

# Labor Day Statement

*Human Costs and  
Moral Challenges of a Broken Economy*

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Each year Americans celebrate Labor Day as a national holiday to honor working people. This year, however, is less a time for celebration and more a time for reflection and action on current economic turmoil and hardships experienced by workers and their families. For Catholics, it is also an opportunity to recall the traditional teaching of the Church on dignity of work and the rights of workers. This Labor Day, the economic facts are stark and the human costs are real: millions of our sisters and brothers are without work, raising children in poverty and haunted by fears about their economic security. These are not just economic problems, but also human tragedies, moral challenges, and tests of our faith.

As we approach Labor Day 2011, over nine percent of Americans are looking for work and cannot find it. Other workers fear they could lose their jobs. Joblessness is higher among African American and Hispanic workers. Wages are not keeping up with expenses for many. Countless families have lost their homes, and others owe more on their homes than they are worth. Union workers are part of a smaller labor movement and experience new efforts to restrict collective bargaining rights. Hunger and homelessness are a part of life for too many children. Most Americans fear our nation and economy are headed in the wrong direction. Many are confused and dismayed by polarization over how our nation can work together to deal with joblessness and declining wages, debt and deficits, economic stagnation, and global fiscal crises. Workers are rightfully anxious and fearful about the future. These realities are at the heart of the Church's concerns and prayers on this Labor Day. As the Second Vatican Council insisted, the 'grief and anguish' of the people of our time, "especially of those who are poor or afflicted in any way . . . are the grief and anguish of the followers of Christ as well" (*Gaudium et Spes*, no. 1).

All these challenges have economic and financial dimensions, but they also have unavoidable human and moral costs. This Labor Day we need to look beyond the economic indicators, stock market gyrations, and political conflicts and focus on the often invisible burdens of ordinary workers and their families, many of whom are hurting, discouraged, and left behind by this economy.

One-hundred-twenty years ago at the time of the Industrial Revolution workers also faced great difficulties. Pope Leo XIII identified the situation of workers as the key moral challenge of that time and issued his groundbreaking encyclical *Rerum Novarum*. This letter has served as the cornerstone for more than a century of Catholic social teaching and the inspiration for this year's Labor Day statement. This timely encyclical lifted up the inherent dignity of the worker in the midst of massive economic changes. Pope Leo's powerful letter rejected both unbridled capitalism that could strip workers of their God-given human dignity and dangerous socialism that could empower the state over all else in ways that destroy human initiative. This encyclical is best remembered for Pope Leo's prophetic call for the Church to support workers' associations for the protection of workers and the advancement of the common good.

## **Human Costs of a Broken Economy**

When we look at the situation of unemployed people and many ordinary workers, we see not only individuals in economic crisis, but also struggling families and hurting communities. We see a society that cannot use the talents and energies of all those who can and should work. We see a nation that cannot assure people who work hard every day that their wages and benefits can support a family in dignity. We see a workplace where many have little participation, ownership, or a sense they are contributing to a common enterprise or the common good. An economy that cannot provide employment, decent wages and benefits, and a sense of participation and ownership for its workers is broken in fundamental ways. The signs of this broken economy are all around us:

- About 14 million workers are unemployed. We see the stories and pictures of hundreds, even thousands lining up for the chance to simply apply for work. There are currently more than four jobless workers for every job opening. Many more have given up looking for employment.
- There are increasing numbers of children (more than 15 million) and families living in poverty. This does not mean they lack the newest video game, it means they lack the resources to provide the basics of food, shelter, clothing and other necessities.
- Educated young workers graduate with substantial debt and few or no job prospects. Millions more, without college or specialized training, are pushed to the margins of economic life. Almost half of the unemployed have been jobless for over six months, and many have given up hope of finding new work.
- Our nation faces unsustainable deficits and growing debt that will burden our children for decades to come.
- Gaps in wealth and income are growing between the relatively affluent few and the many who are struggling.
- Economic growth is so slow that our nation is not recovering from the economic crisis, and owners and workers have difficulty finding and responding to future opportunities.
- Economic tensions are further dividing and polarizing our nation and our public life with attacks on unions, immigrants, and vulnerable groups.
- Economic weakness and turmoil increase fear, uncertainty, and insecurity for retirees, families, and businesses.
- This global economy is hurting the poorest people in the poorest places on earth with growing hunger, famine, and hopelessness.
- Economic stagnation is restraining creativity, initiative, and investment by those who could make things better, but are held back by demands for short-term gains, uncertainty, and other barriers.

These failures and challenges are not just economic, but also ethical. They are not just institutional, but also personal. The economy is an incredibly complex interaction of markets, interests, institutions, and structures shaped by people who make innumerable decisions, based on wide variety of obligations, expectations, motives, and choices. Financial institutions that were supposed to be responsible were not. Some sought short-term gain and ignored long-term consequences. Some individuals also made irresponsible choices, letting their desire for things, greed, and envy override good judgment and their financial capacity. As a result, people lost their jobs, their homes, their savings and retirement funds, and so much more. Most significantly, confidence and trust were lost. We are still paying terrible economic and moral costs for these failures. Dishonesty, irresponsibility, and corruption must yield to integrity, accountability, and what Pope Benedict calls “gratuitousness,” a particular kind of generosity focused on

the good of others and the good of all. As he said in *Caritas in Veritate*, “Without . . . mutual trust, the market cannot completely fulfill its proper economic function. And today it is this trust which has ceased to exist, and the loss of trust is a grave loss” (no. 35).

### **Church Teaching on Work and Workers**

Our faith gives us a particular way of looking at this broken economy. From the prophets of the Old Testament to the example of the early Church recorded in the New Testament, we learn that God cares for the poor and vulnerable, and he measures the faith of the community by the treatment of those on the margins of life. Jesus in his time on earth taught us about the dignity of work and said we would be judged by our response to “the least of these” (Mt 25). Christians need to study carefully what Jesus taught about the use of money and wealth, a spirit of stewardship and detachment, the search for justice and care for those in need, and the call to seek and serve the reign of God. Based on these scriptural values, our Church has focused on work, workers, and economic justice in a series of papal encyclicals beginning with *Rerum Novarum*.

This long tradition places work at the center of economic and social life. In Catholic teaching, work has an inherent dignity because work helps us not only to meet our needs and provide for our families, but also to share in God’s creation and contribute to the common good. People need work not only to pay bills, put food on the table, and stay in their homes, but also to express their human dignity and to enrich and strengthen the larger community (*Gaudium et Spes*, no. 34). Human labor represents “the collaboration of man and woman with God in perfecting the visible creation” (*Catechism of the Catholic Church*, no. 378).

Over the last century, the Church has repeatedly warned about the moral, spiritual, and economic dangers of widespread unemployment. According to the *Catechism*, “Unemployment almost always wounds its victim’s dignity and threatens the equilibrium of his life. Besides the harm done to him personally, it entails many risks for his family” (no. 2436). One of the most disturbing aspects of current public discussion is how little focus there is on massive unemployment and what to do to get people back to work. In *Gaudium et Spes*, the Second Vatican Council declared that “It is the duty of society to see to it that, according to prevailing circumstances, all citizens have the opportunity of finding employment” (no. 67). As Pope Benedict warns, “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” (*Caritas in Veritate*, no. 25). A society that cannot use the work and creativity of so many of its members is failing both economically and ethically.

### **Workers and Their Unions: Affirmation and Challenge**

Beginning in *Rerum Novarum*, the Church has consistently supported efforts of workers to join together to defend their rights and protect their dignity. Pope Leo XIII taught that the right of workers to choose to join a union was based on a natural right and that it was the government’s obligation to protect that right rather than undermine it (*Rerum Novarum*, no. 51). This teaching has been affirmed consistently by his successors. Pope John Paul II, in his powerful encyclical *Laborem Exercens*, noted unions “defend the existential interests of workers in all sectors in which their rights are concerned. . . . [They] are an indispensable element of social life, especially in modern industrialized societies” (no. 20). Most

recently, in *Caritas in Veritate*, Pope Benedict XVI said, “the repeated calls issued within the Church’s social doctrine, beginning with *Rerum Novarum*, for the promotion of workers’ associations that can defend their rights must therefore be honored today even more than in the past . . .” (no. 25).

There have been some efforts, as part of broader disputes over state budgets, to remove or restrict the rights of workers to collective bargaining as well as limit the role of unions in the workplace. Bishops in Wisconsin, Ohio, and elsewhere have faithfully and carefully outlined Catholic teaching on worker rights, suggesting that difficult times should not lead us to ignore the legitimate rights of workers. Without endorsing every tactic of unions or every outcome of collective bargaining, the Church affirms the rights of workers in public and private employment to choose to come together to form and join unions, to bargain collectively, and to have an effective voice in the workplace.

The Church’s relationship with the labor movement is both supportive and challenging. Our Church continues to teach that unions remain an effective instrument to protect the dignity of work and the rights of workers. At their best, unions are important not just for the economic protections and benefits they can provide for their members, but especially for the voice and participation they can offer to workers. They are important not only for what they achieve for their members, but also for the contributions they make to the whole society.

This does not mean every outcome of bargaining is responsible or that all actions of particular unions--or for that matter employers--merit support. Unions, like other human institutions, can be misused or can abuse their role. The Church has urged leaders of the labor movement to avoid the temptations of excessive partisanship and the pursuit of only narrow interests. Workers and their unions, as well as employers and their businesses, all have responsibility to seek the common good, not just their own economic, political, or institutional interests.

The teaching that workers have the right to choose freely to form and belong to unions and other associations without interference or intimidation is strong and consistent. At the same time, some unions in some places have taken public positions that the Church cannot support, which many union members may not support, and which have little to do with work or workers’ rights. Leaders of the Church and the labor movement cannot avoid these differences, but should address them in principled, respectful and candid dialogue. This should not keep us from working on our own and together to advance common priorities of protecting worker rights, economic and social justice, overcoming poverty, and creating economic opportunity for all.

### **Standing with the Poor and Vulnerable**

As we observe this Labor Day, our nation faces a contentious and necessary debate on how to reduce unsustainable debt and deficits, grow and strengthen the economy, and create jobs and reduce poverty. In this continuing discussion on how to allocate scarce resources and share sacrifice and burdens, our faith offers a clear moral criterion: put poor and vulnerable people first.

This is why the Catholic bishops of the United States have joined with other Christian churches in an unprecedented initiative to form a “Circle of Protection” to defend, improve, and strengthen essential programs that protect the lives and dignity of poor and vulnerable people. The statement calls for

assessing “every budget proposal from the bottom up--how it treats those Jesus called ‘the least of these’ (Mt 25:45).” These Christian leaders also insist:

A fundamental task is to create jobs and spur economic growth. Decent jobs at decent wages are the best path out of poverty, and restoring growth is a powerful way to reduce deficits.

In our letters to Congress, the bishops write as pastors and teachers, not experts or partisans, acknowledging the duty to get our financial house in order and suggest:

A just framework for future budgets cannot rely on disproportionate cuts in essential services to poor persons. It requires shared sacrifice by all, including raising adequate revenues, eliminating unnecessary military and other spending, and addressing the long-term costs of health insurance and retirement programs fairly.

We believe a moral measure of this budget debate is not which party wins or which powerful interests prevail, but rather how those who are jobless, hungry, homeless, or poor are treated. Their voices are too often missing in these debates, but they have the most compelling moral claim on our consciences and our common resources.

### **A Catholic Framework for Economic Life**

In rebuilding trust in economic life, responding to the suffering of the jobless and the fears of so many in our nation, our Catholic faith offers a clear set of moral directions outlined in a “Catholic Framework for Economic Life.” This useful framework insists, “The economy exists for the person, not the person for the economy” and echoes Pope John Paul II:

the Catholic tradition calls for a “society of work, enterprise and participation” which “is not directed against the market, but demands that the market be appropriately controlled by the forces of society and by the state to assure that the basic needs of the whole society are satisfied (*Centesimus Annus*, no. 35).

### **A Way Forward: A Search for Common Action**

Sometimes economic troubles bring out the worst in us. Uncertainty and fear compel us to fight for our own interests and to preserve our own advantages. There is too much finger pointing and blaming of others and efforts to take advantage in political and economic arenas. We have seen efforts to limit or abolish elements of collective bargaining and restrict the roles of workers and their unions. Some demonize the market or government as the source of all our economic problems. Immigrants have been unfairly blamed for some of the current economic difficulties. Too often, the loudest voices often get the most attention and a predictable and unproductive cycle of blame and evasion takes place, but there is little effective action to address fundamental problems.

There is another way to respond to the difficult situation in which we find ourselves. We can understand and act like we are part of one economy, one nation, and one human family. We can acknowledge our responsibility for the ways--large or small--we contributed to this crisis. We can all accept our responsibility for working together to overcome this economic stagnation and all that comes with it. We

can clearly respect the legitimacy and roles of others in economic life: business and labor, private enterprise and public institutions, for profit and non-profit, religious and academic, community and government. We can avoid challenging the motives of others. We can advocate our principles and priorities with conviction, integrity, civility, and respect for others. We can look for common ground and seek the common good. We can encourage all the institutions in our society to work together to reduce joblessness, promote economic growth, overcome poverty, increase prosperity, and make the shared sacrifices and--even compromises--necessary to begin to heal our broken economy.

The seriousness and the peril of the current economic situation require clear commitment from all sectors to come together to shape and rebuild a stronger economy that safeguards the lives and dignity of all, especially providing opportunities for work. No one entity alone can turn the economy around and every institution must move beyond their own particular interests. Structures for dialogue leading to comprehensive and coordinated action need to be established or strengthened among leaders in government, business, unions, investment, banking, education, health care, philanthropy, religious communities, the jobless, and those living in poverty so that the common ground can be laid for pursuing the common good in economic life. As the Catholic bishops have insisted, "The Catholic way is to recognize the essential role and the complementary responsibilities of families, communities, the market, and government to work together to overcome poverty and advance human dignity" (*A Place at the Table*, 18).

### **Conclusion: A Word of Hope and Commitment**

For Christians, it is not enough to acknowledge current difficulties. We are people of hope, committed to prayer, to help those facing hard time and to work with others to build a better economy. Our faith gives strength, direction and confidence in these tasks. As Pope Benedict encourages us:

On this earth there is room for everyone: here the entire human family must find the resources to live with dignity, through the help of nature itself--God's gift to his children--and through hard work and creativity (*Caritas in Veritate*, no. 50).

We must remember that at the heart of everything we do as believers must be love, for it is love which honors the dignity of work as participation in the act of God's creation, and it is love which values the dignity of the worker, not just for the work he or she does, but above all for the person he or she is. This call of love is also a work of faith and an expression of hope.

On this Labor Day in 2011, in the midst of continuing economic turmoil, we are called to renew our commitment to the God-given task of defending human life and dignity, celebrating work, and defending workers with both hope and conviction. This is a time for prayer, reflection, and action. In the words of our Holy Father Pope Benedict XVI:

The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negatives ones. The crisis thus becomes an opportunity for discernment, in which to shape a new vision for the future (*Caritas in Veritate*, no. 21).