

ON JUSTICE AND CHARITY

by

Edward J. O'Boyle, Ph.D.
Mayo Research Institute

A somewhat different version of this paper was published in the
Review of Social Economy
Volume 49, Number 4, Winter 1991
To retrieve this published article, go to
<http://www.tandfonline.com/doi/abs/10.1080/00346769100000049>

Questions and comments should be directed to:

Edward J. O'Boyle, Ph.D.

Mayo Research Institute

www.mayoresearch.org

1217 Dean Chapel Road, West Monroe, Louisiana 71291 USA

Tel: 318/396-5779

E-mail: edoboyle737@gmail.com

**This paper was presented at the Sixth World Congress of Social Economics
Omaha, Nebraska
August 1991**

In the case of unfair competition] the victorious competitor will dominate the market; and given his lack of scruples, he will not worry much about the [principle of equivalence], so that he will proceed to set his prices solely according to the "law" of self interest.

Where Christian morality operates, that kind of destructive competitive combat is forbidden by the law which requires us to love our neighbor as ourselves. As is often the case, charity will here become the guardian of justice; and together with justice, it becomes the bulwark of human welfare.

Heinrich Pesch [Mulcahy 1951, p. 68].

Justice and charity have meanings that vary from one person to the next, from a given time and place to another, and from the secular world to the sacred. Even a narrow review of the literature exposes the reader to a variety of meanings for the same word or term and a variety of words or terms with the same meaning.

Social justice in particular has been used in various meanings over the past 100 years. Liberation theology, it appears, means something much different by "social justice" than does Pius XI. John Paul II's use of it does not conform to Pius XI's. Some confusion inevitably follows and some effort to unravel the various meanings and names is worthwhile. This article attempts to clear up at least some of the confusion.

Furthermore, and more importantly, justice and to a greater extent charity are virtues that are alien in modern life and are not commonly practiced in the workplace or the marketplace. Consequently, people do not see clearly how they operate or function in a market economy. In turn, neither one is represented in the micro-economics of a developed market economy. This article begins to fill this void in micro-economics by contrasting (a) a market economy where neither virtue is practiced to (b) a market economy where self-interest is moderated by justice, and to (c) a market economy where both virtues restrain self-interest. Attention focuses on product and resource markets not in terms of price determination and

resource allocation but in terms of good will, authentic bargain, and solidarity and their opposites -- illwill, ripoff, and disorder -- which lie outside the scope of conventional economics.

The social encyclicals serve as a primary source as to the substance of both charity and justice because those encyclicals have been used by the various popes over the past 100 years to instruct the faithful and others about the meaning of these two virtues. In this regard, the encyclicals are used selectively rather than comprehensively because this writer's purpose is not to review and summarize their full content but to acquire a deeper understanding of the meaning of justice and charity in modern economic affairs.¹

This article is divided into three sections. In the first section, the meaning of justice is explored. In the second, Christian charity is differentiated from caring. In the last section, the connections between charity, solidarity, belonging, and justice are briefly explored.

JUSTICE

The end of human beings and the goal of the economy are to provide for human material need. There are two distinct aspects of that need: (1) the need for income that is sufficient for human well-being or simply physical need and (2) the need for work itself.

For some time, Catholic social economists were not fully agreed as to which aspect is the more important and where reconstruction of the economic order should begin. Seen from the perspective of economic processes, this disagreement reduces to the relative importance of consumption versus production. By connecting human work to the Act of Creation and making the former a continuation of the latter, *Laborem Exercens* persuasively settles this

¹ The following six encyclicals are employed: Leo XIII's *Rerum Novarum* (1891), Pius XI's *Quadragesimo Anno* (1931) and *Divini Redemptoris* (1937), John XXIII's *Mater et Magistra* (1961), along with John Paul II's *Laborem Exercens* (1981) and *Sollicitudo Rei Socialis* (1987).

disagreement in favor of production. Following the German Jesuit economist Heinrich Pesch² on the minimum wage, we affirm that fulfillment of the need for work itself presupposes that the need for an adequate income has been met.

Even so, human material need is only an intermediate end. As a more nearly ultimate end, Pesch considers individual freedom and rejects it on grounds that unlimited and unrestrained freedom fosters self-love and brutal self-seeking and thereby tends to undermine the stability of the state. Pesch holds instead that justice -- the virtue of rendering to another that which is owed -- is the higher end and that the practice of justice is necessary for the existence of authentic freedom. Freedom, in turn, is necessary for efficiency in the economic order [Mulcahy 1951, p. 162].

Catholic social economics asserts that in the economic order there are three principles of justice corresponding to three human relationships: one person to another, the person with superior responsibilities to his/her subordinates, and the individual member to the group.³ Over the years there has been some confusion as to the proper name for each of the three principles and some disagreement as to their specific content. "Social justice", in particular, has been used in various meanings over the years. In *Laborem Exercens*, for instance, John Paul defines social justice as "the just rights of working people in accordance with their individual professions" [p. 49]. Pius XI used "social justice" to specify the duty of the individual to the group as we will show later.

² Pesch's work is regarded as the source-book for Pius XI's 1931 encyclical *Quadragesimo Anno* [Mulcahy 1952, p. vii].

³ The group (including the state which is the largest and most powerful of all), strictly speaking, has no obligation to any individual because the group has neither the reason required to discern the question of obligation in specific circumstances nor the free will needed to act in any given instance. Only human persons have those faculties. Human person is a living, breathing, existential actuality. Society, on the other hand, is a manner of speaking. Even so, a given human being has no moral obligation if free will or reason is not present.

The principle of commutative or exchange justice or equivalence⁴ sets forth the mutual obligation of buyer and seller in the marketplace and employer and employee in the workplace. Both parties have the same pair of obligations: (1) to exchange things of equal value and (2) to impose equal burdens on one another. Any failure with regard to one duty or the other by either party makes for an exchange that violates justice. A common expression for the principle of equivalence in the workplace is "a full day's work for a full day's pay."

Examples of violations of the principle of equivalence include counterfeiting (goods or money), embezzling, check forging, and loan sharking, all of which are condemned by the law. A violation that is not prohibited by law or that falls in a legal "gray" area has become known as a "rip off." The "bait and switch" selling technique, for example, may fall outside the law. "Caveat emptor" is a warning to buyers that sellers may not be entirely faithful to their obligations under the principle of equivalence.

As regards the labor market, *Rerum Novarum* affirms this principle by admonishing workers to "perform entirely and conscientiously whatever work has been voluntarily and equitably agreed upon" [*Encyclicals of the Century*⁵, p. 22]. Two sections later, employers are instructed "to give every worker what is justly due him" [*EC*, p. 23] and, in an earlier section of the encyclical, are told that "as effects follow the cause producing them, so it is just that the fruit of labor belongs precisely to those who have performed the labor" [*EC*, pp. 15-16]. Later, Leo XIII insists that natural justice⁶ demands a subsistence wage.⁷

⁴ Dempsey attributes this name to Pesch. Previously, it was known as "commutative justice" [Dempsey, p. 369] and, even today, many still refer to it by that name.

⁵ Hereafter, simply *EC*.

⁶ By "natural justice" this writer assumes that Leo XIII means justice based on the natural law. If that be the case, "natural justice" means the same as this writer's "economic justice".

⁷ Some call the norm that the wages should be adequate in terms of the physical need of the individual "social

Let it be granted then that worker and employer may enter freely into agreements and, in particular, concerning the amount of the wage; yet there is always underlying such agreements an element of natural justice, and one greater and more ancient than the free consent of contracting parties, namely, that the wage shall not be less than enough to support a worker who is thrifty and upright [*EC*, p. 43].

Since this encyclical focuses on the conditions of workers, it is not surprising to discover that it is silent regarding the demands of justice in the product market and in the financial market. So too, in general, with *Quadragesimo Anno*.

The second principle of economic justice is distributive justice. This principle sets forth the obligation of the person with superior responsibilities to his/her subordinates. The superior's duty under distributive justice is to see that the burdens and benefits are distributed among the subordinates in some equal or proportional fashion. A common expression for the principle of distributive justice in the workplace is "equal pay for equal work."

This principle attacks such arbitrary and capricious practices as racism, sexism, anti-Semitism, and nepotism. Justice in this regard is an obligation of the superior to eliminate favoritism in the relationship with his/her subordinates. Of the three principles of economic justice, this one may be the most widely known.

In *Rerum Novarum*, distributive justice is presented in the context of the obligations of rulers and the state.

justice" especially in the context of the "preferential option for the poor" [see, for instance, Henriot and others, pp. 12-13. Liberation theology, it appears, uses "social justice" at least in part for "distributive justice". The two terms are alike in that "social justice" to advocates of liberation theology and "distributive justice" to many others mean greater social and economic equality among members of society. However, proponents of liberation theology use "social justice" also as a call for political and economic *revolution* to replace persons in positions of superior responsibility, whereas those who employ "distributive justice" are inclined toward *reformation* involving the virtues and social values of those persons with superior responsibilities.

... among the numerous duties of rulers who would serve their people well, this is first and foremost, namely, that they protect each and every class of citizens, maintaining inviolate that justice especially which is called *distributive* [EC, p. 34, emphasis in the original].

Mater et Magistra re-affirms the principle of distributive justice specifically regarding economic and social inequality in a given country [Brown, p. 53] and between countries in differing stages of economic development [Brown, p. 56].

The third and final principle of economic justice is contributive justice or social justice.⁸ This principle sets forth the obligation of the individual to the group, whether the group is private or public. Contributive justice asserts that insofar as the individual derives benefits from the group, he/she has an obligation to maintain and support that group. Two common expressions for the principle of contributive justice are "paying my dues" and "pulling my load."

This obligation arises because groups are necessary for the development of human individuals. Groups, however, have nothing to contribute to that development apart from what the individual members are willing to contribute. Thus, the group and the individual are mutually dependent. Without a willingness on the part of individuals to contribute, the group cannot survive and human development is checked [Dempsey, p. 371].

The output from collective action frequently is greater than the sum of the outputs from the individual contributions taken separately because many tasks are impossible without collective action or, due to positive group dynamics, are performed more efficiently through collective action. In general, human efforts made collectively contribute more to human development than do the same efforts made individually.

⁸ Pesch called this principle "contributive justice" [Dempsey, p. 240]. Thomas Aquinas, it appears, called it "legal justice" [see Dempsey, p. 373]. "Social justice" sometimes is used when a more careful speaker or writer would have selected "distributive justice" or simply "economic justice".

Examples as to how the principle of contributive justice is violated include tax evasion, industrial spying, "goldbricking", and planting a computer virus. Another violation is insider trading which is the moral equivalent of playing cards with a marked deck. Catholic social economics stresses the importance of contributive justice in particular because it is so often disregarded in the modern age.

Rerum Novarum affirms this principle and individualizes it.

Although all citizens, without exception, are obliged to contribute something to the sum-total common goods, some share of which naturally goes back to each individual, yet all can by no means contribute the same amount in equal degree [EC, p. 34].

Calling it social justice in *Divini Redemptoris*, Pius XI supplies what Dempsey [pp. 371-372] regards as its fullest and most carefully worded rendering.

In reality, besides commutative justice, there is also social justice with its own set obligations, from which neither employers nor workingmen can escape. Now it is of the very essence of social justice to demand from each individual all that is necessary for the common good. But just as in the living organism it is impossible to provide for the good of the whole unless each single part and each individual member is given what it needs for the exercise of its proper functions, so it is impossible to care for the social organism and the good of society as a unit unless each individual member -- that is to say, each individual man in the dignity of his human personality -- is supplied with all that is necessary for the exercise of his social functions. If social justice is satisfied, the result will be an intense activity in economic life as a whole, pursued in tranquility and order. This activity will be proof of the health of the social body, just as the health of the human body is recognized in the undisturbed regularity and perfect efficiency of the whole organism [EC, p. 314].

While justice is seen as a higher end than either freedom or providing for human material need, Pesch does not see it as the final end of human beings. Rather, the final end is twofold reflecting both the individual side and the social side of human nature: (1) individual perfection in union with God and (2) social perfection by means of a cooperative effort with other human persons in order to promote the welfare of the entire human community. Of the

two, individual perfection is primary but depends importantly on social perfection [Schuyler, p. 231].

Figure 1 summarizes the basic content of economic justice. Figure 2 represents in circular-flow fashion at the micro-economic level a market economy where only unrestrained self-interest governs relations among producers, consumers, workers, and other resourceholders in the product market and the resource market. Unbridled self-interest, which sloughs off any concern for the well-being of others that are encountered in the workplace or the marketplace or the neighborhood, more commonly is known as "greed." Under such a regime, labor and management routinely interact with suspicion, hostility, and sometimes with physical violence. Both view consumers with apathy, disdain, and, in the extreme, with opportunism.

The interaction that takes place among them in the product market and the resource market involves more than an exchange of goods, services, resources, and payments. It also entails illwill, disorder, and ripoff -- outcomes that mainstream economics does not take into account primarily because conventional economists embrace positive economics which divorces itself from any rigorous application of the principles of economic justice which it labels "normative economics" and reduces to a second-class status in the discipline.

Worse yet, unbridled self-interest has characterized human motivation in economic affairs for so long that illwill, disorder, and ripoff commonly are expected and routinely are accepted. Human beings in a society dominated by war and violence have difficulty envisioning what it would be like to live in peace and harmony. Similarly, by feeding the individual nature of human beings at the same time starving their social nature through such contrivances as "the invisible hand", unchecked self-interest deprives humans of the wholeness required to reject illwill, disorder, and ripoff as inevitable.

Self-interest that remains unrestrained is a catch 22. Those who do not embrace it are (mis-)represented as idealists and fools with no convincing evidence for their indictment of it. At the same time, those who embrace it (mis-)perceive themselves as realists and opportunists who can point to their personal material success as proof that unrestrained self-interest is the only sensible pathway to follow in economic affairs.

A market economy in which self-interest is moderated by economic justice is sketched in Figure 3. Illwill, discord, and ripoff are eliminated as the practice of the virtue of justice begins to nourish the social side of human nature. As this socialization continues, human beings become more nearly whole persons and more nearly aware that illwill, discord, and ripoff are inevitable in a market economy only when self-interest operates without the limits imposed by economic justice.

CHARITY AND CARING

Pesch refers to charity as the guardian of justice and both virtues together as the bulwark of human welfare [Mulcahy 1951, p. 68]. Pius XI in *Quadragesimo Anno* insists that justice alone is insufficient, that charity is required for a union of hearts and minds [EC, p. 252]. Later in *Divini Redemptoris* he states that charity is to be practiced after justice has been taken into account because the worker is not to receive in the form of alms that which he is owed in justice [EC, pp. 312-313].

In *Divini Redemptoris*, Pius XI refers to Christian charity as

this divine precept, this precious mark of the identification left by Christ to His true disciples, ... which teaches us to see in those who suffer Christ Himself, and would have us love our brothers as Our Divine Savior has loved us, that is, even at the sacrifice of ourselves and, if need be, of our very life [EC, p. 311].⁹

⁹ In *Sollicitudo Rei Socialis* John Paul II refers to charity in similar language: "the distinguishing mark of Christ's disciples" [p. 75].

Leo XIII, in *Rerum Novarum*, teaches that self-interest is not condemned under Christian charity.

No one, certainly, is obliged to assist others out of what is required for his own necessary use or for that of his family, or even to give to others what he himself needs to maintain his station in life becomingly and decently ... But when the demands of necessity and propriety have been sufficiently met, it is a duty to give to the poor out of that which remains ... [EC, p. 26].

Even though Christ Himself is the ultimate model of self-sacrifice, Christian charity does not demand that Christians uproot all self-interest and replace it with self-sacrifice. Rather, Christians are obliged to temper self-interest with generosity, to give to the poor from their abundance.

The substance of all this is the following: whoever has received from the bounty of God, a greater share of goods, whether corporeal and external, or of the soul, has received them for this purpose, namely, that he employ them for his own perfection and, likewise, as a servant of Divine Providence, for the benefit of others [EC, p. 26].

The origins of charity in the Holy Scriptures are many. A widely cited passage is: "As long as you did it for one of these, the least of my brethren, you did it for Me." While justice can be and frequently is enforced by law, Leo XIII insists that Christian charity cannot be enforced by those means [EC, p. 26].

By caring we mean what Dempsey signifies by "putting oneself out for others" [p. 368]. Caring to this writer is the secular counterpart to Christian charity. Caring may be prompted by a sentiment such as the Golden Rule -- "do as you would be done by" -- or Kant's categorical imperative -- "act only on that maxim through which you can at the same time will that it should become a universal law."

With "caring", human beings are seen as living, breathing, existential actualities, as ends in themselves more so than means, as persons with certain inalienable rights that must

not be violated, as equals. As to the question To whom does a human being belong?, with "caring", he/she is perceived as belonging to no one but self for as long as life lasts.

With "Christian charity", human beings are seen as children of God the Father, made in His image and likeness, as brothers and sisters of Jesus Christ whose incarnation as a human being and whose death ransomed them from sin and reconciled them to the Father and whose sacrifice forever more established each one as precious beyond measure. With "Christian charity", every human being belongs to God because every human being is created by God to live forever. For Christians the greatest commandment is "to love one another, especially those who despise you, as I have loved you."

In what follows, this writer emphasizes Christian charity, even though it requires a greater leap of faith than does caring, because Leo XIII warns in *Rerum Novarum* that "... no human devices can ever be found to supplant Christian charity ..." [EC, p. 32] and Pius XI in *Quadragesimo Anno* insists that Christian charity "alone has power to incline men's hearts and wills firmly and gently to the laws of equity and justice" [EC, p. 256]. Stated differently, putting oneself out for others simply is not sufficient. For sure, caring may achieve micro-economic results that are similar to Christian charity's in the short run. However, if the one truly is no substitute for the other, caring is not likely to maintain that micro-economic performance in the long run unless, of course, it evolves into charity.

Before turning to the role of charity in the economic order it is instructive to examine the importance of caring to the preservation of community outside the economic order. Psychologist Willard Gaylin in his book *Caring* shows that caring parents are critical to the proper development of the child during the first year of life and the baby's development is linked directly to the survival of the entire human community. Economist Barbara Ward in *The Home of Man* [p. 256] points out that caring citizens are the most significant element in an

environmentally stable community. Physician Richard Lammerton in *Care of the Dying* underscores the importance of caring in the treatment of the terminally ill and shows how the hospice concept of care for the dying protects and enhances the family. Microbiologist Rene Dubos in *Beast or Angel?* [pp. 45-56] argues that Neanderthal man practiced caring in order to insure group survival.

Christian charity promotes goodwill, workplace solidarity, and the authentic marketplace bargain. The destructiveness of persons who are careless and indifferent in their work has been thoroughly documented in such forms as shoddy merchandise, demeaning service, unkept promises, and a bad reputation for the firm's product or service. The worker who is faithful to the demands of economic justice and Christian charity, on the other hand, is known for long-lasting products, friendly service, commitments kept, and goodwill in the marketplace.

The careless worker, *ceteris paribus*, produces less value-added than the Christian worker because the former fails to provide "a fair day's work" in exchange for "a fair day's pay" while the latter fully meets his/her obligations under the principle of equivalence. While use typically depletes whatever value has been embedded in a given product or service, more real value is added by the fair-minded worker than by one who is careless and therefore more is available for the use of the consumer.

The Christian worker, however, is more than just fair-minded. He/she routinely exceeds the demands imposed by the principle of equivalence and gives this additional value-added voluntarily.¹⁰ The diligent worker's gift is prompted by genuine love for his/her fellow worker, employer, and customer. This excess value-added can be seized entirely by the

¹⁰ Bennis, according to Albrecht, estimates that over 60 percent of workers think that neither they nor their co-workers give their best on the job [Albrecht, p. 33]

employer in the form of a higher margin of profit¹¹ or it can be given freely in full or in part, to the customer. If the excess value-added is given freely to the customer and is accepted graciously and lovingly by that customer who explicitly acknowledges the bargain received¹², the excess value-added in effect is freely given back to its source. In this manner, the Christian customer creates or enhances the real though intangible business asset known as goodwill. In contrast, the ungracious and unloving customer who accepts the gift but refuses or neglects to affirm the giver in effect loses an opportunity to contribute to this asset. The tragedy is that, with this holding back, nothing is kept, nothing is gained.

In the workplace, the Christian worker's gift creates a sense of solidarity or community, a oneness that some call "family", "togetherness", or more often "team" only when the employer responds in similar fashion by giving it freely to the customer in the form of a bargain and the buyer responds by returning the excess value-added in the form of goodwill. Thus, as long as the excess value-added is freely given, it produces goodwill for the employer, a sense of belonging for the worker, and an authentic bargain for the buyer. If it is hoarded, it becomes sterile and its fruits wither or never blossom at all.

Figure 4 demonstrates the main effects of justice and charity in a market economy. Charity has a positive-sum constitution. The three value-added -- goodwill, workplace solidarity, and the true bargain -- are the products of Christian charity. In that sense, charity is an authentic economic resource. Uniquely among resources and goods, charity is not used

¹¹ In *Sollicitudo Rei Socialis*, John Paul II warns about the "all-consuming desire for profit" and "the thirst for power" both of which are "indissolubly linked" and which he labels a "double attitude of sin" [p. 68]. Clearly, the faithful Christian cannot accept the utility- and profit-maximizing premises of conventional micro-economics.

¹² Which, in this instance, flows from a seller who freely gives more than the principle of equivalence demands rather than from an undervaluation on the part of the seller.

up in the process of production or consumption. Rather, it produces solidarity in the workplace, the real bargain in the marketplace, and goodwill throughout the economic order *only when it is given freely*.

Human beings are unique as economic resources in a second, closely-related and more widely recognized manner. As with all economic resources that are living things, human beings are reproductive and, as with resources that are animals, human beings are subject to fatigue and are re-invigorated by means of regular periods of rest. However, human beings alone among economic resources are able to learn new skills and acquire new talents. In other words, for humans the very use of their skills and talents as instruments of work can lead to an enhancement of those skills and talents. For all other resources, *use signifies depletion*.

CHARITY, SOLIDARITY, BELONGING, AND CONTRIBUTIVE JUSTICE

Corresponding to caring and charity which are at once alike and quite different, solidarity manifests itself in two forms: human and Christian.

Beyond human and natural bonds, already so close and strong, there is discerned in the light of faith a new model of the unity of the human race, which must ultimately inspire our solidarity. This supreme model of unity, which is a reflection of the intimate life of God, one God in three Persons, is what we Christians mean by the word "communion" [John Paul II 1987, pp. 75-76].

Solidarity is founded on conscience which is aroused by the cry for help of one human being who has been wounded by another human being. Solidarity creates a personal bond between the one who is needy and the one who responds. Solidarity differs from other communions in that the "we" follows rather than precedes "for him/her" [Tischner, p. 9].

The conscience is activated not just by a willingness to do what is morally right but by a willingness to discern what is right. This disposition, which is called "moral perceptivity", is the ability to imagine in vivid detail what other human beings feel and need and the way(s) in

which they are or would be affected by the attitudes and actions of other human beings. Moral perceptivity supplies a person with the specific information needed to sort through the various moral claims that may be presented in order to differentiate the primary claims from the secondary claims [Dyck, p. 111].

Dyck insists that moral perceptivity is essential to caring or love of neighbor and that love of neighbor, in turn, is requisite for human community [Dyck pp. 110-113]. It follows that moral perceptivity is one of the duties of group membership under contributive justice.

Human beings need workplace solidarity not only to produce goods and services more efficiently but also to develop more fully as persons. From that perspective, solidarity may be construed as meeting the human need to belong.

At rock bottom, belonging proceeds from solidarity and enhances it and solidarity, in turn, proceeds from charity -- in the economic order, a genuine concern for the needs of workmates, consumers, employers, suppliers, managers, and owners. Charity, in turn, requires a willingness not only to do what is morally right but also to discern what is morally right.

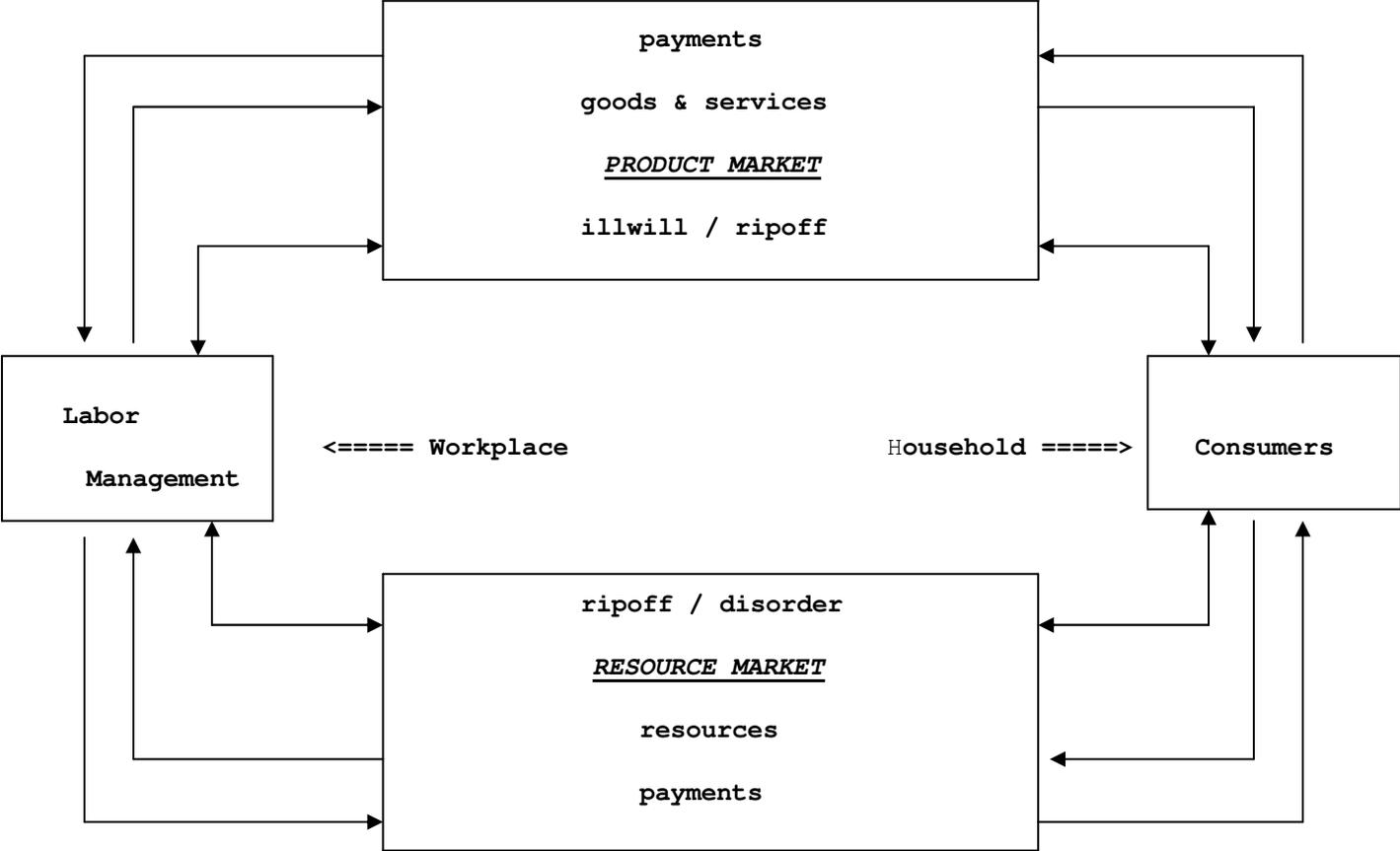
Christianizing the workplace, the marketplace, and the household in the modern age is a "critical-mass" problem. Two thousand years ago, Christ entrusted His Church to twelve apostles. Following the fall of the Roman Empire, that Church dominated human affairs in Europe for more than 1000 years. The old Christendom is dead, but a new economy activated by the virtues of justice and charity can be constructed through the power of Christian witness. That is the mission of John Paul II and the message between the lines, for example, in his *Laborem Exercens* and *Sollicitudo Rei Socialis*. The startling collapse of Communist power in Eastern Europe especially since 1989 strongly suggests that we can expect to see more of his

vision on the re-construction of Europe on May 15, 1991 -- the 100th anniversary of *Rerum Novarum* and the occasion of his next social encyclical.

FIGURE 1. THE BASIC CONTENT OF THE NATURAL VIRTUE OF ECONOMIC JUSTICE

Principle	Obligated Person(s)	Definition	Common Expression	Unjust Practices
Equivalence =====> also called commutative justice or exchange justice	buyer & seller mutually obligated producer & consumer mutually obligated worker & employer mutually obligated	both persons are obliged to exchange things of equal value & to impose equal burdens on the other	full day's work for full day's pay "caveat emptor"- <i>common expression</i> <i>in negative form</i>	embezzlement robbery forgery bait & switch loan sharking gouging ripping off counterfeiting
Distributive Justice =====> similar in part to the social justice of liberation theology	superior obligated to subordinate	the superior is obliged to distribute any benefits or burdens associated with belonging to the group among the members in some equal or proportional fashion	equal pay for equal work equal opportunity affirmative action comparable pay for comparable work	favoritism discrimination sexism/racism ageism nepotism cronyism anti-Semitism kickbacks bribes
Contributive Justice =====> also called social justice or legal justice	member obligated to group	to the extent that a member receives benefits from belonging to a group, he/she is obliged to contribute to the support of that group	doing my fair share pulling my load paying my dues sacrificing my lesser good for the group's greater good	insider trading industrial spying ... sabotage computer virus tax evasion insurance fraud freeloading goldbricking

FIGURE 2. THE MARKET ECONOMY AND UNRESTRAINED SELF-INTEREST

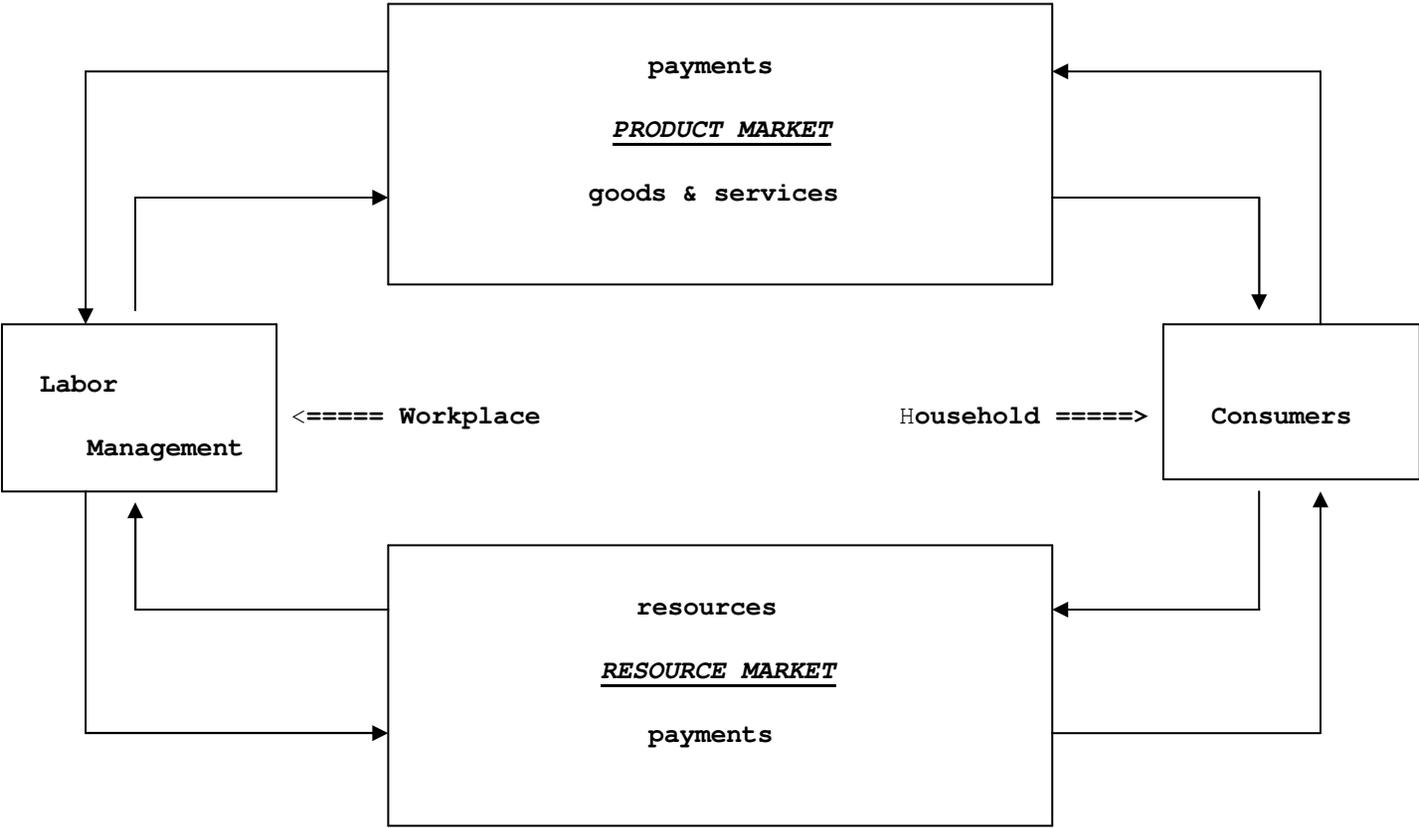


see explanatory note on following page

FIGURE 2. THE MARKET ECONOMY AND UNRESTRAINED SELF-INTEREST

Exchange of goods, services, and resources occurs under conditions of unrestrained self-interest which subordinates all social values to individual freedom and sloughs off concern for the well-being of others. Labor and management interact with suspicion, hostility, and violence. Both view consumers with apathy, disdain, and opportunism. This interaction involves more than goods, services, resources, and payments. It entails illwill, disorder, and ripoff all of which are expected and accepted. By feeding the individual nature of human beings and starving their social nature through such contrivances as "the invisible hand", unchecked self-interest deprives human beings of the wholeness required to reject illwill, disorder, and ripoff as inevitable. Self-interest that is unrestrained is a catch 22. Those who do not embrace it are rejected as idealists and fools with no convincing evidence for their indictment of it. Those who do embrace it see themselves as realists and opportunists who can point to their personal material success as proof that unrestrained self-interest is the only sensible pathway to follow in economic affairs.

FIGURE 3. THE MARKET ECONOMY AND SELF-INTEREST MODERATED BY ECONOMIC JUSTICE

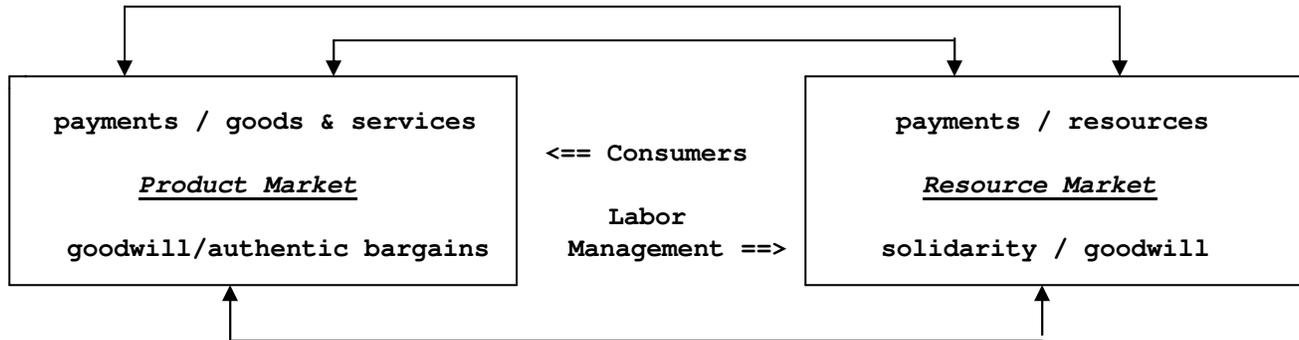


see explanatory note on following page

FIGURE 3. THE MARKET ECONOMY AND SELF-INTEREST MODERATED BY ECONOMIC JUSTICE

Goods, services, resources, and payments are exchanged under conditions of self-interest moderated by the three principles of economic justice. Labor and management are separate and distinct but not divided. Illwill, discord, and ripoff are eliminated as the practice of these three principles begins to nourish the social side of human nature. As this socialization continues, human beings become more nearly whole persons and more nearly aware that illwill, discord, and ripoff are inevitable in a market economy only when self-interest operates unchecked by the demands of economic justice. Even so, moderated self-interest does not fully socialize human beings and does not create an authentic sense of community in the economic order because more than economic justice is required to create a partnership among labor, management, and consumers. Put differently, economic justice is sufficient to break down the barriers that separate human beings in the workplace and the marketplace but not to build up a sense of oneness among them. The social value of economic community emerges in a market economy where self-interest is moderated by justice but remains subordinate to the social value of individual freedom.

**FIGURE 4. THE MARKET ECONOMY AND SELF-INTEREST
MODERATED
BY JUSTICE AND INFUSED WITH CHARITY**



Exchange in the product market and the resource market takes place under conditions of self-interest, obligation, and genuine concern for the well-being of the other person. Self-interest is needed by virtue of the individual nature of human beings. Other-interest is necessary by virtue of his/her social nature. Any subordination of self-interest to other-interest is done voluntarily. Labor, management, and consumers are seen as persons and equals and consequently as more important than objects. Exchange takes place under conditions where the demands of justice are exceeded; community in the economic order springs from that excess. Economic justice is a necessary condition for charity and the two are sufficient for economic community. Community, in turn, makes workers more productive because increasingly others are seen as partners rather than adversaries. This enhanced productivity means that human beings are better able to meet their own material need. The outward signs of economic community are authentic bargains in the marketplace, solidarity in the workplace, and goodwill through-out the economic order. Even though the threat of economic insecurity continues, it is substantially reduced because labor, management, and consumers see one another not as rivals or objects but as family.

REFERENCES

- Albrecht, Karl, with Steven Albrecht. *The Creative Corporation*, Homewood, IL: Dow Jones-Irwin, 1987.
- Dempsey, Bernard W. *The Functional Economy: The Bases of Economic Organization*, Englewood Cliffs, NJ: Prentice-Hall, 1958.
- Dubos, Rene. *Beast or Angel? Choices That Make Us Human*, New York: Charles Scribner's, Sons, 1974.
- Dyck, Arthur J. *On Human Care: An Introduction to Ethics*, Nashville: Abingdon, 1977.
- Dyck, Arthur J. "A Unified Theory of Virtue and Obligation," *The Journal of Religious Ethics*, Fall 1973, quoted in Arthur J. Dyck, *On Human Care: An Introduction to Ethics*, Nashville: Abingdon, 1977.
- Gaylin, Willard. *Caring*, New York: Alfred A. Knopf, 1976.
- Henriot, Peter J., Edward P. DeBerri, and Michael J. Schultheis. *Catholic Social Teaching: Our Best Kept Secret*, Maryknoll, NY: Orbis Books and Washington: Center of Concern, 1988.
- John XXIII. *Mater et Magistra*, in *Outline Encyclical Series*, Francis J. Brown (editor), Huntington, IN: Our Sunday Visitor, 1965.
- John Paul II. *Laborem Exercens*, Boston: Daughters of St. Paul, 1981.
- John Paul II. *Sollicitudo Rei Socialis*, Boston: Daughters of St. Paul, 1988.
- Lammerton, Richard. *Care of the Dying*, London: Priory Press, 1973.
- Leo XIII. *Rerum Novarum* in *The Encyclicals of a Century*, Derby, NY: Daughters of St. Paul, no date.
- Mulcahy, Richard E. "Economic Freedom in Pesch: His System Demands, But Restrains, Freedom," *Social Order*, April 1951.
- Mulcahy, Richard E. *The Economics of Heinrich Pesch*, New York: Henry Holt & Company, 1952.

Pesch, Heinrich. *Ethics and the National Economy*, translated by Rupert J. Ederer, Manila: Divine Word Publications, 1988.

Pius XI. *Quadragesimo Anno*, in *The Encyclicals of a Century*, Derby, NY: Daughters of St. Paul, no date.

Pius XI. *Divini Redemptoris*, in *The Encyclicals of a Century*, Derby, NY: Daughters of St. Paul, no date.

Schuyler, Joseph B., "Heinrich Pesch, S.J.: 1854-1926," *Social Theorists*, Clement S. Mihanovich (editor), Milwaukee: The Bruce Publishing Company, 1953.

Tischner, Jozef. *The Spirit of Solidarity*, translated by Marek B. Zaleski and Benjamin Fiore, S.J., San Francisco: Harper & Row, 1984.

Ward, Barbara. *The Home of Man*, New York: W. W. Norton & Company, 1976.