

## CHAPTER THREE

### JOHN XXIII: A NATURAL LAW VISION OF WORK

Fundamental to the papal social tradition is human dignity. The belief in the dignity of the human person is a thread running through the Church's entire teaching on work. It has an important impact on such topics as wages, worker ownership, participation in the workplace, and the product. What is different from one pope to another is how each applies the concept of human dignity to the area of work in his own particular historical period. Leo XIII's response to the beginning of the Industrial Revolution, Pius XI's response to the Great Depression, and Pius XII's response to the Post World War II Reconstruction all elicit the same principle—human dignity. But each pope has a different emphasis, and at times different conclusions.

In the historical context of *Mater et magistra* (1961), John XXIII responds to the increasingly complex and interdependent nature of social relations and social institutions. In the 1950s and 60s, this was brought about by progress in technology, the increasing role of government, and the furthering education of the worker. He responded to these historical circumstances by expanding the concept of human dignity into a wage principle of “justice and equity” and a production process principle of “participation.” More than any of the popes before him, John XXIII extends the demands of human dignity in the workplace to the formation of the individual character in relation to education, personal responsibility, and personality development. He evaluates remuneration and the production process primarily on whether they contribute to the internal development of one's personhood. Unfortunately, John XXIII's discussion on the product produced is brief, and it does not substantively advance this area in papal social teaching.

John XXIII stays within the heart and reaches the apex of the natural law tradition in papal social thought. Chapter Two sets forth the intellectual framework out of which he writes. This chapter discusses John XXIII's understanding of work, particularly how it relates to human dignity. It will show John XXIII's continuity with his predecessors as well as his unique developments in the four dimensions of work: formation, remuneration, process, and product.

## 1. Formation: Human Dignity

In a speech given prior to the release of *Mater et magistra*, John XXIII maintains that the social tradition of the Church rests on one basic principle—“an unshakable affirmation and vigorous defense of the dignity and rights of the human person.”<sup>1</sup> The fundamental principle on which all other moral principles rest in Catholic social thought is the protection and development of human dignity. For John XXIII, human dignity is the absolute, unchanging value that remains constant throughout changing institutions in history. It is the basis on which people establish their social relationships. In *Mater et magistra* (MM), he identifies this principle as essential to the social teachings of the Church:

This [social] teaching rests on one basic principle: individual human beings are the foundation, the cause, and the end of every social institution. That is necessarily so for men are by nature social beings. This fact must be recognized, as also the fact that they are raised in the plan of providence to an order of reality which is above nature (MM, 219-220).<sup>2</sup>

The person, according to John XXIII, is prior to any other institution or thing made for two reasons: 1) people by their very nature are social, and 2) people have a calling which transcends nature and is of a supernatural order. He spends the majority of the encyclical developing the former rather than the latter insight.

It is important to note that the Church’s social teaching is not based on a principle such as the common good or on an institution such as government (socialism) or on private property (capitalism) or some technique or specific plan. For John XXIII, the purpose of the common good, government, and private property is to “favour the full development of human personality” (MM, 65). Human dignity is more fundamental than any other principle or institution because all social activity, particularly work, is a formative activity. He explains that human dignity “is part of the natural order, which teaches that the individual is prior to society and society must be ordered to the good of the individual” (MM, 11). Society is an end insofar as it promotes the development of the human person. It does not exist as an entity of its own. Society is based on the person who is social by nature.

How does this apply to the worker? For John XXIII, because there is a formative dimension to work, the dignity of the worker is manifested when any organization embodies a respect for the personal and social nature of the individual. The rest of this section explains in detail what John XXIII means by the personal and social nature of the individual and how human dignity relates to this dual nature of the person.

### PERSONAL NATURE OF THE INDIVIDUAL

The dignity of one’s personal nature rests on the freedom of the person’s initiative either as an individual or as a member participating in a team or association. John XXIII uses *Quadragesimo anno*’s famous definition of the principle of subsidiarity to show the importance of initiative on the personal and small group levels. In

short, The principle states that it is an injustice for larger associations to arrogate to themselves activities that can be performed by smaller associations or individuals (MM, 53). The role of larger associations are to augment the freedom of smaller groups and individuals by supplying help that cannot be performed by small groups and individuals. According to John XXIII, this is the best way of “effectively guaranteeing the protection of [the small groups’ and individuals’] essential personal rights” (MM, 55).

To deny “freedom of action” to individuals prevents them from the only avenue of perfecting their personality. John XXIII explains that “there is an innate demand in human nature that when men engage in production they should have the opportunity of exercising responsibility and of perfecting their personalities” (MM, 82).<sup>3</sup> Work is a means for people to express the perfection of their being. John XXIII explains that the workplace must represent “in form and substance” a “true community” where workers are treated as human persons, and who are inspired to take an active role in the operation of a particular organization (MM, 65). He maintains that by structuring a workplace as a human community, an organization will be prone to be “concerned about the needs, the activities, and the standing of each of its members” (MM, 91).

John XXIII explains several ways a person’s dignity is violated in the workplace: 1) blunting the person’s sense of responsibility; 2) impeding personal initiative; and 3) conforming the worker to the machine rather than the machine to the worker (MM, 83). All three courses are violations of the principle of subsidiarity. For John XXIII, a workplace with dignity permits a certain degree of responsibility, free initiative, and autonomy.<sup>4</sup> He asserts that the workplace is never merely a profit making enterprise. “No matter how much wealth it produces or how justly and equitably such wealth is distributed,” if the workplace dehumanizes workers by preventing them from exercising the full development of their personalities, such an institution is inherently flawed (MM, 83).

Work must positively contribute to the formation of the interior life of workers. It does this best when it is designed in accord with the nature of workers. The more personal the work becomes, the further it promotes human dignity. Work, for John XXIII, is not merely an extrinsic activity, furthering more productivity or higher wages. Human dignity cannot be engendered only by providing a family wage. In order for work to promote human dignity, it must attend to and develop the worker’s personality.

While John XXIII’s primary argument stems from a moral claim of human dignity within the natural law, he often provides a secondary argument of expediency. It is not only the worker who suffers from the denial of personal initiative in the workplace. The state of the economy also deteriorates, and this further contributes to the decline of the person’s dignity. John XXIII maintains that where personal initiative is absent “economic stagnation” in the production of products and services will not be far behind (MM, 57). Here, for example, not only does the dignity of the human person suffer from stifling personal initiative and responsibility (primary moral argument), but so does the health of the economy (secondary argument of expediency), which furthers the repression of human dignity, hence making the argument of a mural nature. This form of argumentation occurs several times throughout *Mater et magistra* as pointed out in this chapter.

Although John XXIII has been considered one of the optimistic popes, he does nonetheless warn of the depersonalizing effects which occur when the personal nature of the worker's dignity is ignored. He points to the danger in transforming the world's resources to products and services in such a way that the person can be forgotten about and consequently destroyed. He warns of those who lose their very identity in work whenever the object takes priority over the subject to such an extent that the object created becomes an idol. Quoting Pius XI's famous passage, he warns that work can become like the factory where "dead matter goes out improved whereas men there are corrupted and degraded" (MM, 242). In a similar vein John XXIII recalls Pius XII's warning against unleashed technology and the moral and spiritual degradation it can have on the person. Quoting Pius XII, he cautions that technology can transform the person "into a giant of the physical world at the expense of his spirit, which is reduced to that of a pygmy in the supernatural and eternal world" (MM. 243).

For John XXIII, work is not an end unto itself. Work is a means to perfect the nature of the person. The wages, the process, and the product are instruments utilized by workers for the perfection of the self and consequently society. Quoting Matthew's Gospel, John XXIII asks "For what does it profit a man if he gain the whole world and suffer the loss of his own soul?" (Mt. 16:26; see MM, 247).

#### SOCIAL NATURE OF THE INDIVIDUAL

When *Mater et magistra* appeared in 1961, an issue of particular concern and controversy was the phenomenon of the increased interdependency of both people and institutions in society. Some feared that influences of intermediate bodies (e.g., unions, business support groups, social activist groups, community groups, etc.) and in particular the state had become too numerous and pervasive. They perceived human freedom as threatened by increased social relations. John XXIII argued that although human freedom can become more restricted by the increasing interdependence of persons in society, this interdependence can also provide opportunities for people to further exercise freedom by allowing them to express their personalities in a social context (MM, 61). He believes that as social beings, human dignity exists within the context of human interdependence (MM, 137 and 200). Not only has this always been the case, but it is increasing as society becomes more complex and interdependent. This is particularly true in the workplace.

John XXIII describes this phenomenon as socialization.<sup>5</sup> What he sees as peculiar to this modern age is the "increase in social relationships... which grow daily more numerous and which have led to the introduction of many and varied forms of associations in the lives and activities of citizens" (MM, 59). This process of socialization stems from the person's social nature. Socialization expresses the "irresistible urge in man to combine with his fellows for the attainment of aims and objectives which are beyond the means or the capabilities of single individuals" (MM, 60).

Socialization is a morally neutral activity in the abstract. However, John XXIII explains that if socialization is to develop the person, it must adhere to the principle of human dignity from which all other social principles derive, particularly the common good (MM, 67). Its moral character is determined

by the particular forms in which the emerging social relationships are manifested. As free and rational agents, people have the ability to determine whether the increase in social relationships denigrate or enhance human dignity. Socialization, then, can bring people closer together and deepen interpersonal relationships as well as common bonds, because people are by nature social. John XXIII also warns that the process of socialization can repress human freedom and development by subsuming them to organizational goals. In either case, by increasing the interdependence of people, social relationships and institutions are changed in a fundamental way.<sup>6</sup> For him, it can become a positive means to developing and perfecting the personality of the individual, particularly the social nature of the person. Quoting Pius XI, John XXIII maintains that socialization can ““lead to that organic reconstruction of society [which is]... the indispensable prerequisite for the fulfillment of the rights and obligations of social life.”<sup>7</sup>

Socialization informed by human dignity also rejects a deterministic understanding of the person and society. Jean Yves Calvez maintains in his commentary on *Mater et magistra* that the concept of socialization reflects an anti-deterministic philosophy.<sup>8</sup> While humanity is not always totally free in the determination and mastery in the socialization process, socialization does not occur from some external force of nature. Rather it emerges from the very nature of the person.<sup>9</sup> It can be the work of free persons whose social nature incites them to organize with others and establish associations. Particularly in the workplace, the increase of social interdependence brought about by socialization can further develop the human personality and prevent the real possibility of depersonalization and alienation of which John XXIII warns.

Calvez points out that what John XXIII brings to light in papal social thought is that neither the society nor the organization necessarily has to crush the person. Rather, socialization contains the very elements from which freedom can flourish, that is, through the association of others. Socialization does not necessarily obstruct personalization; rather it can promote it in a truly powerful way. In the workplace, socialization never replaces the primacy of the human person as the center of Catholic social thought, rather it accentuates the fact that the person attains partial fulfillment in the organization. The organization serves as a natural means in which people realize their social nature. John XXIII explains that the person has a social nature that is fulfilled and hence dignified by means of a social development through participation in an organization.<sup>10</sup>

## **2. Remuneration: Justice, Equity, and Ownership**

Remuneration is one of the most commented on topics in papal social teaching, second to the topic of human dignity. Prior to *Mater et magistra*, just remuneration was primarily defined in terms of providing a family wage. However, in *Mater et magistra* wages, while important, are no longer the only focus. John XXIII is the first pope seriously to discuss worker ownership as an important means to attain a just remuneration.

Both wages and working conditions improved tremendously through the expansion of unions and labor legislation in the first half of the twentieth century in the Western world. While just wages were still far from ideal, the issue is not as pressing for John XXIII as it was for Leo XIII or Pius XI. John XXIII spends a whole section on the importance of a just wage, however; he believes that times have changed and remuneration should not, if at all possible, be limited to wages. For a variety of reasons, discussed below, John XXIII perceives the wage contract by itself as inadequate. His teachings on remuneration are different than his predecessors' in two respects: 1) emphasis on equity as a part of wage justice, and 2) emphasis on worker ownership as an increasingly important part of a just remuneration. The purpose of this section is to explain John XXIII's teaching on remuneration as manifested in wages and in ownership of the means of production. He perceives himself as rooted in the tradition. Yet, John XXIII also perceives that he must bring the papal social tradition up to date.

#### JOHN XXIII'S USE OF "JUSTICE AND EQUITY" IN WAGE JUSTICE

John XXIII's understanding of justice is squarely in line with his predecessors. However, he develops the papal social understanding of justice by adding the term equity. In his discussion of wage justice, John XXIII does not use social justice, natural justice, commutative justice, or distributive justice. Rather he uses the term "justice and equity" (MM, 68-72). Commenting on *Mater et magistra*, Jose M. Diez-Alegria explains that justice and equity "is concrete and embraces therefore both the general [social justice] and particular [commutative and distributive] aspects of justice."<sup>11</sup> He maintains that "justice and equity" avoids the debate between those who argued that social justice is less binding and less important than commutative justice.<sup>12</sup> John XXIII abandons the doctrinal precision of the different types of justice so as to avoid debates which watered down the meaning of justice. He opts for a more generic (justice), although more concrete (equity) term of "justice and equity."

John XXIII adds the term "equity" to "justice and equity" to tie the discussion of wages more directly to its source, namely, what portion of the whole has been received in relation to the contribution of the worker. In other words, how big is the pie, who is getting what slice, and does their slice correspond to their contribution. Although justice includes the needs of the person, the overall state of business, and the general welfare, the papal social tradition had not focused as specifically on wages in relation to the proportional shares distributed throughout the firm in light of the contributions given from particular workers. While Pius XI encouraged profit sharing, he had not implemented it into the wage contract. This papal tradition had emphasized need as the basis to justice, concluding to a just or family wage. The addition of equity by John XXIII adds a proportional and contributory aspect. Contribution does not precede the importance of need, that is, justice, but for John XXIII it helps to guarantee a more equitable distribution in an age of increasing economic growth. Concretely, justice and equity could be manifested in programs such as profit sharing or gainsharing. These are discussed in Chapter Five.

Effort, for John XXIII, is not only measured by the quantity produced, but also in terms of its contribution to the welfare of the community. For example, John XXIII mentions that some people in developed countries are paid far in excess of the worth of their products (e.g. entertainment, cosmetics, sports, etc). This contrasts sharply with those who produce essential products (e.g. agricultural products, education, health care, human services) and are paid far less—at times less than a family wage (MM, 70).

Calvez points out in his commentary on *Mater et magistra* that equity is used as a form of prudence to emphasize the concrete application of justice.<sup>13</sup> Equity functions as a tool to evaluate the situation so as to bring out a fuller form of justice. Equity recognizes the dynamic change in an economy that is evaluated before justice can be applied. As John XXIII points out at the end of the section on wages, the principles of justice are universally valid and true, but ““their degree of applicability to concrete cases cannot be determined without reference to the quantity and quality of available resources” (MM, 72). Hence, his use of equity is an attempt to discover a more equitable distribution in reference to the specific amount to be distributed.

John XXIII explains that since World War II rapid expansion of national economies has occurred. A wage based on “justice and equity” should derive not only from an abstract notion of justice but also from how the worker has contributed to the expansion of these economies. He explains that:

Since the economy...has in our times witnessed a rapid rise and growth of production in numerous countries, justice and equity require that, within the limits of the common good, remuneration for work should experience a similar growth (MM, 83).

Traditionally, a just wage was associated with a family wage. By stressing equity, John XXIII is implying that a just wage may be more than a family wage, if the contribution of workers is taken into consideration to the wealth they have produced. Whereas the term “social justice” contributes to guaranteeing a just wage on a structural level, the term “justice and equity” expands the teaching of wage justice to guarantee a just wage in reference to the contribution of the person’s labor.<sup>14</sup>

While differences exist between “social justice” and “justice and equity.” both terms share the same primary meaning. Both terms point to the fact that economic structures and institutions are established to provide the means necessary to guarantee the personal development of all individuals. In the area of remuneration, the economic order must be structured so as to guarantee wages for workers and their families that will enable them to develop their personalities. Wages are still an essential means in the economy to achieve this purpose.

#### OWNERSHIP OF THE MEANS OF PRODUCTION

John XXIII’s teaching on workers’ ownership of the means of production stems from both the particular economic and social changes in society, and Pius XI’s principle ‘neither capital nor labor’ which states that neither the representatives of

capital or labor alone have exclusive claim to the profits or ownership of the organization. From this basis John XXIII suggests that companies self-finance their modernization and growth through stocks purchased by workers. While Leo XIII, Pius XI, and Pius XII advocated that all people should own some form of property, it is John XXIII who first specified the appropriateness of worker ownership of the means of production.

*Economic and Social Changes.* A major economic difference that had occurred since World War II was “the rapid expansion of national economies” (MM, 73). For John XXIII, this new economic fact dictates that traditional social principles be applied in a new light. In response to the fact of rapid expansion of national economies in developed countries, John XXIII maintains that “Economic progress must be accompanied by a corresponding social progress” (MM, 72). The reason for this principle is so everyone can participate in the rapid increase of production in the economy and partake in the common use of creation. Applying this principle of social progress can reduce the increasing social inequalities and can establish a more equitable society. In light of this social principle, economic prosperity is not solely defined in terms of total assets or increased productivity. Economic prosperity can only be achieved if an equitable distribution of wealth occurs. John XXIII explains that only in this way can the inherent dignity of all persons possibly be attained (MM, 74). Such distribution of wealth ought to be pursued since this is the fundamental goal of the workplace as well as of the national economy. The most effective vehicle for this re-distribution is through increasing worker ownership of the means of production. In view of the changing economic situations, John XXIII develops his idea of ownership of the means of production as a form of remuneration from the principle of justice and equity.<sup>15</sup> He perceives that the socio-economic conditions are ripe for workers to become co-owners with employers.

Another reason for emphasizing the ownership of the means of production stems from what John XXIII perceives as a social change in understanding property. Property in Catholic social thought had predominately been understood as land. Property was a source of wealth, and in a less technical and industrialized society land was considered the greatest source of wealth. But times changed. With increasing urbanization, land ownership (except that of a house) has become less important as a source of wealth and security for the common person, principally, because, in an urban setting the need to grow food or raise livestock is no longer necessary. (John Paul II has echoed this point in his recent encyclical *Centesimus annus*.) For John XXIII, an increasing source of property wealth is the ownership of the means of production. Because workers are essential to the generation of new wealth and to a firm’s success, they are entitled not only to a just wage, but also access to the ownership of means of production. As Matthew Habiger points out:

This shift of entitlements, or more accurately this expansion of entitlements, is a natural result of a more advanced economy which is derived from advances in science and technology, as well as the increased skills of the worker which make him more productive.<sup>16</sup>

Prior to *Mater et magistra*, the popes had argued that entitlement to property was based on the purchase of property, inheritance, or first ownership. John XXIII argues that entitlement to the acquisition of the means of production should be based on the fruitfulness of labor. While both Leo XIII and Pius XI recognize the fruitfulness of labor, neither of them connected this with a right of access to the means of production. But John XXIII argues that since the source of an expanding economy stems from the fruitfulness of labor, labor should be able to participate in the ownership of the means of production (MM, 112). The fruitfulness of labor results in some form of property, because workers have a right to enjoy and receive the fruits of their work.

This shift by John XXIII stems principally from the changes in the economy and not from a philosophical shift in understanding the moral nature of private property. Leo XII, Pius XI, and Pius XII all taught that property is the safeguard to the dignity of the human person, enabling the free exercise of individual responsibility. Property owners have rights. Ownership is an acquired right and not an immediate endowment. What is different about John XXIII's approach is what he means by property. For Leo XIII, the most productive form of property was land. For John XXIII, the most productive form of property for most people in the economy is not land, but the means of production.

It is important to note that John XXIII unlike his predecessors places the ownership of productive goods on the level as private property. Like Leo XIII, Pius XI, and Pius XII before him, John XXIII encourages a wide distribution of private property, but unlike them he stresses that shares in medium and large corporations is an increasingly important form of private property (MM, 115). In his section of *Mater et magistra* on private property, John XXIII mentions the right to own productive goods six times in a span of twelve paragraphs. For him, worker ownership is a form of private property to which a worker has a right. But like all other forms of private property, it is not an absolute right guaranteed in all cases, nor is it a right that comes through the title of labor as Pius XII pointed out. Worker ownership is a right to access not a right to title. Either through reduced wages or through direct purchase of shares or through other suitable means, workers ought to become owners of their productive goods (MM, 75). Hence, the economy should be organized so as to encourage worker ownership. (Specifics concerning these points are discussed in Chapter Five.)

*Neither Labor nor Capital.* John XXIII also grounds his understanding of worker ownership on Pius XI's principle "neither capital nor labor." In the middle of his discussion on worker ownership, John XXIII recalls Pius XI's principle in *Quadragesimo anno*:

It is entirely false to ascribe to the property alone or to the work alone whatever has been obtained through the combined effort of both, and it is wholly unjust for either, denying the efficacy of the other, to arrogate to itself whatever has been produced (MM, 76; see QA, 53)

This quote highlights labor's right to a proper share in the product it produces. Everyone ought to receive a just share of what they produce including labor without which no product can be produced. Placed in the context of worker ownership,

that “share” of the product, specifically includes worker ownership. Unlike Pius XI who speaks of this principle in the context of profits, John XXIII places the same principle in the context of worker ownership. By adapting Pius XI’s principle, John XXIII stresses the equity aspect of justice in the form of worker ownership rather than profit sharing as did Pius XI.<sup>17</sup>

Rejecting both the Marxian and liberal capitalistic claims to the whole product, John XXIII maintains that wealth must serve the goods of all. In order to mediate between the demands of both capital and labor he suggests that workers participate in the ownership of the firm. Co-ownership, for John XXIII, is a desirable means to disperse ownership so as to achieve a just distribution of wealth. Referring to Pius XI, John XXIII maintains that

today, even more than in the time of our predecessor, ‘everything must be done so that, in the future at least, the amount of goods that are accumulated in the hands of the capitalists be reduced to a more equitable size, and that a sufficiently abundant part thereof be distributed among the workers’ (MM, 77; see QA, 57)

Although John XXIII does not demand one particular way to attain worker ownership, he does suggest self-financing as one means to attain worker ownership.

*Self-Financing.* John XXIII suggests self-financing as a practical application of the economic and social changes, and Pius XI’s principle of “neither capital nor labor” to secure worker ownership. A variety of ways exist to restructure the remunerative system in a firm which satisfy the demands of justice and economic changes (e.g., gainsharing and profit sharing).<sup>18</sup> For John, given the rapid expansion of national economies, worker ownership is the most prudent technique (MM, 77). Many medium and large companies are financing modernization of plant equipment out of their own profits, enabling them to increase productivity and efficiency to remain competitive in the future. In such cases, John XXIII maintains that “workers should be allocated shares in the firms for which they work, especially when they are paid no more than a minimum wage” (MM, 75). He bases his claim on Pius XI’s argument that workers have a right to share in the fruits of the product. When profits are reinvested in the firm, which would otherwise be directed toward increases in wages, bonuses, and other forms compensation, workers are reinvesting in the firm, particularly if they are paid minimum wages. Hence, workers have the same right to the shares in the firm as any other investor, because it is their earnings which are being reinvested into the organization. By virtue of their sacrifice, workers have become investors.<sup>19</sup> John XXIII is not advocating that workers receive ownership on the basis of their work (a notion Pius XII condemned) but on the basis of their sacrifices. Though John XXIII does not specify how self-financing and worker ownership should work, it could work by issuing shares at reduced rates for workers.

John XXIII suggests that ownership should be an important part of the total remuneration package of workers, along with wages. Of the four types of income (rent, interest, wage, and profit), the wage contract restricts the person to a

wage income. Although John XXIII does not explain it in these terms, the fact that the restriction of the wage contract causes economic instability by only relying on one source of income for the worker seems to indicate that he wants to broaden the base of remuneration to include worker ownership. By issuing shares of the firm to workers to attain self-financing, workers expand the base of their income. Worker ownership opens the income of the worker to interest and profit sources. Workers acquire greater economic security as well as a voice in the economic affairs of the firm. They can begin to participate in the control and ownership of the firm, providing opportunities in the workplace to actualize their personal faculties.

### **3. Process and Worker Participation**

The controversy over worker participation with Pius XII is subdued by John XXIII. John XXIII reopens the discussion of worker participation on a positive, creative, and more open plane than Pius XII's distinctions allowed.<sup>20</sup> Since John XXIII perceives a distinct socio-economic change in society, the debate over worker participation and its distinctions are no longer warranted and that another approach to worker participation would be more effective than the technical debates of Pius XII. In *Mater et magistra*, John XXIII avoids the complications of worker participation and the codetermination debate of Pius XII by employing three tactics: 1) He avoids any direct reference to the codetermination debate in the encyclical. He does not distinguish the different types of participation (personal, social, economic) on which the debate rests, nor does he make an effort as Pius XII did to define the specific economic nature of the organization or enterprise, that is, whether it is a society or not. 2) John XXIII gives the partnership contract (QA, 65) a prominent role in his summary of Pius XI's social thought. Unlike Pius XII who qualified Pius XI's call for a partnership contract (almost every time he mentioned it as a suggestive and secondary character), John XXIII retains Pius XI's text with no qualification and completely affirms the partnership contract (MM, 32). 3) John XXIII wanted workers to own the means of production, which would give them a strict right to economic as well as personal and social participation of their firm. Worker ownership avoids the whole debate as well as makes unnecessary the various distinctions between economic and political society, personal, social, and economic participation, and whether worker participation as a natural right infringes on the owners' right to property. While these distinctions still hold, worker ownership avoids their use by making the worker the owner.<sup>21</sup>

John XXIII's teaching on workers' participatory role has significantly developed both because he explicitly bases worker participation on human nature and dignity and because of his consideration of the economic and social changes in society. Hence he justifies worker participation on two levels (MM, 93): 1) Natural Law: Worker participation is justified on the basis of the person's human nature and the fulfillment of human dignity as well as the nature of the enterprise as a true human community. There is a participatory nature in each person, which needs to be exercised in order to fulfill the human personality. 2) Structural Changes: The social and economic changes call for worker participation both on a moral level but also on an efficiency level. The increasing socialization which has caused or

was caused by the increasing scientific and technical workplace has made a hierarchical dominated workplace no longer humane nor efficient. By arguing on these two levels to justify and promote the development of worker participation, John XXIII makes a significant contribution and development to worker participation in the Catholic social tradition.

#### NATURAL LAW

*Human Person.* John XXIII legitimizes worker participation by rooting it in human nature. He places great emphasis on workers as partners in the process of production, who partly perfect and fulfill their humanity through that process. If the dignity of the human person is held seriously, work must allow the opportunity for workers to develop their talents and potentialities in the production process. Whereas both Pius XI and Pius XII perceived the partnership contract as optional, John XXIII extends the application of its use by closely associating it with human nature.

John XXIII states that workers should participate in more important functions in the company. This would enable them to actualize more of their talents, since “every man has, of his very nature, a need to express himself in his work and thereby to perfect his own being” (MM, 82). For John XXIII, worker participation springs from human nature and is therefore a matter of justice and rights. He argues that: “Justice is to be observed not only in the distribution of wealth, but also in regard to the conditions in which men are engaged in producing wealth” (Ibid.). Prior to John XXIII, the rights and justice question in Catholic social thought rested primarily on ownership or use of capital goods, working conditions, and wage remuneration, and less on the actual production process. John XXIII maintains that worker participation is an essential means to the unfolding and development of the individual’s personality, and consequently must be considered a matter of justice and rights.

Participation for John XXIII is an essential part of the process of developing and fulfilling the human relations for those people within the firm. Worker participation is not merely an organizational technique to improve efficiency and productivity among workers. It has a real effect on the determination of the person’s being and cannot be seen as anything less. Worker participation leads to the personalization of the worker as well as to the humanization of the workplace. The reasons for John XXIII’s advocacy of participation then is primarily based on the development of the human personality, and consequently on the respect of human dignity.<sup>22</sup> John XXIII does not state, however, whether the basis for participation is economic, personal, or social. His purpose is to raise participation to a general right of the worker with specific limitations, rather than divide participation into three distinct areas as was done by Pius XII concerning codetermination.

John XXIII takes seriously the idea that if workers are not able to act for themselves, that is, to have some sense of personal initiative, then they would not be able to develop their personalities fully. He places great emphasis on personal initiative in all areas of life, particularly in the economic order.<sup>23</sup> When people initiate things they begin to exercise their freedom and develop their personalities in

a more wholesome and complete way than if they are simply told and directed everything by higher authorities.

The high value of personal initiative and the belief that people can determine their destiny is the foundation to the principle of subsidiarity mentioned in section one of this chapter. John XXIII quotes the full definition in *Quadragesimo anno*.

Just as it is wrong to withdraw from the individual and commit to a community what private enterprise and industry can accomplish, so too it is an injustice...for a larger and higher association to arrogate to itself functions which can be performed efficiently by smaller and lower societies. Of its very nature the true aim of social activity should be to help members of the social body, but never to destroy or absorb them. (MM, 53; see QA, 73)

John perceives that government has an increasingly active role to play in people's lives so as to correct the economic inequalities that exist. However, neither then state nor any other authority has the right to deprive the individuals of the chance to perfect their personalities through the exercise of free initiative in their areas of competence. All communities including the workplace are subsidiary (design to serve) to the people who comprise the community. As Bernard Dempsey points out, "The essential purpose of all social activity is to assist individual members of the social body, not to destroy or absorb them."<sup>24</sup>

For John XXIII, subsidiarity is a principle that guides all social life and is not merely meant to limit state authority.<sup>25</sup> If one applies this principle to the workplace, participation becomes a demand of justice, not an option of charity, due to the fact that it limits the authority of the employer. Workers, according to the principle of subsidiarity, should perform their work in an autonomous environment unless they either cannot or will not perform their work competently. Working in this autonomous environment, people should associate with other workers as a group, such as in work-teams.<sup>26</sup> The true nature of all social activity is to help individuals become active participants in every social body. This is the essential meaning of the common good, which is attained by respecting both the individual and social nature of the person. While John XXIII does not explicitly apply the principle of subsidiarity to the workplace, his emphasis on personal initiative and the right of individuals to express their being calls for employers to allow workers as much responsibility as they can handle under the principle of subsidiarity. Hence for John XXIII, subsidiarity and association are organizational principles in the ordering of the production process.

Personal initiative, while important and necessary for the organization, must never lapse into anarchy. John XXIII explains that in order for the dignity of workers to be developed, the firm must "maintain a necessary and efficient unity of direction" (MM, 92). Personal initiative and responsibility in the firm must fall within the bounds and limits of the firm; otherwise it wanders into oblivion. The economic nature of the enterprise cannot afford unlimited creativity and initiative. As to everything there are limits. Yet, John XXIII goes on to assert that the "unity of direction" of the firm also has its limits. The firm

must not treat those employees who spend their days in service with the firm as though they were mere cogs in the machinery, denying them any opportunity of expressing their wishes or bringing their experience to bear on the work in hand, and keeping them entirely passive in regard to decisions that regulate their activity (Ibid.).

Management has the right to direction and determination, but they do not have the right to keep the worker passive and inactive.

This is the only place in *Mater et magistra* that John XXIII mentions the employers' right of direction, echoing the codetermination debate of Pius XII. However, even here that debate is overshadowed by John XXIII's insistence on workers' dignity. Although Pius XII also mentioned these principles, he never emphasized them as strongly as John XXIII. Nevertheless, both John XXIII and Pius XII ultimately hold the same position, economic participation ultimately rests with the owners, and social and personal participation are natural rights. However, the way the two arrive at these positions are different. Whereas, Pius XII is primarily concerned with the violation of the economic determination of property rights, John XXIII is primarily concerned with the violation of human dignity in a non-participatory workplace. Because John XXIII's focus is on the person, the thrust of his discussion on participation is placed on a level of justice. For Pius XII, the focus is on property rights; hence, the thrust of his discussion on worker participation in an organization owned by others is placed on a level of charity.

*The Nature of the Organization.* John XXIII is more convinced than any of his predecessors on workers' right to participation in the production process. He states:

If the whole structure and organization of an economic system is such as to compromise human dignity, to lessen a man's sense of responsibility or rob him of an opportunity for exercising personal initiative, then such a system,...is altogether unjust—no matter how much wealth it produces, or how justly and equitably such wealth is distributed.<sup>27</sup>

For John XXIII, a workplace is not only a profit making institution but also a community of persons who need to cooperate together. Cooperation and participation in the workplace are an integral part of treating the worker with dignity, because it develops a sense of responsibility in the worker toward industry as well as society as a whole.<sup>28</sup>

If work as a human activity is a means of self-expression, then the structures in which this activity is expressed must reflect a human character. According to John XXIII, this requires that people should take an active part in their workplace so as to enhance personal responsibility. In his teachings on participation, John XXIII stresses that "the enterprise [i.e., organization] is indeed a true human community, concerned about the needs, the activities and the standing of each of its members" (MM, 91). John XXIII tones down the economic, contractual, and private basis stressed so much by Pius XII and emphasizes instead the social and personal

character of an organizational community. John XXIII widens the notion of the organization by not restricting its definition to the private and contractual arrangement as Pius XII did. John XXIII states that “all parties co-operate actively and loyally in the common enterprise, not so much for what they can get out of it for themselves, but as discharging a duty and rendering a service to their fellow men” (MM, 92).

This communitarian idea implies for John XXIII that workers have the freedom to participate in the firm so as to have a voice and contribute to the efficient operation and development of the organization. The philosophical basis for viewing the workplace as a community is personal (workers fulfilling their potentialities), social (rendering services to others), and economic (efficiency and private property). He explains that the workplace should conform to all aspects of the communitarian reality of the human personhood. For John XXIII, the workplace ought to be a real partnership based on relationships that encourage participation and cooperation of all who work in an organization.

#### STRUCTURAL CHANGES

For John XXIII, the primary argument for worker participation is based on human nature, that is, it is a moral argument. However, John XXIII also argues for worker participation based on particular historical changes (socialization) as well as expediency. This type of argument serves as empirical support for that he states about human nature.

*Socialization and the Workplace.* John XXIII is very insistent that the growth of social life (socialization) toward greater complexity “is not a product of natural forces working, as it were, by blind impulse. It is...the creation of men who are free and autonomous by nature” (MM, 63). He maintains that people can avoid becoming instrumentalized or depersonalized by complex social organizations. But this depends upon the possibility of developing structures that empower interdependent persons able to control these processes. Commenting on *Mater et magistra*, Hollenbach points out that “the call of human dignity as a moral demand now addresses human beings ‘in association’ in a significantly more important way than was pointed out by previous papal documents.”<sup>29</sup> More than any other pope before him, John XXIII understands human dignity in the context of interdependent relationships within organizations. He defines human dignity in structural and social terms. Influenced by his belief of the increasing socialization of workers, John XXIII accentuates the belief that the dignity of persons will be increasingly mediated through the organizational structures of the workplace, particularly in relationship to the production process. Hollenbach states that for John XXIII, human dignity is “always supported, conditioned and limited by the forms of social life within which it is found.”<sup>30</sup>

In any organization, the expansion of social relationships increases the interdependency of economic life and the physical survival of humanity. Industrial and service sectors are a main and sometimes only vehicle from which people derive their income. As work becomes more specialized, people become more dependent on others to supply the whole. For example, in the past, artisans had

only a couple of people to rely on to supply, produce, and finish their product, whereas the modern firm depends on thousands of people.

The reasons for the increase of social relationships (socialization) in the workplace are many and varied. But for John XXIII two reasons stand out: the scientific and technical progress in society, and the “irresistible urge in man to combine with his fellows for the attainment of aims and objectives which are beyond the means or the capabilities of the single individuals” (MM, 60). According to him, these two reasons contribute to the increasing importance of the structural characteristics of the workplace, particularly in the production process. Organizations are more important in a socialized world because they are the main vehicle in which the process of socialization is manifested. In applying the concept of socialization to the workplace, he states that any organization must reflect a true community by encouraging workers to become active participants in the organization (MM, 65). As socialization increases, organizations must allow, now even more than before, personal responsibility in the workplace. For John XXIII, participation in the production process is one important way that people can control the force of socialization

*Changing Social Conditions.* Although John XXIII places primary importance on participation as a fulfillment of human nature and personal dignity, he also argues that worker participation is efficacious in light of the changes and progress in economic, social, and political areas. As the world becomes more complicated and interdependent, all workers will be expected to function by increasing their knowledge in this domain. Commenting on *Mater et magistra*, Habiger explains that “Especially since World War II there has been a continual increase in communications, trade, the exchange of ideas, and levels of education of working people.”<sup>31</sup> For example, the modernization and automation of production and service systems demand higher qualifications in technical matters as well as a higher degree of communication skills from its workers. If the more technical and interdependent production and service systems are to run smoothly and efficiently, they must be coupled with a more educated and communicative workforce (MM, 93-94).

John XXIII is extremely optimistic about the modernization of the workforce. As the technical and scientific advancements occur in the workplace, the organization will become more efficient and hence improve the distribution of wealth and increase the professional qualifications and the technical skill of its workers (MM, 94). It is in this second reason that John XXIII senses a great deal of optimism. Due to this scientific and technological progress, workers will have to spend more time to complete their vocational and professional training. He believes that this training will lead to further opportunities for cultural and religious education. The educational advancement of workers can remove the stigma among workers as incompetent, which is often a major reason why many argue against worker participation.<sup>32</sup> Further, as workers become more educated. John XXIII asserts they will want “to assume greater responsibility in their own sphere of employment” (MM, 96). He contends that as the level of education increases, the more people will want to become involved in the decisions of their work, largely because they have more to offer with a higher education.

John XXIII maintains that as an expression of the person, the dignity of work grows more out of workers' professional skills than out of the capital goods they attain from work. Without lessening the importance of capital and private property, John XXIII views work as a higher rank than capital and property. Labor is intrinsic to workers. It comes from their personhood. He maintains that as the immediate expression of the worker, labor "must always be rated higher than the possession of external goods which of their very nature are merely instrumental" (MM, 107). If labor is developed into further skills and expertise, it always stays with the person and should have a positive effect on the person's being, civilization, and production process. Each of these in turn is advanced. This is due to the decrease of monotonous and back-breaking work such as assembly line work and pure physical toil, and the increase in technical, intellectual, and artistic skills which manifest the faculties of the whole human person. Commenting on *Mater et magistra*, Habiger explains that

The quality of our person is determined, not by what material goods we have or own. but by the richness of our truly human faculties: gifts of mind, will, spirit, heart. To rest one's security in the exercise of their higher gifts, rather than in external material goods, is real progress for our race.<sup>33</sup>

This not only gives more dignity to workers by professionalizing their work (i.e., responsibility, skill, moral standards, etc.); it also provides better economic security for the worker. This professionalization can take place by furthering the education of the worker and by restructuring the workplace to incorporate the "whole" worker.<sup>34</sup> Education and skills are a form of private property, which has more worth than capital, because it expresses the human personality in a more perfect way (MM, 106).

#### **4. The Product and the Common Good**

John XXIII writes very little concerning the actual product of production. His comments briefly echo Pius XI's discussion of the virtue of magnificence, and Pius XII's discussion of common need. John XXIII does add something, however. He is the first pope to relate remuneration to the contribution a product makes to the common good This brief section explicates this new development concerning remuneration as well his comments that echo his predecessors.

##### THE PRODUCT, REMUNERATION, AND THE COMMON GOOD

The one substantive comment concerning the product of work in *Mater et magistra* is the disproportionate high rate of remuneration to those who supply non-essential products and services compared to the disproportionate low rate of remuneration to those who supply essential and necessary products (MM, 170). John XXIII argues that remuneration should correspond to the contribution workers supply to the community, that is, the common good. Although he does not expand this, he does point out that *what* workers produce or service, and not merely *how* they do it or

what they receive from it is important. While it would be difficult to arrive at a formula to determine remuneration in relation to community contribution ('distinguishing essential from non-essential), let alone implement it, they must be connected in some way. The common good is a dynamic concept, and is constantly in flux with the changing needs of society. But for John XXIII, the common good always has as its central tenet the personal development of each individual. The question for John XXIII is whether the remunerative structure in society provides enough incentives to produce products that promote the common good. For example, in 1983 Michael Milken earned \$200 million (junk bonds), Mike Tyson \$54 million (boxing), Steven Spielberg \$50 million (movie producer), Sylvester Stallone \$20 million (actor), and Mary Bicouvaris \$34,800 (Teacher of the Year in the U.S.).<sup>35</sup> Junk bonds, movie producing, acting, and boxing are non-essential services, whereas education is an essential service. The education of the youth promotes the common good far more than boxing ever will. One has to ask whether, as a society, the value of sports and entertainment has surpassed the value of education by the way it remunerates the two.

One of the fundamental duties of the person as a social being is to contribute, according to one's position, to the common good. Commenting on *Mater et magistra*, John Cronin points out that "Since society is natural to man, he must share the responsibilities as well as the privileges of social living."<sup>36</sup> However, for John XXIII, when production of necessary goods (e.g., education, health, food, shelter, etc.) are paid minimally, and non-essential products (e.g., tobacco, alcohol, entertainment, sports, etc.) command more than their social worth, the economy produces disincentives to work toward the common good. Most people want to share in the common good so as to guarantee the fundamental rights of others, yet if remuneration for such activity is too low to support a family wage, society is undermining its very basis.

In a similar vein, John XXIII argues that when many "scientific discoveries, technical inventions and economic resources" are used to inflict destruction rather than to benefit society, something has gone wrong with the way goods and services have been allocated (MM, 198). What does it say when a disproportionate number of all scientists work for the military in some form? Do scientists have an obligation to direct their energies to other areas, particularly in light of the raging social problems of starvation, medical needs, and so forth faced in society? This gets at the meaning of one's vocation in the workplace, that is, making one's work serve rather than be served. John XXIII maintains that workers through their examples must "keep alive in their own community a true sense of responsibility,...and the constant desire to create new and original work of outstanding merit" (MM, 90). Unfortunately, John XXIII does not proceed to develop this vocational nature of work as Pius XII did.

John XXIII is far more optimistic than Pius XII in the abilities of scientific, technological, and social progress. However, if science, technology, and social developments are not directed to serve the common good and if society does not remunerate, prioritize, and support such products, there is little hope that the dignity of persons will be respected, which is the end of the common good.

## OBLIGATIONS OF THE WEALTHY

Like his predecessors, John XXIII is particularly concerned about the duties of the wealthy. In his section on the obligations of ownership which includes productive property, John XXIII points out the responsibilities of productive wealth. He states that the products supported by the capital investments of the rich and intellectual investments of the educated are significantly tied to the development of the person's dignity and the common good. Quoting *Rerum novarum*, John XXIII explains that

whoever has received from the divine bounty a large share of temporal blessings, whether they be external and corporeal, or gifts of the mind, has received them for the purpose of using them for the perfecting of his own nature, and, at the same time, that he may employ them as the steward of God's providence, for the benefit of others (MM, 119).

If the product does not contribute to the betterment of themselves, their workers, and the community, no matter how just the remuneration or how fulfilling the process of production is, the activity of the work will lack meaning. This meaninglessness of work will reflect a moral deficiency in the person's life. John XXIII's position that work has a specific moral end, namely the common good, serves as a critique to those who understand work as a career and restrict it to psychological categories.

John XXIII defines the common good as "the sum total of those conditions of social living, whereby men are enabled more fully and more readily to achieve their own perfection" (MM, 65). He maintains that organizations have an important part in creating those conditions which favor the development of the human personality, particularly in light of the products and services they produce. While organizations have the right to pursue their own particular interests, this cannot be done outside the common good which promotes human dignity. For John XXIII, they share the moral call to serve others and contribute to the good of society. Organizations are an indispensable factor in placing workers at the service of the natural law, that is, in the development of the human personality, supporting the family, and achieving the common good through what it produces.

Echoing Pius XI's discussion of the virtue of magnificence, John XXIII maintains that products will serve the common good if it meets the following demands: 1) provide the greatest number of people with employment (within the bounds of technological progress); 2) are accessible to the greatest number of people; and 3) "make possible a more human way of life [that] will be available not merely to the present generation but to the coming generations as well" (MM, 79). The common good is actualized when products contribute to personal development, that is, provide work, provide access to goods and services, and provide future generations with a viable economy and safe environment. The last demand is particularly significant since it is the first time that any awareness of resource limitation is articulated at the level of a papal encyclical. John XXIII explains that while God has provided the sufficient means to provide for human needs and solve

human problems, human and natural resources in the form of products must still be directed toward right reason which is formulated by the social nature of the person (MM, 197-199).

## Summary

*Mater et magistra* is essentially an application of human dignity to various human institutions such as property, government, and work. Concerning the area of work, John XXIII explains that the dignity of workers and the development of their personalities entails three basic principles in the workplace: 1) the principle of equity which he translates into just remuneration; 2) the principle of participation which he translates into more involvement in the production process; and 3) the principle of the common good which he translates into the production of useful and needed products. Preserving the tradition before him, John XXIII maintains that since every person has equal dignity, all persons must have equal opportunities to participate in the development of their personalities. More than any other pope before him, John XXIII understood the workplace in personalistic terms and extended the rights of the worker in the organization. As discussed in this chapter, his application of the principle of human dignity calls for the involvement of the worker in the organization in a more intense way than his predecessors, specifically in the areas of remuneration and the production process.

In the area of remuneration, John XXIII maintains his predecessors emphasis on the just wage, however, he develops the term “justice and equity” to focus not only the element of need but also on the element of contribution. Concerning worker ownership, no other pope so strongly affirmed it than John XXIII. While Pius XI and Pius XII recommended it as part of modifying the wage contract with a contract of partnership, they were reserved in their recommendations. Both recommended worker ownership with qualifications that confine worker ownership to a matter of charity or efficiency on the part of the employer. John XXIII, while not elevating worker ownership to the status of a primary right, goes well beyond the charity level and implies that in many circumstances worker ownership can be, particularly in the light of the economic growth in the 1950s and 60s, demanded on a level of justice. Worker ownership is an important means so make the corporation what it ought to be. With the increasing reality of socialization, worker ownership serves as a means to increasing interdependence among those in the corporation. While at the same time, John XXIII hopes that worker ownership will bring an increase in communication and a better sense of solidarity toward achieving the goals of the corporation.

In the area of the production process, John XXIII insists that there is “no doubt as to the need for giving workers an active part in the business of the company for which they work—be it a private or a public one” (MM, 91). Unless there are other ways to achieve the development of the human person in the process of production other than worker participation, there is a moral claim on behalf of the worker to participation. He explains that worker participation is necessary for the development of the human personality; hence, it becomes a human right, that is, one of those things necessary to achieve dignity and the development of the human

personality. John XXIII insists that the demands of justice cannot be limited only to remuneration in the workplace. It must extend to production process itself. However, worker participation is a general term. The way in which it is specifically manifested is up to those who are involved in the specific operations of the firm. Instances may exist, because of the economic and social conditions, where worker participation may even be impossible. Nonetheless, if the economic and social structures exist for workers to participate, a moral obligation exists to institute some form of participation.

In the area of the product produced, John XXIII is the first pope to link remuneration with the moral character of the product produced. Although he does not expand on the connection, it points to his organic conception of work. The contribution of the product to the common good should not be divorce from the remuneration given; however, John XXIII does not provide any specifics how this can be done if it can be done at all. Within the tradition of his predecessors, John XXIII explains that wealthy persons as well as organizations have a responsibility to direct their capital resources to produce goods and services that contribute to the common good. He perceives the primary responsibility of the end product in the hands of owners, investors, and executive management. For who else has the power to change the direction of the goods and service in the firm than these three? However, John XXIII's emphasis on worker ownership implies that workers themselves will have to address the moral end of the product.

John XXIII's understanding of human nature (personal and social) precludes a mere economic or psychological analysis of work. The question of work is a moral, social, and religious question as well as a economic and psychological one, although John XXIII spends most of his time developing the socio-ethical character of work and very little time on the spiritual character of work. For John XXIII the understanding of work must be based on an understanding of the person. This understanding of the person is at the heart of *Mater et magistra* and the papal tradition behind it. The moral primacy of the person in the workplace pervades the social teaching.

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<sup>1</sup> John XXIII. “A Preview of *Mater et magistra*,” in *The Encyclicals and Other Messages of John XXIII*, ed. The Staff of *The Pope Speaks Magazine* (Washington: TPS Press, 1964), 233; quoted in Hollenbach, 42.

<sup>2</sup> John XXIII, *Mater et magistra*, in *Proclaiming Justice and Peace: Documents from John XXIII-John Paul II*, eds. Michael Walsh and Brian Davies, (Mystic: Twenty-Third Publications, 1985), nos. 219-220. Hereafter MM. Commenting on this passage, Pietro Pavan, an instrumental author of *Mater et magistra* (see Habiger, 200 and Hollenbach, 76), explains that the passage reveals the basis of the Church’s social teaching: “(1) man is a person and (2) since he is such, he is, by nature, social. Man is a person: he stands, therefore, at the apex of the universe and at the center of social life: ‘Person signifies what is most perfect in all nature—that is, a subsistent individual of rational nature’ (ST 1a, 29.3). But because he is a person, man is by nature a social being: ‘Thus man has a natural inclination to know the truth about God and to live in society’ (ST 1a2ae, 94.2) From this it follows that all the activities that put men in communication with others, all the institutions that are necessary for society, are penetrated and vivified by a double motive—the personal and the social.” (Pietro Pavan, “Social Thought, Papal,” in *New Catholic Encyclopedia*, 360. For John XXIII as well as his predecessors, what lies at the basis of Catholic social teaching is an understanding of the person.

<sup>3</sup> Jean Yvez-Calvez, *The Social Thought of John XXIII: Mater et magistra* (Chicago: H. Regnery Co., 1965), 30.

<sup>4</sup> Peter Riga, *John XXIII and the City of Man* (Westminster: The Newman Press, 1966), 56.

<sup>5</sup> “The term “socialization” was heavily discussed at the 47th Congress of the “Semaines Sociales de France” which met in Grenoble in July, 1960. The theme of the conference was “Socialisation et Personne, humaine.” Pavan attended this conference and was influenced by the discussion on socialization. For John XXIII, socialization does not mean what it had to Pius XII, namely, nationalization. It also does not mean simply that the many functions that were formerly done by individuals are now done by some sort of organized group or social arrangement. Rather, at the heart of socialization is the increased interdependence that derives from increased associations (Michael Campbell-Johnston, “The Social Teaching of the Church,” *Thought* 39 (September 1964): 383; see Calvez, 4).

<sup>6</sup> See Franz Mueller, “Three Stages of Encyclical Philosophy,” *Social Justice Review* (October 1961): 188.

<sup>7</sup> MM, 67. John XXIII does not discuss vocational groups in depth. This has led some to argue that he completely drops Pius XI’s idea of vocational groups. Two things should be noted to temper this statement. First, John XXIII in his summary section on *Quadragesimo anno* mentions vocational groups. That he mentions the idea at least conveys a recognition of it. Second, Pius XI’s idea of vocational groups is not what is most significant in his encyclical. What is most significant is the foundation on which vocational groups are built, namely, the belief that economic society has an organic unity that can be achieved through the participation of all. This idea pervades *Mater et magistra* and is John XXIII’s essential point concerning socialization.

<sup>8</sup> Calvez, 15.

<sup>9</sup> *Ibid.*, 7-8.

<sup>10</sup> *Ibid.*, 10.

<sup>11</sup> Jose Diez-Alegria, “Il Concetto Di Giustizia Nell “Enciclica *Mater et magistra*,” in *L’Enciclica Mater et magistra: Linee Generalli E Problemi Particolari*, e.d. Theodore Mulder and Herve Carrier (Roma: Tipografia Della Pontificia Universita Gregoriana, 1963), 108; quoted in Habiger, 229. The use of “justice and equity” in John XXIII’s review section of Catholic social teaching encompasses the meaning of natural (commutative), distributive, and social justice in reference to wage justice. Why does John XXIII collapse the distinctions under

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“justice and equity?” The fact that he collapses the various justice terms under “justice and equity” indicates that he wants the term to refer to every concrete demand of justice in social and economic life. As Jose Diez-Alegria explains, “Particular justice and social justice are inseparable...[*Mater et magistra*] speaks simply . . . about justice and equity, without specifying whether it refers to social justice alone, or to particular justice (commutative and distributive), because it is concrete and embraces therefore both the general and particular aspects of justice” (quoted in Habiger, 229). John XXIII preferred to refer to the various relationships of justice in one concrete and comprehensive term, namely, “justice and equity.” This emphasized, quoting Diez-Alegria again, “the inseparable unity of the diverse aspects of justice and the transcendence of the demands of social justice that is an essential component of the concrete configuration of the particular relationships of justice” (Habiger, 229). The term “justice and equity” destroyed any sense that social justice has a lesser obligation than commutative or distributive justice. Social justice, like commutative justice, carries an absolute obligation. It cannot merely be relegated to the state or to special people. The duties of “justice and equity” are duties of both social justice and particular justice, which are united to form a concrete relationship of justice.

<sup>12</sup> Ibid., 112.

<sup>13</sup> Calvez, 94-100.

<sup>14</sup> The reason that John XXIII drops social form Pius XI’s term “social justice” is that with the increasing socialization in society, the word social in “social justice” is redundant. Justice is social by nature. With intensification of interdependencies in society, there should correspond a similar progress in social consciousness and the sense of justice. John XXIII points out that this progress should present a “clear notion of the common good, understood as the ensemble of the social conditions allowing a person better and more easily to attain to his most complete fulfillment” (MM, 65). The social nature of the person is not an added element to human nature, but a constitutive part of the person.

<sup>15</sup> In 1953, 76% of U.S. corporate stock was owned by the wealthiest 1%. In 1963, individuals with annual incomes over \$100,000—less than 1% of the population—owned 19.2% of all corporate stock. Individuals with annual incomes over \$25,000—approximately 1.5% of the population—own 48% of the stock; see Benjamin Masse, *Justice For All* (Milwaukee: Bruce Publishing Co., 1964), 33; see Edward Duff, “Social Significance of Wealth Distribution in the United States,” *Review of Social Economy* 20 (March 1962): 54-66 for general statistics on the distribution of wealth in the United States in the early 1960s.

<sup>16</sup> Habiger, 223.

<sup>17</sup> See John Cort, “The World of Work,” in *The Challenge of Mater et magistra*, eds. Joseph Moody and Justus G. Lawler (New York: Herder and Herder, 1963), 253-256.

<sup>18</sup> John XXIII argues that the skill and experience of the worker is more valuable and productive than property rights. The more knowledgeable workers become the more valuable they are to the firm as well as to the whole economy in general. This is very similar to gainsharing which is discussed in Chapter Five.

<sup>19</sup> “Equity capital is equated with venture capital, which is defined as money invested or available for investment in stocks. The worker’s investment in an enterprise is his time and earning power; his risk involved in a company’s success or failure is the dreaded specter of unemployment, either the financial, psychological, and physical burdens that it entails...[The point to this is to show that (a)] according to papal teaching the fruits of production are neither due to the sole efforts nor wholly payable to the investors of money; (b) equity involves a right to share in the ownership based (according to natural right) on one’s contribution to the value of a property; and (c) the worker’s investment of time and effort is not only contributory to the value of the enterprise or property but involves a substantial risk on his part. All three factors combine to show that workers have equity in their company, to the extent of the value, length

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of time, and faithfulness of their service to the company” (James Bowman, “A Wave of Profit Sharing Sets Our Industrial Future,” *Social Order* (November 1963): 40); see Habiger’s discussion of John XXIII’s understanding of the fruitfulness of labor, 226ff.

<sup>20</sup> Nell-Breuning recognizes the openness of John XXIII’s statements on the issue of codetermination and participation when he states, “Whether what we understand as economic codetermination and what we wish as a revision of the business enterprise is good and practical, whether a real economic codetermination can be built into, or added to, the wage laws or whether it goes beyond the wage laws and implies a socio-legal condition, whether the lawmaker for reasons of public welfare can force economic co-determination on mammoth, large, and medium-sized firms or whether only the employee can make the granting of codetermination a condition on which will depend whether he as a free man will place himself at the disposal of another man’s means of production—all of these questions are left open by [*Mater et magistra*]...and can be discussed freely, conscientiously, and scientifically” (Owsald von Nell-Breuning, “Some Reflections on *Mater et magistra*,” *Review of Social Economy* 20 (Fall 1962): 105).

<sup>21</sup> Ramsey seems to miss this point when he writes that John XXIII displaced the central importance of private or joint ownership of property in Catholic social teaching by applying Pius XI’s idea of partnership to the direction rather than to the ownership of the firm. On the contrary, as noted in section II of this chapter, private ownership becomes ever more important to the workers as expressed in the form of the means of production (Paul Ramsey, “Modern Papal Social Teachings,” in *The Heritage of Christian Thought*, eds. Robert E. Cushman and Egil Grislis (New York: Harper and Row Publishers, 1965), 227.

<sup>22</sup> Pius XII was justified in denying the right of economic codetermination, at least on the basis of his reasoning (private property, distributive justice, etc.), however, he failed by his omission to take seriously the important influence participation in the workplace could have on the worker in the personal and social sense. John XXIII’s section on worker participation is a good corrective and development concerning this area.

<sup>23</sup> MM, 51.

<sup>24</sup> Dempsey, “The Worker as a Person,” 17.

<sup>25</sup> Nell-Breuning, “Some Reflections on *Mater et magistra*,” 206.

<sup>26</sup> The principles of subsidiarity and association ought to be complementary when applied to the workplace. Working alone on an assembly line or in an office where everything is dictated for them is neither autonomous nor social. Working with others where the group is able to cooperate together is autonomous as well as social. The recent increase of work teams in the auto industry and other manufacturing areas is a good integration of subsidiarity and association. Cf. Chapter Five.

<sup>27</sup> MM, 83. In 1935 Ryan noted the same problem among reformers in the U.S. who were content with pursuing just wages. He argued that workers must become managers and owners so as to control their lives and fulfill the “directive, initiative, creative capacity in every normal human being. The industrial population is not sharply divided into two classes, one possessing all the directive capacity, the other having merely the capacity to carry out orders. The wage-earners have directive talents. They are something more than animated instruments of production...Through the exercise of their directive creative faculties, the workers will acquire greater consciousness of their dignity and greater self-respect; out of this will necessarily come interest in their work and a sense of responsibility for the welfare of the employing concern. The merely business relation, the cash “nexus” between employer and employee will be supplanted by a human relation, which will make the latter feel like a partner and less like an antagonist” (John A. Ryan, *A Better Economic Order* (New York: Harper & Brothers Publishers, 1935), 163-164; see John A. Ryan, *Social Reconstruction* (New York: the Macmillian Company, 1920), 141-147; see National Catholic Welfare Conference, “The

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Bishop's Program of Social Reconstruction," in *American Catholic Thought on Social Questions*, ed. Aaron I. Abel (Indianapolis: the Bobbs Merrill Company Inc., 1968), passim.)

<sup>28</sup> MM, 96; see Riga, 55. John XXIII stated that if participation were to pervade the economic domain it would also influence participation in the political domain. Ronald Mason reports that workers in non-participatory workplaces have a tendency to be non-participatory in other aspects of their lives such as voting, church attendance, and social organizations (Mason, 130-131). The type of work people do pervades and effects other sectors of their lives.

<sup>29</sup> Hollenbach, 62; see Calvez, chap. 1.

<sup>30</sup> Hollenbach, 64.

<sup>31</sup> Habiger, 208.

<sup>32</sup> Calvez, 43.

<sup>33</sup> Habiger, 227.

<sup>34</sup> Calvez, 30.

<sup>35</sup> John A. Byrne, Ronald Grover and Todd Vogel, "Is the Boss Getting Too Much?" *Business Week* (May 1, 1989): 51.

<sup>36</sup> John Cronin, *The Social Teaching of Pope John XXIII* (Milwaukee: The Bruce Publishing Co., 1964), 57.