Principles of Catholic Social Teaching

Human Dignity

- Common Good
- Subsidiarity
- Option for the Poor
- Rights & Responsibilities
- Dignity of Labor
- Participation
- Stewardship
- Peace and Disarmament
A History of Profit Sharing & Worker Ownership in CST – 1891-Present

**RERUM NOVARUM 1891**

- All have the right to own private property (Leo XIII criticized socialism as inherently unjust for violating this right); private property must serve the common good (#’s 2, 9, 10, 15, 23, 36, 55)
- Just ownership is distinct from just use of property (# 35)

**QUADRAGESIMO ANNO 1931**

- Two-fold aspect of ownership: individual and social (# 45)
- Right of property must be distinguished from its use (# 47)
- Right of ownership is not absolute (# 49)
- Principles of subsidiarity: activity that can be performed by a more decentralized entity should be (#’s 79-80)
A History of Profit Sharing & Worker Ownership in CST – 1891-Present

**MATER ET MAGISTRA 1961**

- Workers should share in running of companies (management, profits, ownership) (#75)
- Encourages widespread ownership (#115)
- How to apply CST (task for laity) (#s 236-241):
  - Examine situation (observe);
  - Evaluate it with respect to CST (judge);
  - Decide how to act (act)

**GAUDIUM ET SPES 1965**

- Human labor is superior to other elements of economic life; economic activity detrimental to the worker is wrong and inhuman (#67)
- Workers should participate in running an enterprise (#67)
- God intended the earth for everyone; private property should benefit all (#67)
- Distribution of goods should be directed toward employment (#70)
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LABOREM EXERCENS 1981

- Human beings are the proper subject of work (#5)
- Priority of labor over capital (#12) and primacy of people over things
- Right of private property is subordinated to the right of common use (#14)
- Property is acquired through work to serve labor (#14)

LABOREM EXERCENS (CONT)

- Socialization of certain means of production cannot be excluded (#14)
- Church favors a joint-ownership of means of production (#14)
- Right to Form Unions is an indispensable element of social life (#20)
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**CENTESIMUS ANNUS 1991**

- CST affirms a right to private property that is limited by the common purpose of goods (#30)
- The possession of know-how, technology, and skill is surpassing land as the decisive factor of production (#32)
- A business firm is a community of persons, endeavoring to meet their basic needs, who form a group at the service of society (#35)

**CENTESIMUS ANNUS (CONT)**

- Human and moral factors are just as important as profit to the life of a business (#35)
- The ecological question emphasizes human responsibility to future generations (#37)
- The Church’s social teaching should serve as an orientation, rather than as a model, toward solving problems (#43)
A History of Profit Sharing & Worker Ownership in CST – 1891-Present

**CARITAS IN VERITATE 2009**

- Charity is at the heart of CST (# 1)
- Justice is “the primary way of charity,” “the minimum measure of it” (# 6)
- Demand for an “integral development” (# 21)
- The mobility of labor plus deregulation can stimulate wealth production, but tends to new forms of economic marginalization (# 25)

**CARITAS IN VERITATE (CONT)**

- Prioritize the goal of access to steady employment for everyone (# 32)
- Reducing protection of the rights of workers or abandoning methods of wealth redistribution to compete internationally for investment hinders lasting development (# 32)
Today’s international economic order requires a profoundly new way of understanding business enterprise (#40)

Awareness is growing that management must assume responsibility for all stakeholders who contribute to the life of the business: workers, clients, suppliers, community of reference

Investors also need to look at the moral significance of their investments – the impact on the stakeholders
Caritas in Veritate (Charity in Truth) 2009

**STRENGTHS**

- Focus on economic ethics and obligations of wealthy to the common good (Option For The Poor)
- Endorsement of broad-based ownership (Dignity Of Labor)
- Strongest papal statement yet on environment (Stewardship)

**WEAKNESSES**

- Addresses too many topics
- Examines mostly government policy without specific goals for business owners, managers, or consumers
- Fails to sufficiently tap the experience of Catholic lay businesspersons that run companies that model principles of CST
The economy must serve people, not the other way around

Work is more than a way to make a living; it is a form of continuing participation in God’s creation
Dignity of Labor in CST (cont.)

EMPLOYER CONTRIBUTION TO THE COMMON GOOD

- Provide services and products
- Create jobs that uphold the dignity of workers by allowing
  - Productive work
  - Decent & just wages
  - Adequate benefits
  - Organize & join unions
  - Opportunity for legal status for immigrant workers
- Private property
- Economic initiative
“All people have the right to economic initiative, to productive work, to just wages and benefits, to decent working conditions, as well as to organize and join unions or other associations.”
-National Conference of Catholic Bishops, A Catholic Framework for Economic Life, no. 5
Benefits of Markets in CST

1. Promotes Human Creativity & Entrepreneurship
2. Promotes Private Property & Rule of Law
3. Better Utilization of Good and Resources
1. Self-interest often overrides the common good
2. Unregulated freedom leads to abuse of persons & created order
3. Materialism creates false understandings of human development
What Are “Just” Markets In CST?

GOALS

1. Authentic engagement with consumers with non-exploitive intent
2. Co-creation of value with customers
3. Investment in future consumption
4. Interest representation of all stakeholders (solidarity)
5. Focus on long-term profit management rather than short-term profit maximization
6. Protect voluntary associations
Works Cited


