

# LABOR DAY STATEMENT

## A New “Social Contract” for Today’s “New Things”

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This year has been difficult for many workers. Most heart-rending, of course, are those who lost their lives. The nation still mourns the twenty-nine West Virginia miners who died when the earth around them collapsed. We still grieve for the eleven riggers who died in the Gulf of Mexico when their oil derrick exploded. We are still saddened as the work life of the entire Gulf Coast is damaged or destroyed by the Deepwater Horizon oil spill. These are just the most visible examples of workers whose lives have been lost. But others suffer as well. Many millions are jobless or have a family member or friend who is among the fifteen million unemployed or the additional eleven million workers who only can find part time work. Far too many have been unemployed for months, some even years. This is a pervasive failure of our economy today.

Despite many efforts, our country and our economy have not recovered from the financial and economic failures that overwhelmed us three years ago. Unemployment remains at 9.5 percent. There seems to be no quick fix or lasting remedy. Reports indicate an eight million job “deficit”—jobs that existed when the recession began but have since disappeared. And with employers adding only about 100,000 jobs per month, it could take nearly seven years just to get back to where we were. In other words, to bring *down* the unemployment rate, the economy would have to *create* another 100,000 jobs per month. Yet another 131,000 jobs were lost in July.

We cannot create many new jobs unless there are new investments, initiatives, and creativity in the economy. Previous decades saw the kind of growth in the economy that led to a 20 percent increase in jobs. That is not the case today. While our country has become increasingly a service-based economy, we have not succeeded in replacing whole areas of creative productivity that gave the U.S. economy the strength and stability it had in the past.

Today, as old assumptions collapse, many are calling for a new “social contract.” They suggest that this is a crucial moment in American history in which America is undergoing a rare economic transformation, shedding jobs and testing safety nets as the nation searches for new ways to govern and grow our economy. Workers need a new “social contract.” Currently, the rewards and “security” that employers and society offer workers in return for an honest day’s work do not reflect the global economy of the 21st century in which American workers are now trying to compete.

### **Catholic Social Teaching**

The Church faces the challenging task of bringing the light of the Gospel to these changing realities. In 1891, Pope Leo XIII issued what has become the *Magna Carta* of Catholic social teaching, *Rerum Novarum*, in which he dealt with the major shifts in production and new growth in productivity brought about by the Industrial Revolution that had seemingly moved the world into a new age. *A New “Social Contract” for Today’s “New Things”* 2010 Labor Day Statement

Pope Leo addressed what he called the *res novae*, or “new things” of that time. European society was in many ways split into two ideological camps, one socialist, demanding collectivist organization with much governmental control and the other then called “liberal,” arguing that the entrepreneurs and those who owned the means of production should be free to develop markets with the most able, or ruthless, rising to prominence and wealth by whatever means they could find. Neither option seemed morally correct to the Pope.

The Holy Father insisted on the value and dignity of the worker as a human being endowed with rights and responsibilities. He commended free association or unions as legitimate and he insisted on a family wage that corresponded to the needs of the worker and family. He opened the way to humanize the industrial revolution and to bring Catholic principles about the person in society to factories and farms, markets and economies of a changing world.

That encyclical provided moral, and even spiritual, guidance for many of the great social reforms of the last century, including advances in public health, the banking system, public education, living wages, unions, and income security through the creation of Social Security, unemployment insurance, and similar programs. Then, as today, the Church was concerned about the balance between capital and labor, between owners and workers, when new technologies—whether steam engines, electricity, computers, or modern communications whatever it might be—disrupt that balance and put economic justice and the social contract up for re-negotiation.

Pope Benedict XVI confronts this same challenge directly and clearly in his most recent encyclical, *Caritas in Veritate*. More than 100 years of papal “social encyclicals” have given the Church a number of principles based on the Gospels and the lived experience of the Church. These principles and experience are now an integral part of Church teaching that have built on Pope Leo’s encyclical with both continuity and new insights. To all these Pope Benedict has added a new theological vision expressed by the very title of his letter: *Caritas in Veritate*, or *Charity in Truth*.

One of the principal “new things” addressed by Pope Benedict is globalization. Like Pope Paul VI before him, Pope Benedict uses the centrality of integral human development as one of the basic criteria to address the challenges of an interdependent world. Here the economic realities of one nation or one society are constantly being influenced by some or all of the economies and cultures of the rest of the world.

As a Church with a long tradition of bringing the light of the Gospel to the concrete social, economic, political, and cultural questions of the day, Pope Benedict reminds us this Labor Day that we as a nation and people do not live in isolation, we influence and are influenced by our brothers and sisters in all the nations, economies, and cultures that make up this globalized world. More than ever, the dignity of the worker is a foundation upon which we should measure much of what is good, and not so good, in the financial, industrial, and service sectors of our economy and our world.

### **Work, Workers and the Economy**

Work is a good for every person. Productive work receives its intrinsic value from the worker who gives of him or herself in the workplace. People without work retain their innate dignity as a human person; they lack, however, one of the major avenues for self-expression and self-fulfillment. Work is that aspect of life that allows us to care for ourselves and those we love and to contribute to the wider society. Thus, through our work and productivity, we provide for ourselves and our dear ones and contribute to the good of our society and to the common good of our nation and world.

While it is not the role of the Church to propose a concrete economic blueprint for the future, the words of Pope Benedict should remind us that a key, perhaps *the* key, to overcoming the current economic situation is to unleash the creative forces of men and women. People, not things, must be the center—and the ultimate measure—of new initiatives for our nations’ economy, as well as the economies in which we are in competitive and cooperative relationships around the world.

“Unemployment today provokes new forms of economic marginalization, and the current crisis can only make this situation worse,” the Pope writes. “Being out of work or dependent on public or private assistance for a prolonged period undermines the freedom and creativity of the person and his family and social relationships, causing great psychological and spiritual suffering. I would like to remind everyone, especially governments engaged in boosting the world’s economic and social assets, that the *primary capital to be safeguarded and valued is man, the human person in his or her integrity*” (CV #25, emphasis in the original). Placing the human person at the center of economic life advances the cause of justice.

For the worker without employment, a job is *the* major issue. But jobs are not individual “things” whose worth can be measured by numbers. Jobs are the result of initiatives creating markets that offer new opportunities in response to new challenges. These are not limited to our economy in isolation from others. Our economy should stimulate greater productivity, new jobs, and new wealth. Our economy, in tandem with others, should provide workers jobs, wages, and benefits to support themselves and their families through expanded productivity, wise policies, and healthier markets.

### **The Market, the State and Civil Society**

Pope Benedict links three interrelated components of society in a way that offers a hint at a new way or renewed way to think about a better future. They are *the market, the state, and civil society*. He says, “In the global era, the economy is influenced by competitive models tied to cultures that differ greatly among themselves. The different forms of economic enterprise to which they give rise find their main point of encounter in commutative justice. Economic life undoubtedly requires contracts, in order to regulate relations of exchange between goods of equivalent value. But it also needs *just laws and forms of redistribution* governed by politics, and what it is more, it needs works *redolent of the spirit of gift*” (CV 37). This last point, *redolent of the spirit of gift* or “unconditional gift,” is a Christian understanding that the world and all of creation is a gift from God. Pope Benedict introduces this *theological concept* with a challenge to us to expand our horizons. He challenges us by introducing this theological sense of life as a gift from God and asks us if it does not have a place in our deliberations about life in the marketplace. If there is “nothing human foreign to the Gospel” as Pope Paul VI often said, then the very real human challenges of a productive marketplace with good jobs for all might be in some way shaped by this expanded and demanding notion of *gift*.

His words suggest something else as well. The interaction of the market, the state, and civil society may well be in need of re-assessment and re-evaluation to renew the way the various parts of our society, economy, and productivity engage with one another. Catholic social teaching on the economy, the political community, and society is spelled out in *The Compendium of the Social Doctrine of the Church*. The role of the market is clearly the major force for the development of a sound economy. The state has played and continues to play an important, perhaps increasingly important, role in the economy and in the regulation of markets. At times, the market and the state seem to be the only two factors; sometimes in collaboration, other times in tension with each other.

Perhaps the most undervalued and overlooked sector in this framework is that of *civil society*. Could a reawakening and new development of the roles of intermediary institutions, including voluntary associations

and unions, be a force to call the market to a greater understanding of the centrality of the worker? Could they be a means to restrain, mediate, or hold accountable both the state and the marketplace? Could their voices help create greater economic and social justice, a more mutually respectful and collaborative stance by all the actors toward the economy, work, and wealth creation around the world? Pope Benedict believes this. He suggests that the various components of civil society can work, along with those in the market and the state, to introduce elements in favor of an *economy of gift and gratuitousness*. Without excluding the essential roles of market and state, “civil society” may well be a different, but also essential voice to advance the good of all. Pope Benedict is convinced that “economic life must be understood as a multi-layered phenomenon.” He believes that introducing a sense of fraternity and gift can become a humanizing and civilizing force for the common good and for greater justice and peace.

### **Wage Fairness and a New Social Contract**

In too many places across America, workers are not being fully paid for their labor. National reports tell of factory workers whose time begins with the start of the conveyor belt not their arrival; of retail workers who are “clocked out” and then required to restock or take inventory; and wait staff whose employers do not give them their tips. Some unscrupulous employers ignore weak and inadequate laws that forbid such unfair practices in order to increase the bottom line. Families struggling to make ends meet cannot have wage earners shortchanged on overtime or not get paid for all the hours they work. The dignity of the person is diminished when poor or middle-class people are denied their full wage or just compensation for their hard work. A good job at good wages for everyone who is willing and able to work should be our national goal and a moral priority.

In light of this and similar issues, perhaps the call for a new “social contract” should be cast in the context of a globalized economy and seek a renewed development of the relations among the three sectors of *market, state, and civil society*. This new social contract could emphasize the roles and responsibilities of civil society, which would include, among others, labor unions (which the Church has supported since *Rerum Novarum*), and also business associations, universities, think tanks, other social, economic, and cultural groups, and all those who seek to add vision and hope to a national and global economic dialogue.

### **From Principles to Action**

Moving from general principles of Catholic social teaching to application in everyday life is never easy. We need to assess not just individual actions but broader trends in social and economic structures. The Committee on Domestic Justice and Human Development of the United States Conference of Catholic Bishops offers the following six criteria to evaluate policies and institutions. On this Labor Day, they also offer a path forward at a time of economic distress and uncertainty:

*Respect for human life and dignity*

*Subsidiarity and solidarity*

*Respect for marriage and family life*

*Priority for the poor and vulnerable*

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*Recognition of cultural diversity*

*Right to economic initiative and productive work*

### **Conclusion**

We find ourselves at a crucial moment in economic life. Millions lack work and there is so much work to do. As Catholics we look to Jesus Christ, who teaches us: “Apart from me you can do nothing,” (Jn 15:5) but then reassures us with: “I am with you always” (Mt 28:20). Pope Benedict reminds us: “As we contemplate the vast amount of work to be done, we are sustained by our faith that God is present alongside those who come together in his name to work for justice.” (#78)

This Labor Day we must seek to protect the life and dignity of each worker in a renewed and robust economy. Workers need to have a real voice and effective protections in economic life. The market, the state, and civil society, unions and employers all have roles to play and they must be exercised in creative and fruitful interrelationships. Private action and public policies that strengthen families and reduce poverty are needed. New jobs with just wages and benefits must be created so that all workers can express their dignity through the dignity of work and are able to fulfill God's call to us all to be co-creators. A new social contract, which begins by honoring work and workers, must be forged that ultimately focuses on the common good of the entire human family.