Wages, Work, and the Catholic Social Teaching

John A. Hunnes

University of Agder, john.a.hunnes@uia.no

Follow this and additional works at: https://scholar.valpo.edu/jvbl

Part of the Business Law, Public Responsibility, and Ethics Commons, and the Catholic Studies Commons

Recommended Citation
Hunnes, John A. (2022) "Wages, Work, and the Catholic Social Teaching," The Journal of Values-Based Leadership: Vol. 15 : Iss. 1 , Article 8.
Available at: http://dx.doi.org/10.22543/0733.151.1365
Available at: https://scholar.valpo.edu/jvbl/vol15/iss1/8

This Peer-Reviewed Article is brought to you for free and open access by the College of Business at ValpoScholar. It has been accepted for inclusion in The Journal of Values-Based Leadership by an authorized administrator of ValpoScholar. For more information, please contact a ValpoScholar staff member at scholar@valpo.edu.
Wages, Work, and the Catholic Social Teaching

Cover Page Footnote
I appreciate comments from professor Anders Ragnar Örtenblad, University of Agder.
Wages, Work, and the Catholic Social Teaching

Introduction
In recent years, there has been increasing interest in concepts such as basic income, equal pay, citizen’s income, and universal basic income (UBI) (Hoynes and Rothstein, 2019; see, e.g., Parijs & Vanderborght (2017) for the different concepts and the history of the ideas). A common feature is that they introduce an income, funded through taxation, to all the members of society unconditionally. Hence, the amount does not depend on the individual’s effort, employment status, wealth, income, or household structure.

One common economic motivation for discussing basic income is automation creating a significant job shortages and declining wages (Coyle, 2020). This, in turn, may leave a large majority of the population impoverished (Hoynes & Rothstein, 2019, p. 932). Other reasons for introducing a basic income scheme include replacing complex and bureaucratic social benefits programs, increase human freedom and reduce inequality. In addition, in light of the COVID-19 pandemic, some have argued that a UBI is needed to mitigate social and economic sources of trauma (Johnson et al., 2020).

The discourse on basic income is “global, widespread, and deep” (Torry, 2020, p. 6), with contributions from several academic disciplines. Although the disciplines use different motivations and take different problems as their starting points, they all see a version of basic income as the solution to a social problem. However, UBI is also part of a public discourse with historical roots. For example, in 1918, Quakers E. Mabel and Dennis Milner published a pamphlet called Scheme for a State Bonus in which they offered a solution to poverty. They argued that “every individual, all the time, should receive from a central fund some small allowance in money which would be just sufficient to maintain life and liberty if all else failed” (Mabel & Milner, 2004, p. 125).

As shown by Jawad (2012), religion still plays an essential role in social policy discussions in Western countries, and this also applies to basic income. For example, Malcolm Torry (2016) argues that Christians should advocate for a basic income scheme because it is at the core of the Christian faith (p. 40) and that it “is a Christian social policy, and perhaps the most Christian social policy possible” (p. 156). A group of bishops from the Evangelical...
Lutheran Church in Canada and the Anglican Church of Canada, using the pandemic as background, wrote an open letter to the prime minister recommending a basic income not only because of policy reasons, but also because taking care of one another is an important part of the nation’s identity (Group of Bishops, 2020). Similarly, Pope Francis recently argued that the time has come to ponder a universal basic wage (Francis, 2020, para. 6).

My objective in this paper is to analyze the religious rationale for equal pay for work, regardless of profession, education, experience, or other individual characteristics. I explore this rationale by applying the Roman Catholic Church’s Catholic social teaching (CST). CST has always addressed contemporary problems in human development and society. In the late nineteenth century, Pope Leo XIII was concerned with how the emerging industrial capitalism would affect society, and Pope Francis recently warned the world about the challenges of financialization and the dangers of climate change.

CST continues to be relevant in today’s globalized economic environment because it has been able to evolve and adapt in response to changes in the economic development (McCann, 1997, p. 57). An important explanation for this is that Christianity is a living tradition. That is, Christianity is not only concerned with reminding us about facts, reality, and knowledge from the past, but also with the interplay of what is learned from tradition and contemporary problems (Finn, 2015, p. 2). In addition, the Church seems to be comfortable with engaging in contemporary and worldly issues (Hertzke, 2016, p. 36).

Today, there is growing discontent among people in many Western countries despite an increase in material well-being, and many people are not satisfied with the present social contract (Shafik, 2021, p. 2). Furthermore, there is a “failure of public discourse to address the large moral and civic questions that should be at the center of public debate” (Sandel, 2020, p. 28). In my view, CST can help us to regain focus on the common good. Moreover, it can help us to define a set of shared moral values providing trust and social capital, which are essential for a functioning economy (Schlag, 2017a, p. 140).

**Catholic Social Teaching**

The Roman Catholic Church is not only the largest church within Christianity, but it is also an important political institution. Its power and influence go far beyond its Catholic members, and its long history and tradition provide a unique opportunity to understand how humanity and society have evolved over the last 2,000 years. The Roman Catholic Church is the “oldest institution on earth”; it is a “truly global institution,” and it has a “deep tradition of engagement with worldly affairs” (Hertzke, 2016, p. 36).

But what is the mission of the Church? The Compendium of the Social Doctrine of the Church states that “with her social teaching the Church seeks to proclaim the Gospel and make it present in the complex network of social relations” (PCJP, 2005, para. 62). Evangelizing the Gospel is, of course, the main objective, but the Church also acknowledges that humans are in social relations that are “subject to social and economic questions” (PCJP, 2005, para. 66). In other words, CST is “a doctrine aimed at guiding people’s behavior [and] is to be found at the crossroads where Christian life and conscience come in contact with the real world” (PCJP, 2005, para. 73).

---

1 Finn builds on arguments from the book *The Meaning of Tradition* (1964) by Yves Congar, O.P.
2 In 2017, there were approximately 7.4 billion people on earth. About 1.3 billion were baptized as Catholics. Therefore, about 17.6% of the world population belongs to the Catholic Church (Central Office of Church Statistics, 2020).
According to Brady (2017, p. 361) CST can be organized into three moral themes: justice (we must do what is right), dignity (we must see all humans with dignity), and solidarity (we must practice solidarity with people in misery and poverty). But how should the principles of CST be turned into practice? In the encyclical Mater et Magistra (Christianity and Social Progress) of 1961, Pope John XXIII acknowledged the three-stage method developed by Fr. Joseph-Léon Cardijn: seeing, judging, and acting. Pope John XXIII (2016) writes, “First, the actual situation is examined; then, the situation is evaluated carefully in relation to these teachings; then only it is decided what can and should be done in order that the traditional norms may be adapted to circumstances of time and place” (para. 236).

CST is, in essence, a collection of encyclicals beginning with Pope Leo XIII’s 1891 Rerum Novarum: The Condition of Labor. The most recent document, and perhaps the most well-known today outside the Catholic Church, is Laudato Si’: On Care for Our Common Home (2015) by Pope Francis. The encyclicals attempt to provide answers and guidance to social problems facing humans in their everyday lives from a Catholic point of view. For example, Rerum Novarum discusses how social life was transformed by the nineteenth century Industrial Revolution, and Laudato Si’ addresses the serious problems associated with climate change.

More specifically, the aim of CST is to discuss “the relationship between Christian morality (virtues, rules, rights, and ideals) and the concrete social patterns, practices, and institutions within which persons live” (Brady, 2017, p. xvii). But even if the teaching is grounded in the Gospels and Christian morality, the intent of the teaching is to influence all parts of society: individuals, firms, governments, and international organizations.

It is important to note that people are not assumed to follow CST simply because of the authority of the Pope. Instead, the teaching always provides answers to political and social problems through reasoned statements; its aim is “to convince people with reasons of the heart and of the mind,” and its moral reasoning is justified using several different methods: theology, tradition, philosophy, common human experience, and pragmatism (Brady, 2017, p. 11–12, emphasis mine).

Four Core Principles

In developing the teaching, the Church applies four main principles (PCJP, 2005, Ch. 4): the dignity of the person, the common good, subsidiarity, and solidarity. According to the PCJP (2005), “these principles have a profoundly moral significance because they refer to the ultimate and organisational foundations of life in society” (para. 163).

**Principle No. 1: Dignity of the Human Person.** This is the most fundamental principle, which states that because all humans are created in the image of God, a human person has innate dignity. The implication of this is that all human beings have rights that are “universal, inviolable, inalienable” (PCJP, 2005, para. 153). In other words, rights that apply to all human beings exist because of human dignity, and no one can deprive a person of these rights. In practice, this implies that no human being must be “degraded or reduced to a mere means or a tool for ends” (Schlag, 2017b, p. 21).

**Principle No. 2: The Common Good.** The Catechism of the Catholic Church defines the common good as “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily” (Catholic Church,
In short, this means that the institutions within a society must be organized such that they help humans to flourish. An important point is that all persons in a society have a **personal responsibility** to promote the common good, e.g., by in accordance with the moral values on which society rests. Political authorities have a special responsibility to guarantee “the coherency, unity and organisation of the civil society” such that “the common good may be attained with the contribution of every citizen” (PCJP, 2005, para. 168). It should be noted that the common good is **not** an end in itself. It only has value “in reference to attaining the ultimate ends of the person and the universal common good of the whole of creation” (PCJP, 2005, para. 170), i.e., God.

Another principle associated with discussions about the common good is the role of private property. The CST states that “private property is an essential element of an authentically social and democratic economic policy, and it is the guarantee of a correct social order” (PCJP, 2005, para. 176). Anything a person acquires through work is his or her property. However, “ownership of goods [must] be equally accessible to all” (PCJP, 2005, para 176). Furthermore, since the earth’s resources were created for all human beings, we must not forget to take care of the poor and the marginalized (PCJP, 2005, para. 182).

**Principle No. 3: Subsidiarity.** The principle of subsidiarity protects people from abuse by higher-level authorities. Second, it requires the same authorities to help people in distress (PCJP, 2005, para. 185-8). The central idea behind this principle is that civil society is comprised of individuals, families, and small communities. This is eloquently expressed by Pope Pius XI in his 1931 *Quadragesimo Anno: After Forty Years*: “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 organizations can do” (as cited in PCJP, 2005, para. 186). In short, authorities should only interfere in a lower level if there is something the lower level is unable to solve, i.e., a decentralized approach.

**Principle No. 4: Solidarity.** This principle simply states that because of strong relationships between persons, we all must contribute to the common good and care for our neighbor. Solidarity is both a principle and a moral virtue (Guitián, 2017, p. 48).

Besides these four principles, the CST also promotes four fundamental values: truth, freedom, justice, and love: “All social values are inherent in the dignity of the human person, whose authentic development they foster” (PCJP, 2005, para. 197).

**The First Encyclical**

By the end of the nineteenth century, the Second Industrial Revolution was well established across most of Western Europe. For millions of people, life changed with the spread of new technologies such as dry steam power and electricity. People moved from rural areas into cities where they worked in factories and received wages in exchange for their labor. In many countries, economic growth accelerated, international trade flourished, and economic liberalism established a foothold. Toward the end of the century, there was a sustained rise in real per capita income.

However, life was not easy for the lower classes (the proletariat). Poverty was still pervasive, and the gap between rich and poor increased substantially. Child labor was prevalent, working hours were long, and workers were often forbidden to unionize; therefore, people started to question the implications of the increased wealth and how it was shared in society (Roberts & Westad, 2014, p. 865). Historian Eric Hobsbawm, writing about the working class in Britain, claimed that “nothing is more characteristic of Victorian
working-class life, and harder for us to imagine today, than this virtually total absence of social security” (Hobsbawm & Wrigley, 1999, p. 133).

It was against this background that the first encyclical *Rerum Novarum*, or *On the Condition of Labor*, was issued in 1891. Pope Leo XIII (2016), concerned about social questions about the poor, writes, “some remedy must be found, and quickly found, for the misery and wretchedness which press so heavily at this moment on the large majority of the very poor” (para. 2). The issuing of the first encyclical illustrates how CST develops. The Pope observes a contemporary social problem, describes the problem thoroughly, and then encourages people both inside and outside the Church to take social action.

The Meaning of Work

Ninety years after the *Rerum Novarum* discussed industrial capitalism and its concomitant working conditions, in 1981, Pope John Paul II issued the encyclical *Laborem Exercens*, or *On Human Work*. The latter constituted a continuation of the former, and the Pope’s great concern was how work could be used to solve the great social question, i.e., poverty and misery, in a globalized world: “human work is a key, probably the essential key, to the whole social question” (John Paul II, 2016, para. 3). Since work is given such importance, the following question requires an answer: What is work? Answering this question will also lay the foundation for the next section, in which I discuss wages.

**Objective vs Subjective Sense of Work**

Pope John Paul II makes an important distinction between work in the objective and subjective sense. But to understand this distinction, we must also understand how the Church views a person. According to the book of Genesis, a person is created in “the image of God” and is called to subdue and have dominion over the earth (Gen 1:26, 28). Hence, “all things on earth should be related to man as their center and crown” (Vatican Council II, 2016, para. 12).

For man to subdue and attain dominion over the earth, he must work. This is the objective sense of work that has evolved over the millennia from labor-intensive agriculture to modern agriculture – all with the purpose of transforming earth’s natural resources into products for man’s use. Work in this sense also raises tensions between “ethical and social character” (John Paul II, 2016, para. 5), such as tensions in the relationship between man and technology.

To elucidate what is meant by the subjective sense of work, without going too deeply into Catholic theology, it is important to understand that a person is made up of a body and a soul. As subjective beings with an intellect, “relentlessly employing his talents through the ages, [man] has indeed made progress in the practical sciences, technology, and the liberal arts” (Vatican Council II, 2016, para. 15). That is, by applying his intellect and wisdom, he can act and make choices in a planned and rational way to achieve self-realization. Hence, the crucial point is that

> *As a person, man is therefore the subject of work. As a person he works, he performs various actions belonging to the work process; independently of their objective content, these actions must all serve to realize his humanity, to fulfill the calling to be a person that is his by reason of his very humanity* (John Paul II, 2016, para. 6).

This has at least two important implications. First, the morality of work embodies both the objective and subjective dimensions, though the subjective dimension is the most important one. Second, the value of work is not decided by the type of work, but by the fact that work is performed by a person. Regardless of the type of work, the subjective
perspective provides a person with “the ability to live in human dignity regardless of the low social status of their objective work” (Storck, 2017, p. 51).

This latter implication is opposed to the economic view, whereby the value of work is determined by economic value. However, the encyclical does not claim that we should not look at the objective value of work. Rather, the claim is that “the primary basis of the value of work is man himself, who is the subject. [The important ethical conclusion is that] work is ‘for man’ and not man ‘for work’” (John Paul II, 2016, para. 6).

**Three Spheres of Work**

Pope John Paul II discusses three spheres of work: the aforementioned personal dimension of work; family, which is supported through work; and society, since every person is a member of a society, and this constitutes an important part of their identity. By working, a person contributes to the common good of his or her society.

Essentially, the Catholic view is that work has a much deeper meaning than the modern economic view, whereby work is considered a factor of production (the objective dimension of work). Even if work often takes a toll on a person, “work is a good thing for man—a good thing for his humanity—because through work man not only transforms nature, adapting it to his own needs, but he also achieves fulfilment as a human being and indeed in a sense becomes ‘more a human being’” (John Paul II, 2016, para. 9).

**A Living Wage**

In economic theory, wages are determined by supply and demand. If an employer and a worker agree on a particular wage, this is considered economic fair because both the employer and the worker entered into the agreement voluntarily. As long as the employer pays the agreed wage to the worker, no injustice has taken place. This is the basic law of a capitalist economy in which work is simply a factor of production. However, moving from theory into reality, this is not so simple from a moral point of view.

In *Rerum Novarum*, Pope Leo XIII discussed a just wage and acknowledged that a firm and a worker are free to agree on a wage, even if the agreed wage is zero. This is the personal component of wages, which is in line with economic liberalism.

However, there is also a necessity component of wages, because “without the results of labor a man cannot live” (Leo XIII, 2016, para. 34). This raises a moral issue: agreeing to a very low wage would be against natural justice because man must obey self-conservation. In other words, the agreed wage can be no lower than what is needed for the worker “to support the wage earner in reasonable and frugal comfort” (Leo XIII, 2016, para. 34). This latter point recognizes that injustices occur due to differences in bargaining power. Often, low-skilled workers do not have other options than to accept a wage that is insufficient to support their basic needs.

However, CST also acknowledges that workers must not demand so high wages that the firm will go bankrupt, which also causes distress among the workforce (Pius XI, 2016, para. 72). If this happens, then both the firm and its employees, possibly with the help of the public authority, must work together to find a solution of mutual understanding and harmony between employers and employees.

---

5 There is also a large secular body of literature on the meaning and importance of work. See, for example, Wolfe (1997), who after reviewing several books authored by social scientists, comments that they “all point to a common conclusion: Whatever a person’s social class, outlook of the world, or motivations, work can be an essential component of personal development” (p. 566).
In a globalized economy in which many industries and countries face fierce competition from countries with low wage levels, this could pose a real economic problem by constraining the wage level in the domestic country (e.g., the United States versus Mexico or China). According to the economist and theologian Daniel K. Finn, the discussion on a just wage is perhaps the most challenging economic question for CST today (Finn, 2013, p. 248).

The definition of a living wage is “payment for labor that must be such as to furnish a man with the means to cultivate his own material, social, cultural, and spiritual life worthily, and that of his dependents” (Vatican Council II, 2016, para. 67). A more operational definition is given by political scientist Jerold L. Waltman in his book, *The Case for the Living Wage.* “A living wage can be defined as *a wage that would provide someone who works full-time year-round with a decent standard of living as measured by the criteria of the society in which he/she lives*” (Waltman, 2004, p. 86). Such a living wage would apply to everyone, and it would be adjustable in light of macroeconomic changes (e.g., if the defined living standard were no longer achievable).⁶

More importantly, according to Waltman (2004, p. 85), “the living wage is the most appropriate antidote” to problems such as poverty and inequality. With rising inequality, especially within countries, capitalism itself has never been able to solve the question of distributive justice. As argued by Thomas Piketty, “the history of inequality is shaped by the way economic, social, and political actors view what is just and what is not, as well as by the relative power of those actors and the collective choices that result” (Piketty, 2014, p. 20).

From an economic point of view, there are several arguments against implementing the living wage concept, as it has been argued that it will result in the following: (1) increased labor costs, which will lead to higher unemployment and more failures among small businesses; (2) increased purchasing power, which will lead to inflation; (3) recession, which will result in higher unemployment; and (4) countries with high living wages, which could generate an economic incentive for illegal immigration. According to Waltman (2004), arguments 1 and 2 are unproven, argument 3 is true, and although argument 4 is unsolvable, it should not be used as an argument against implementing a living wage (p. 127).

In sum, there is no economic argument that undercuts the need for a living wage. In my view, even if there was an economic argument sufficiently unassailable, we ought not to forget that providing everyone with a living wage is not mainly about economics but about morality and justice. Indeed, the “logic behind use of the living wage is simple and is based on both moral and economic reasoning” (Barnes 2018, p. 139); moral reasoning because every person has dignity, and economic reasoning because people cannot participate in the economy without the ability to earn what they need to provide themselves and their dependents with a life in what Pope Leo XIII called a “reasonable and frugal comfort.”

Interestingly, the father of economics, Adam Smith (1723–1790), argued for providing a “plentiful revenue or subsistence for the people” (Smith, 1904, p. 295). For Smith, people were not only motivated by self-interest, but also by the welfare of others. Moreover, a human being understands that there is a close relationship between the individual’s interest and the prosperity in the rest of society (Smith, 2009, p. 13 and 106). In other words, Smith argued that everyone in a society needs basic revenue to acquire the

---

⁶ In theory, the living wage might decrease in a more resilient economy.
necessities to survive and that every individual in a society must contribute to the common good.

Before concluding this paper, let me sketch a few points on how to address the situation faced by unemployed, disabled, or poor people. First, no Christian “has the right not to work and to live at the expense of others” (PCJP, 2005, para. 264, emphasis mine).

Second, work is a fundamental right and expresses and enhances a person’s human dignity. To secure full employment is therefore a “mandatory objective for every economic system oriented towards justice and the common good” (PCJP, 2005, para. 287).

Third, “unemployment almost always wounds its victim’s dignity and threatens the equilibrium of his life” (Catholic Church, 2000, para. 2436). The state must therefore “promote employment policies” (PCJP, 2005, para. 291) and “prioritize the goal of access to steady employment for everyone” (Benedict XVI, 2016, para. 32). The educational system must provide young people with “human [and] technological formation,” and mature workers must be offered courses and retraining (PCJP, 2005, para. 290). Furthermore, unemployment benefits must be provided to the unemployed (John Paul II, 2016, para. 18).

Fourth, disabled persons have the same rights as other people. Hence, society should “foster the right of disabled people to professional training and work” (John Paul II, 2016, para. 22).

Fifth, it is a duty of the working man to “give food, drink, clothing, welcome, care and companionship” to their poor neighbors (PCJP, 2005, para. 265). Charity is at the heart of the social teachings and the Church’s mission to the poor. However, charity “cannot take the place of justice unfairly withheld” (Pius XI, 2016, para. 137).

**Conclusion**

In this paper, I have showed that the concept of a living wage is a more useful concept than equal pay from a CST perspective. That is, everyone has the right to a living wage that enables them to support themselves and their families such that they can live and “cultivate [their] own material, social, cultural, and spiritual life worthily.” An important part of this argument is that a living wage is a right that is both individual, natural, and absolute; a living wage is “a natural, not a positive right; for it is born with the individual, derived from his rational nature, not conferred upon him by a positive enactment” (Ryan, 1906, p. 43). From a moral point of view, this is crucial. It is a natural right – that is, a right given equally to everyone by nature (or, more precisely, by God).

Let me close this paper by stressing the point that the fundamental key to understanding CST, the right to a living wage, and our moral obligation to the unemployed, the disabled, and the poor is the concept of human dignity. “A just society can become a reality only when it is based on the respect of the transcendent dignity of the human person” (PCJP, para. 132). This challenges every one of us to reflect on our ethics and consider “every neighbor without exception as another self, taking into account first of all his life and means necessary to living it with dignity” (Vatican Council II, 2016, para. 27).

**Acknowledgments**

I would like to thank Professor Anders Ragnar Örtenblad for comments on an early draft, as well as two anonymous referees and the journal’s editor for very useful comments for finalizing the paper.
References


Johnson, M. T., Johnson, E. A., Webber, L., and Nettle, D. (2020). Mitigating social and economic sources of trauma: The need for universal basic income during the


About the Author

John A. Hunnes serves as an Associate Professor and Excellent Teaching Practitioner at the Department of Management at the School of Business and Law at the University of Agder (UiA), Norway. He holds a Dr. oecon degree (PhD in Economics) from NHH Norwegian School of Economics where he also received the degree Cand. oecon (MSc in Economics).

Hunnes’ research interests are Business Ethics and Economic History. His research is published in journals such as Environmental Economics, Cogent Business and Management, Financial History Review, The Journal of European Economic History, and International Journal of Manpower.

Hunnes has co-authored and contributed to chapters in books published by Scandinavian Academic Press, Palgrave Macmillan and The University of Chicago Press. In 2016, he co-authored the book Financial crises in a historical perspective (in Norwegian). Hunnes has also written several popularized articles and op-eds in Norwegian.

In addition to his main position at UiA, Hunnes holds a position as Adjunct Associate Professor at Hauge School of Management, NLA University College. He is also member of the Academic Committee for Business Ethics, National Council of Higher Education in Business Administration.

Dr. Hunnes can be reached at john.a.hunnes@uia.no.