Journal of Regional Science* 22 (1): 81–104.
- Drew, Joseph, and Brian Dollery. 2016. Careful What You Wish For: Rate-Capping in Victorian Local Government. *Journal of Australian Taxation* 17 (1): 139–167.
- Drew, Joseph, and Brian Dollery. 2017. The Price of Democracy? Political Representation Structure and Per Capita Expenditure in Victorian Local Government. *Urban Affairs Review* 53 (3): 522–538.
- Eisenhower, Dwight. 1955. *State of the Union Address, 1955*. <http://www.pbs.org/wgbh/americanexperience/features/primary-resources/eisenhower-statestate55/> (accessed August 9, 2016).
- Feld, Lars. 2014. James Buchanan's Theory of Federalism: From Fiscal Equity to the Ideal Political Order. *Constitutional Political Economy* 25: 231–252.
- Fergusson, Niall. 2013. *The great degeneration: How institutions decay and economies die*. New York: Penguin.
- Finnis, John. 1998. Public Good: The Specifically Political Common Good in Aquinas. In *Natural Law & Moral Inquiry: Ethics, Metaphysics and Politics in the Work of Germain Grisez*, ed. Robert George., 174–209. Washington: Georgetown University Press.
- Finnis, John. 2013. A Response to Harel, Hope and Schwartz. *Jerusalem Review of Legal Studies* 8 (1): 147–166.
- Fort, Timothy. 1999. The First Man and the Company Man: The Common Good, Transcendence, and Mediating Institutions. *American Business Law Journal* 36: 391–435.
- Friedman, Milton. 1993. *Why government is the problem*. Stanford: Hoover Institution on War, Revolution and Peace.
- Golemboski, David. 2015. Federalism and the Catholic Principle of Subsidiarity. *Publius: The Journal of Federalism* 45 (4): 526–551.
- Gray, John. 1996. *Post-liberalism: Studies in political thought*. New York: Routledge.

- Gundersen, Tonje. 2012. Human Dignity at Stake – How Parents of Disabled Children Experience the Welfare System. *Scandinavian Journal of Disability Research* 14 (4): 375–390.
- Hittinger, Russell. 2003. *The first grace: Rediscovering the natural law in a post-Christian world*. Wilmington: ISI Books.
- Hyden, Goran. 1997. Civil Society, Social Capital and Development: Dissection of a Complex Discourse. *Studies in Comparative International Development* 32 (1): 3–30.
- John Paul II. 1991. *Centesimus Annus*. Vatican City: The Holy See.
- John XXIII. 1961. *Mater et Magistra*. Vatican City: The Holy See.
- Kenney, John. 1955. The Principle of Subsidiarity. *The American Catholic Sociological Review* 16 (1): 31–36.
- Leo XIII. 1891. *Rerum Novarum*. Vatican City: The Holy See.
- Li, Linda, and Zhenjie Yang. 2015. What Causes the Local Fiscal Crisis in China: The Role of Intermediaries. *Journal of Contemporary China* 24 (94): 573–593.
- Messner, Johannes. 1952. *Social ethics. Natural law in the modern world*. Translated by J. J. Doherty. St Louis: B Herder Book Co.
- Neuhaus, Richard. 1999. Proposing Democracy Anew: Part Three. *First Things: A Monthly Journal of Religion and Public Life* December 1999: 70.
- Novak, Michael. 1994. The Crisis of the Welfare State. *IPA Review* 46 (4): 27.
- Novak, Michael. 1999. *On cultivating liberty: Reflections on moral ecology*. Lanham: Roman & Littlefield.
- Oakeshott, Michael. 1975. *On human conduct*. Oxford: Clarendon Press.
- Oates, Wallace. 1999. An Essay on Fiscal Federalism. *Journal of Economic Literature* XXXVII: 1120–1149.
- Oates, Wallace. 2005. Toward a Second-Generation Theory of Fiscal Federalism. *International Tax and Public Finance* 12: 349–373.
- Organization for Economic Co-operation and Development (OECD) 2015. *General Government Spending*.
- Paul VI. 1965. *Gaudium et spes*. Vatican City: The Holy See.
- Pius XI. 1931. *Quadragesimo anno*. Vatican City: The Holy See.



Pontifical Council for Justice and Peace. 2004. *Compendium of the social doctrine of the Church*. Vatican City: Pontifical Council for Justice and Peace.

Seligman, Adam. 1992. *The idea of civil society*. New Jersey: Princeton University Press.

Scorsone, Eric, and Emanuele Padovani. 2014. Symposium on Bankruptcy in Local Government, Introduction: Through the Complexity of Bankruptcy in Local Governments. *Public Finance and Management* 14 (1): 1–4.

Sirico, Robert. 1997. Subsidiarity, Society and Entitlements: Understanding and Application. *Notre Dame Journal of Law, Ethics & Public Policy* 11: 549–579.

Sirico, Robert. 2014. Subsidiarity and the Reform of the Welfare of the Nation State. In *Global perspectives on subsidiarity*, ed. M. Evans and A. Zimmermann., 107–127. New York: Springer.

Taylor, Charles. 2014. Property Tax Caps and Citizen Perceptions of Local Government Service Quality: Evidence from the Hoosier Survey. *American Review of Public Administration* 45 (5): 525–541.

Twomey, Anne, and Glenn Withers. 2007. *Federalist Paper I, Australia's federal future: Delivering growth and prosperity*. Canberra: Council for the Australian Federation.

Velasquez, Manuel, and F. Neil Brady. 1997. Natural Law and Business Ethics. *Business Ethics Quarterly* 7 (2): 83–107.

Vischer, Robert. 2001. Subsidiarity as a Principle of Governance: Beyond Devolution. *Indiana Law Review* 35 (1): 103–142.

Wallis, Joe, and Brian Dollery. 1999. *Market failure, government failure, leadership and public policy*. New York: St Martin's Press.

Weingast, Barry, Kenneth Shepsle, and Christopher Johnsen. 1981. The Political Economy of Benefits and Costs: A Neoclassical Approach to Distributive Politics. *Journal of Political Economy* 89 (4): 642–664.

Wickwar, W. Hardy. 1970. *The political theory of local government*. Columbia: University of South Carolina Press.

Zimmerman, Augusto. 2015. Subsidiarity and a Free Society. *Policy* 30 (4): 15–18.

---

<sup>1</sup> We acknowledge that human dignity is also invoked by those seeking to expand social spending (particularly welfare; see, for instance, Gundersen 2012). When used in this context the argument settles on the “rights [of persons] to necessary and appropriate services” (Gundersen



---

2012, 378), generally in the absence of a mention of the common good or whether the assistance sought will foster positive development in the person (towards their existential ends) – or instead facilitate the destructive behaviors which may have led them to their current difficulties (Beckley 1991; Sirico 1997). A common objection to the idea that persons should be encouraged to achieve their existential ends and contribute to the common good is that some persons (for instance, the severely disabled) are unable to participate in the workforce. We would argue that this is an unhelpfully narrow interpretation of both existential ends and the common good that focuses on a small group of exceptional persons – which clearly must be provided with the basic requirements for life – rather than the more representative examples of welfare recipients. Moreover, we note that the focus of this paper is not on welfare, but rather the implications of a more comprehensive conception of subsidiarity, particularly for local government.

<sup>2</sup> Wickwar (1970, 6–7) cites Bodin (1606) thus: “Monarchies ... become corrupted when little by little the privileges of bodies and cities are taken away, and when, instead of limiting themselves to a general supervision, which alone is worthy of a sovereign, princes want to rule everything without an intermediary.” From Montesquieu’s *Spirit of the Laws* (1749) Wickwar (1970, 7) highlights: “It is dependent and subordinate intermediary authorities that form the essence of monarchy, that is to say, of a government in which one man rules according to fundamental laws ... If, in a monarchy, you abolish the prerogatives of the lords, the clergy, the gentry and the cities, you will soon have a Popular State or else a Despotism.”

<sup>3</sup> This is an interesting example of how the market can sometimes corrode the associations necessary for subsidiarity to work. In the developed world it is now quite unusual for a mother to stay at home with non-school aged infants (40 years ago precisely the opposite was true – certainly in Australia). Rather, infants are often now cared for at day-care centers and the like,

---

which is certainly a more “efficient” arrangement – especially in view of government subsidies for child care and (what is often claimed to be) economic imperatives. Moreover, this is the sort of example which may have prompted Hittinger (2003, 280) to state that “it is only when we identify goods of common activities that we can discover a principled limit to the power of the state as well as to the subcontracting (or ‘outsourcing’) mentality characteristic of markets.”

Accepted copy