

# **SOCIAL JUSTICE: ADDRESSING THE AMBIGUITY**

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Social justice is a concept used widely but with different meanings for different users. Fifty years ago Raymond Jancauskas observed that the concept is “vague and ill-defined.”<sup>1</sup> Thirty years later William Waters added that it is “a very helpful but ambiguous term.”<sup>2</sup> Twenty years after Waters’s comment, Rupert Ederer stated that social justice has been reduced to “simply a slogan.”<sup>3</sup>

In addition to the different meanings applied to the term, two other sources of ambiguity exist. First, social justice is referred to under at least three other labels: constructive justice,<sup>4</sup> legal justice,<sup>5</sup> and general justice.<sup>6</sup> Second, some ambiguity originates in careless scholarly work. Two examples illustrate this point.

In the first instance, Pius XI in his 1937 encyclical *Divini redemptoris* demonstrates the connection between social justice and the common good. The Vatican website renders that connection in the English version of the encyclical as follows. “Now it is of the very essence of social justice to demand *for* each individual all that is necessary for the common good” (emphasis added).<sup>7</sup>

However, carefully translating the Latin version from the same website into English produces the following. “Now it is of the very essence of social justice to demand *from* each individual all that is necessary for the common good” (emphasis added).<sup>8</sup> This latter rendering is found in *The Encyclicals of a Century*<sup>9</sup> where the full text and footnotes of *Divini redemptoris* are printed and twice in Bernard Dempsey’s influential *The Functional Economy*.<sup>10</sup> Clearly, “for” indicates a right of the individual whereas “from” signifies a duty.

In the second instance, Dempsey attributes the latter rendering correctly to *Divini redemptoris* in one place<sup>11</sup> but incorrectly to *Quadragesimo anno* in another.<sup>12</sup> Further, Waters in

citing Arnold McKee refers to social justice “in the broad sense” and “in the narrow sense” and recommends McKee to the reader for “an excellent introduction to the subject.”<sup>13</sup> McKee, however, refers to justice -- not social justice -- “in a narrow sense” and “a wide sense.”<sup>14</sup>

The line between social justice and social charity is confused and adds to the ambiguity when solidarity is substituted for social charity. Further documenting the various sources of confusion and ambiguity does nothing more than add to these problems. For that reason it makes much more sense to begin with a clear definition of justice and how it applies to economic affairs through three principles: commutative justice, distributive justice, and contributive justice. A clear understanding of these three principles will help remove the ambiguity associated with social justice because, as we intend to demonstrate, all three are necessary for practicing social justice and attaining the common good in that they promote the trust required of human beings in the conduct of everyday economic activities. We will then further clarify charity, social charity and solidarity.

### Justice

Justice is the virtue or good habit of rendering to another that which is owed. This definition closely parallels the version recommended by Aquinas, underscores justice as an obligation or duty and provides additional support for translating the sentence referenced above from *Divini Redemptoris* as “from each individual.”<sup>15</sup>

Having said that, we do well to acknowledge that every duty has a corresponding right.<sup>16</sup> To illustrate, if the buyer has a duty to pay for what he wants or needs, he has a right to that for which he has paid. If the worker has a duty to put in a full day’s work, she has a right to a full day’s pay. Given that the individual has a duty to contribute all that is necessary for the common

good and that the common good is served only through such individual contributions, it follows that the individual also has a right to whatever goods are necessary to live in common.

Hereafter, we will use “person” instead of “individual” because in mainstream economics “individual,” strictly speaking, encompasses only human individuality, whereas in personalist economics “person” includes both human sociality and human individuality and by definition human sociality is a requirement for living in community.

At times social justice is confused with commutative justice and distributive justice.<sup>17</sup> For that reason, it is instructive to turn our attention briefly to those two forms of justice. Commutative justice sets forth the duty of buyer to seller in the marketplace and worker to employer in the workplace. Distributive justice defines the duties of the superior to subordinates whether that interaction takes place in the marketplace or the workplace. However, to understand both types, we must address economic gain.

#### Economic Gain

Every exchange involving economic agents who are well-informed and free to act entails gain for the parties involved: What is gotten in the exchange is more highly valued than what is given up. For example, a person shopping for shoes comes across a pair priced at \$118. In deciding whether to purchase those shoes that person routinely asks the question, “Are these shoes really worth \$118 to me?” If the answer is affirmative, that person purchases the shoes. If the answer is negative, the buyer turns away. If that person is not sure, he or she turns away but may return later to buy the shoes provided they really are worth \$118. Economics differentiates between exchange value and use value. Exchange value is what is given up for the good or

service acquired through exchange. Use value is what is gotten, that is, the usefulness of the good or service to the person who acquires it.

Under competitive market conditions, exchange value should not vary from one person to the next. The price paid for the same dog food in a supermarket is the same for everyone buying that brand of dog food at that store. However, use value is not the same for everyone who buys that dog food because some persons are more deeply attached to their dogs and derive greater pleasure from feeding and caring for them than do others. While exchange value is determined by market conditions at the time and place of the exchange, use value is determined by the value systems of the uniquely different persons involved in the exchange. Exchange value is an objective piece of information. Use value, on the other hand, is a subjective human experience. For every person involved, use value (what is gotten) must be greater than exchange value (what is given up). Without that gain, the exchange cannot be carried out.

In the workplace, when the baker hires a sales clerk to tend to customers both parties gain something. The baker gets the clerk's labor services that are more useful to the baker than the wages that must be paid, thereby adding to the baker's profits. Without that gain, the baker could not afford to hire the sales clerk. At the same time, the clerk contributes labor services because the wages paid are more useful than the time and effort involved in working. Without that gain, the clerk would not accept the job.

In the marketplace, the baker produces more loaves of bread than can be used for personal consumption, and sells them provided what is gotten (the price paid by the customer) is more useful than what is given up (the cost to produce the bread), thereby adding to the baker's profits. Without that gain, the baker has no incentive to produce and to sell bread. At the same

time, the baker's customer who does not bake bread, or does not make it as well or as inexpensively, buys from the baker because the bread that is gotten is more useful than the money given up. The gain achieved by the consumer can be saved or applied to buying other things that the customer wants or needs. A bargain is an exchange in which the consumer's gain is greater than initially expected.

### Commutative Justice

Commutative justice states that buyer and seller in the marketplace and worker and employer in the workplace have two duties that are binding on both parties. First, they are to exchange things of equal value. Second, they are to impose equal burdens on one another. Because of this emphasis on equal value and equal burdens, many call commutative justice "equivalence."

Personal experience usually informs us as to what equal value means. By equal burden we mean that the burden of the seller is to give up possession of the good or service in question. For the buyer, the burden is to give up possession of the money necessary to buy and take possession of that good or service. For the worker, the burden is performing the work required by the employer. For the employer, the burden is paying the worker the wage to which they agreed.

At first glance, exchanging things of equal value implies that there is no gain involved. On closer examination we see that this is not the case. Exchanging things of equal value means that what is exchanged is of equal exchange value, not equal use value. As we indicated previously, exchange value refers to the price paid to purchase a good or service and the wage or price paid to hire a worker or natural resource to produce that good or service. Use value is what is gotten, that is the usefulness of the good or service or resource to the person who acquires it.

There are several specific ways in which commutative justice may be violated in the marketplace: shoplifting, issuing a bad check, loan sharking, and price gouging to name a few. Commutative justice may be violated in the workplace as well: for instance, through expense padding, sweatshops, embezzlement, pilfering and featherbedding. All violate commutative justice either regarding the duty to exchange things of equal value or to impose equal burdens on one another.

### Distributive Justice

Distributive justice defines the duties of the superior to subordinates. In the workplace, distributive justice requires the superior to distribute the benefits and burdens of the group under supervision among its members in some generally equal fashion. This does not mean strictly equal, because significant differences are likely among subordinates, and it is entirely appropriate to consider those differences. For example, handicapped employees may require different parking and restroom accommodations than able-bodied employees. Single parents in general shoulder heavier childcare responsibilities than married parents. Distributive justice demands that the superior differentiate among subordinates only when the differences among them are real and substantial and require different arrangements. A superior may allow a single parent to rush home to tend to a sick child when the same permission might not be given to a married worker with a spouse who routinely stays at home to look after the children.

We mention two noteworthy violations of distributive justice: discrimination and kickbacks. Discrimination occurs when the superior differentiates among subordinates for reasons that are insubstantial. In this regard, false stereotyping may be the device used to rationalize the difference in treatment among subordinates. For example, older workers may be

treated differently because (according to the stereotyped view held by the employer) they are seen to have “less upside potential” than younger workers. Another form of discrimination would be to treat women differently because according to the false stereotype imposed by the employer work for them is deemed to be of secondary importance in their lives. Favoritism is the other side of the coin of discrimination: treating some better than others for reasons that are superficial or based on the false stereotyping of others.

A kickback is the ethical equivalent of a bribe. A bribe is a payment to a superior in the expectation of special treatment. The payment precedes the special treatment. A kickback is a payment for special treatment wherein the payment follows the special treatment. A contractor bribing a provincial highway official in order to influence that official’s decision as to which contractor is to be awarded a construction contract makes payment beforehand. A contractor kicking back to a highway official promises beforehand to make payment after the deal has been closed.

Distributive justice has application in the marketplace too, but here the issues are not nearly as serious as in the workplace. In the marketplace, it is the merchant who is the superior because of the obligation to treat customers with fairness. This is done in several ways. A merchant who makes rain checks available is saying in effect that when an item is put on sale at a very favorable price, all customers are treated alike, even those who come to the store after the supply of that item has been exhausted. Under those circumstances, the merchant reorders the item in such quantities to satisfy all customers who have been issued a rain check. “Limit 3 to a customer” tells all customers that everyone is entitled to purchase no more than three of a specific item on sale so that one customer will not buy the entire available supply. “Sale price

effective as long as supplies last” tells customers when the item is put on sale that customers who delay in coming to the store may be disappointed in finding that the item has been sold out.

The key to understanding all such practices is that while the specific terms of sale differ, once a specific practice is put in place there is no difference in the way those terms are applied, no matter the customer. This meets the merchant’s obligations under distributive justice. Further, though some customers may not be able to take advantage of the favorable opportunities afforded by the merchant (for any number of reasons including lack of transportation, being away at the time of the sale, or inability to travel to the store), the merchant’s duties under distributive justice extend only to those who actually enter the store. The merchant must have made an effort to properly inform customers of sale opportunities and to maintain the usual store operating hours.

### Contributive Justice

Contributive justice asserts that insofar as a person receives benefits from a group, that person has a duty to maintain and support the group. Paying dues -- a duty -- is the usual requirement for the persons joining and remaining active in a membership organization. Failure to pay membership dues typically reduces a person to inactive membership status enjoying fewer benefits. as compared to those in good standing.

Of the three principles of economic justice, contributive justice is least familiar to Americans, because many Americans think first and foremost in terms of human individuality and have a high regard for “rugged individualism.” For that reason, we have only weak examples of common expressions for contributive justice in the workplace and the marketplace.

In the workplace, where employees commonly work in groups or teams, expressions such as “doing my fair share,” “pulling my load,” and “paying my dues” are common. There are even greater problems in seeing contributive justice faithfully practiced in the marketplace. Even so, there are certain expectations when persons come together whether for a concert, ball game, or to enter a flow of traffic. The newest arrival in a ticket line or traffic line is expected to wait his turn and not cut into the line. To do otherwise is disrespectful of those who have been waiting and sets an example for others to do the same in which case pushing, shoving, and cutting off other cars may become the rule rather than the exception. A general loss of civility may follow that is destructive to our sense of community.

When it comes to violations of contributive justice, however, the marketplace and the workplace offer several powerful examples. In the workplace, industrial spying and sabotage violate contributive justice because the person who appears to be a loyal and productive member of one business establishment actually is faithful to a rival organization and seeks to undermine the effectiveness of the first establishment by stealing secrets and by disrupting its work. Is it a violation to hire a person from a rival establishment and pick her brain for whatever information she might be able to share with the new employer? It is if that person surrenders proprietary information, information to which the former employer can claim a clear property right (such as a secret formula for making a product). Other prominent examples of violations of contributive justice would include computer tampering, tax evasion,<sup>18</sup> product tampering, and insider trading.

#### Limits on Economic Gain

Limits on the amount of economic gain are necessary to prevent one party from taking advantage of another and to assure that market exchange serves everyone fairly and effectively.

Those limits derive from the duties that economic agents owe one another under commutative justice, distributive justice, and contributive justice.

Commutative justice limits ill-gotten or excessive gain because what is gotten and what is given up in the exchange are what were freely and openly agreed to before the exchange took place. For example, the ill-gotten gain for the employer who operates a sweatshop is the added profits from denying workers what is due them. The ill-gotten gain for the employee who embezzles is money that rightfully belongs to the employer.

Distributive justice limits ill-gotten gain because the superior assures that what is gotten and what is given up are the same for everyone in the same or similar circumstances. To illustrate, the ill-gotten gain for the employer who pays some workers less than others for the same work is the added profits gotten through discrimination. The ill-gotten gain for the public official who has been bribed to award a contract for a clearly substandard proposal is the money which that official has gotten dishonestly.

Contributive justice limits excessive gain because each member gives up (contributes) what is necessary to maintain the group provided what is gotten by that member is the same or similar to what is gotten by other members of the group. The ill-gotten gain for the inside trader comes at the expense of persons who sell shares that the inside trader knows are undervalued or who buy shares that the insider knows are overvalued. The ill-gotten gain in industrial spying is the property that rightfully belongs to someone else.

### Social Justice

The emphasis in contributive justice on the duty of the member to the group and the duty of the person under social justice to contribute to the common good suggest that social justice

and contributive justice are identical. Dempsey holds this view and asserts that Heinrich Pesch does too.<sup>19</sup> And apparently, Benedict XVI holds this view as well.<sup>20</sup>

However, before addressing social justice further, we insist that contributive justice, while it can be described and examined separately from commutative justice and distributive justice, cannot be separated in the actions of a truly just person. In economic affairs a person cannot serve justice without being faithful to all three at once.

Recall for a moment the language of *Divini redemptoris*. “Now it is of the very essence of social justice to demand from each individual *all* that is necessary for the common good.”<sup>21</sup> As stated previously, if a person has a duty to contribute all that is necessary for the common good he also has a right to whatever goods are necessary to live in common. Trust is one of the goods necessary to live in common and trust is maintained only through the faithful practice of commutative justice and distributive justice in addition to contributive justice. Benedict XVI states unequivocally that today trust “has ceased to exist” in the market economy.<sup>22</sup>

Simply put, commutative justice, distributive justice, and contributive justice are a package deal. Practicing social justice means practicing all three. Thus, at all times and in all places, social justice requires precisely this: all that is necessary for the common good.

Living in common means living in a complex network of intertwined communities: family, workplace, neighborhood, church, civic organization, trade association, city, province, nation-state, all nations. Each one brings different duties and different rights, and those duties and rights vary depending on the condition of the person in areas such as health, economic means, and so on. Moreover, the duties and rights are not of the same significance. To illustrate,

relationships of care within a family are more significant than the duties and rights of membership in a civic organization.

Acknowledging our participation in these networks illuminates two points. First, a person has a duty to contribute to whatever elements he or she belongs to, say family, workplace, and nation-state, and a corresponding right to whatever goods are produced in common by those elements.

Second, more comprehensive elements in the social order have a duty according to the principle of subsidiarity not to interfere in the production of less comprehensive elements and to help those less comprehensive elements produce more effectively. Thus the goods produced in common should be produced by the smallest element possible in order to position production as close as possible to the family and its members so as to better assure that the goods produced in common are available to meet the needs of human beings as persons and to contribute to their proper development.

In this scheme a strong preference for action is taken first by private organizations and then by public agencies but only after those agencies have offered assistance and those private organizations still are not operating effectively. Put differently, the common good does not always require goods produced by public agencies.

For this kind of decentralized, bottom-up social organization to produce effectively, trust is necessary across a network of communities that as we already observed requires the faithful practice of commutative justice, distributive justice, and contributive justice, the three constituent parts of social justice. Social justice and subsidiarity work together toward the common good

that includes the production of the goods necessary to live in common as well as the moral good through which the dignity of the human person is respected.

Two examples help to demonstrate the connection between social justice and subsidiarity. If cities in general are capable of dealing with the sanitation needs of the community, the persons living in those cities have a duty to pay the taxes or fees to support municipal sanitation systems and a right to access those systems. The provincial or federal government has no justification for taking over municipal sanitation systems provided the cities are operating those systems effectively, though the provincial or federal government might be of assistance by offering grants to upgrade wastewater treatment facilities. In this example, the common good is served by the production of public goods at the local level.

Public education at the elementary and secondary levels for years has been largely a local matter though often with financial assistance from both state and federal government and subject to court-ordered desegregation. In some instances, states have taken over control when a school has failed in its primary instructional mission. Even so, there are no examples of direct and total federal takeover; rather reform more often has placed control of failing schools in the hands of other officials through the establishment of charter schools and has allowed parents to remove their children from failed schools by granting vouchers to make attending private schools more affordable. In this example, there is a public consensus, perhaps not as strong as years ago, that the common good is served by locating and retaining control of public education principally at the local level.

From its beginnings in the 1930s, the basic design and management of unemployment insurance have been a state government responsibility. Though some persons and organizations

at that time urged making UI a federal program, the arrangement allowed each state to customize UI to its own unique economic conditions and the values of its employers and workers regarding the needs to be met through UI benefits and the burdens to be shouldered through UI taxes. From time to time, it has been necessary for the federal government to intervene when too many of the unemployed were exhausting their benefits and states could not bear the full cost of paying extended benefits from their depleted trust funds. These interventions have been restricted to financial support. They never have involved a federal takeover of a state program even in the most recent recession where benefits have been extended beyond the usual 26 weeks payable by the states to 99 weeks payable by the federal government. In this example, the common good is served by keeping control of programs of aid to the unemployed mainly at the state level.

#### Needs, Charity, Social Charity, Solidarity

Common needs are needs that are “common to *all* members of the community” (emphasis added).<sup>23</sup> Accordingly, the common good involves providing for those common needs. Citing *Gaudium et spes*, Benedict in *Caritas in veritate* puts it this way: “Beside the good of the individual, there is a good that is linked to living in society: the common good. It is the good of ‘all of us,’ made up of individuals, families and intermediate groups who together constitute society.”<sup>24</sup>

Even so, not all human needs are common needs. Since each human being is unique, each has needs and wants that strictly speaking are personal and satisfied by specific goods. (We will shortly take up the difference between needs and wants.) Dempsey calls these goods elementary goods.<sup>25</sup> As a personalist espousing an economics in which the economic agent is represented as a person, we prefer to call them personal goods.

Accepting subsidiarity as a governing organizational principle, it follows that the common good is served first by private goods and then by public goods as necessary. By demanding “all that is necessary for the common good,” social justice is served at times by public goods but preferentially by private goods.

Two key problems remain. What should be done when the economic system does not produce all that is necessary for the common good? What should be done when it does not produce all of the necessary personal goods? The first is a problem of production, the second a problem of distribution.

The production problem requires an ongoing public discourse on the very structure of our economic institutions, especially the role of private enterprises vs. public agencies in the process of production. The solution might lie in public agencies offering private enterprises assistance to produce the goods necessary to serve the common good. Or, it might involve public agencies taking on a more aggressive regulatory role. It might extend to direct government control of private enterprises, ownership of those enterprises or both. Alternatively, it could involve deregulation and privatization in order to free private enterprises from a government sector that has grown too large to be effective. Subsidiarity can be helpful in this discourse. Even so, the discourse can run on for years as it has in the United States regarding the health care system

In an economy such as the United States that produces goods of all kinds in abundance, an insufficiency of personal goods is not a production problem, nor is it a social justice problem. It is instead a distribution problem, a problem of insufficiency or poverty. As so ably demonstrated by the likes of Blessed Mother Teresa and her community of nuns, relieving this insufficiency often is prompted by the theological virtue of charity “by which we love God

above all things for his own sake, and our neighbor as ourselves for the love of God.”<sup>26</sup> At the same time, the natural virtue of caring infused with the conviction that every human being is precious motivates many others to alleviate the very same insufficiency. The use of the term social charity creates additional confusion because that term is ambiguous. Does it refer to the theological virtue of charity or the natural virtue of caring? We take up that question after the following two comments on poverty that may help us sort through some of the ambiguity regarding social justice.

As noted previously, it is important to differentiate human needs from human wants. Poverty is an issue of unmet human needs such as food and clothing. It is not a matter of unsatisfied human wants such as vacations and luxury cars.

Subsidiarity plays a role here just as we observed in the case of social justice. Intervention by private organizations such as faith-based neighborhood groups that provide assistance to persons and families with unmet personal needs is preferred when and if they are positioned closer to those seeking assistance and therefore are better able to differentiate between an unmet need and an unsatisfied want and to identify a false claim for assistance.

We turn next to the meaning of solidarity and how it relates to charity. In *Rerum novarum*,<sup>27</sup> Pope Leo XIII referred to the family as “part of the commonwealth” and made clear that Christians are expected to help any family in need as “a duty, not of justice (save in extreme cases), but of Christian charity -- a duty not enforced by human law.”<sup>28</sup> Here the Holy Father clearly means the theological virtue.

According to Ederer, the term “social charity” originated in section 88 of *Quadragesimo anno*.<sup>29</sup> By this, Pope Pius XI meant neither the theological virtue nor caring. Rather, the

Pontiff's intent was to identify it with solidarity. To underscore this important point, Ederer asserts that the concept of solidarity was developed at length by Pope John Paul II in *Sollicitudo rei socialis* and identified with social charity in *Centesimus annus*.<sup>30</sup>

In *Sollicitudo rei socialis* John Paul says that there is a “growing awareness of interdependence among individuals and nations,” a transformation that is

acquiring a moral connotation . . . . When interdependence becomes recognized in this way, the correlative response as a moral and social attitude, as a “virtue,” is solidarity. This then is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, it is a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual, because we are all really responsible for all. This determination is based on the solid conviction that what is hindering full development is [the] desire for profit and [the] thirst for power . . .<sup>31</sup>

And shortly thereafter, he continues:

it has been possible to identify many points of contact between solidarity and charity, which is the distinguishing mark of Christ's disciples. In the light of faith, solidarity seeks to go beyond itself, to take on the specifically Christian dimension of total gratuity, forgiveness and reconciliation. One's neighbor is then not only a human being with his or her own rights and a fundamental equality with everyone else, but becomes the living image of God the Father, redeemed by the blood of Jesus Christ and placed under the permanent action of the Holy Spirit. One's neighbor must therefore be loved, even if an enemy, with the same

love with which the Lord loves him or her; and for that person's sake one must be ready for sacrifice, even the ultimate one: to lay down one's life for the brethren.<sup>32</sup>

Support for Ederer's claims are found in *Centesimus annus*.

In this way what we nowadays call the principle of solidarity, the validity of which both in the internal order of each nation and in the international order I have discussed in the Encyclical *Sollicitudo rei socialis*, is clearly seen to be one of the fundamental principles of the Christian view of social and political organization. This principle is frequently stated by Pope Leo XIII, who uses the term "friendship," a concept already found in Greek philosophy. Pope Pius XI refers to it with the equally meaningful term "social charity." Pope Paul VI, expanding the concept to cover the many modern aspects of the social question, speaks of a "civilization of love."<sup>33</sup>

In *Caritas in veritate*, Benedict employs "solidarity" frequently and attributes it to John Paul.<sup>34</sup> He does not use the term "social charity." He uses "social justice" only once by which he apparently and unfortunately, for purposes of the present argument, means contributive justice.<sup>35</sup>

Even so, Benedict offers the following insight to clarify the difference between justice and solidarity both of which are directed toward the common good.

In the global era, economic activity cannot prescind from gratuitousness, which fosters and disseminates solidarity and responsibility for justice and the common good among different economic players. It is clearly a specific and profound form of economic democracy. Solidarity is first and foremost a sense of responsibility on the part of everyone with regard to everyone, and it cannot therefore be merely

delegated to the State. While in the past it was possible to argue that justice had to come first and gratuitousness could follow afterwards, as a complement, today it is clear that without gratuitousness, there can be no justice in the first place. What is needed, therefore, is a market that permits the free operations, in conditions of equality opportunity, of enterprises in pursuit of different institutional ends. Alongside profit-oriented private enterprise and the various types of public enterprise, there must be room for commercial entities based on mutualist principles and pursuing social ends to take root and express themselves. It is from their reciprocal encounter in the marketplace that one may expect hybrid forms of commercial behaviour to emerge, and hence an attentiveness to ways of *civilizing the economy*. Charity in truth, in this case, requires that shape and structure be given to those types of economic initiative which, without rejecting profit, aim at a higher goal than the mere logic of the exchange of equivalents, of profit as an end in itself.<sup>36</sup>

Benedict also calls attention to the close linkage between subsidiarity and solidarity: “the former without the latter gives way to social privatism, while the latter without the former gives way to paternalist social assistance that is demeaning to those in need.”<sup>37</sup>

Three general comments regarding profits and Catholic social thought must be added here. First, a commercial enterprise operating in a market system requires profits as a condition of survival. Nothing in Catholic social thought can or should force the owners of a failed enterprise to continue operating at a loss. Second, profits earned honestly through faithful compliance with the demands of the three principles of economic justice are the “stuff” that

makes gratuitousness possible. Catholic social thought can and should remind Catholics and others often and with conviction that profits are not an end in themselves, that they are to be freely shared with others. Third, Catholic social thought can and should boldly inform economics that its insistence on teaching the profit maximization principle and that profits are the sole objective of a commercial enterprise in a market system are directly at odds with gratuitousness that is necessary for justice, solidarity, and the common good.<sup>39</sup>

#### Final Remarks

We began this article with the purpose of reducing the ambiguity surrounding social justice. We have argued that practicing social justice means practicing all three types of justice relevant to economic affairs: commutative justice, distributive justice, and contributive justice. All three are necessary for the common good, because all three foster the trust required for human beings to carry out their everyday economic activities in common. To some, as Ederer warns, social justice is just a slogan.<sup>38</sup> Whatever ambiguities remain, we have argued that social justice is indeed not a mere slogan.

Living in common means living in a network of communities. Subsidiarity helps us decide where in that network responsibility for production should be located. The goods produced in common should be produced by the smallest element in the network in order to locate production as close as possible to the family and its members; this assures that such goods are available to meet the needs of human beings as persons and to contribute to their proper development.

The principle of subsidiarity requires that preferential action be taken first by private organizations and then by public agencies but only after public agencies have offered assistance

and only if private organizations still are not operating effectively. Thus, the common good does not always require goods produced by public agencies.

The problem with justice is that it results in a condition where no one owes anything to anyone else, a condition that James Schall describes as an “isolated hell.”<sup>40</sup> John Paul puts it this way: “justice, if separated from merciful love, becomes cold and cutting.”<sup>41</sup> In other words, the faithful practice of social justice coupled with subsidiarity removes the sources of dysfunction that prevent human beings from living successfully in community. However, social justice and subsidiarity do not by themselves establish a functional community.

Christians practice the theological virtue of charity to address the burdens of persons with unmet personal needs. If those needs are not addressed, and they plainly are not under social justice, the poor are marginalized and effectively excluded from living in common. And where Christians practice charity, persons of good will may practice the natural virtue of caring.

Benedict and John Paul warn that more is needed to preserve the dignity of the human person than a form of social justice enlightened by subsidiarity and the theological virtue of charity focused narrowly on one’s immediate neighbors. They are not sufficient for a truly functional community that exists in an increasingly interdependent “economic, cultural, political, and religious” order. Rather, the full development of the human person depends on solidarity -- “a firm and persevering determination to commit oneself to the common good . . . the good of all and of each individual.”<sup>42</sup>

Benedict says that without the gratuitousness that makes solidarity possible, “there can be no justice in the first place.”<sup>43</sup> We conclude that the functional community depends on charity or caring to meet the needs of the poor, gratuitousness that makes possible social justice that

combines commutative, distributive, and contributive justice and removes human barriers to community when coupled with subsidiarity, and finally, solidarity -- a deep and abiding personal commitment to the common good.

#### Notes

1. Raymond Jancauskas, "The Concept of Social Justice: Some Current Applications," *Review of Social Economy* 17 (1959): 34.
2. William Waters, "Evolution of Social Economics in America," in *Social Economics: Retrospect and Prospect*, ed. Mark A. Lutz (Boston: Kluwer Academic Publishers, 1989), 113.
3. Rupert Ederer, "A Principle for Economics," *The Catholic Social Science Review* 13 (2008): 114.
4. Waters, *Evolution*, 95.
5. Bernard Dempsey, *The Functional Economy: The Bases of Economic Organization*, (Englewood-Cliffs, NJ: Prentice-Hall, 1958), 165; Waters, *Evolution*, 113.
6. Arnold McKee, "What is "Distributive Justice?" *Review of Social Economy* 39 (1981): 3; Waters, *Evolution*, 113.
7. Pius XI, *Divini redemptoris*, 1937, English text, [http://vatican.va/holy\\_father/pius\\_xi/encyclicals/documents/hf\\_pxi\\_enc\\_19031937\\_divini-redemptoris\\_en.html](http://vatican.va/holy_father/pius_xi/encyclicals/documents/hf_pxi_enc_19031937_divini-redemptoris_en.html) (26 Jun. 2009), § 51. This flawed rendering also is found on the Eternal Word Television Network website, <http://www.ewtn.com/library/encyc/p11divin.htm>. We made no attempt to look for it at other sites.

8. “Atqui socialis justitiae est id omne *ab* singulis exigere, quod ad commune bonum necessarium sit” (emphasis mine). Pius XI, *Divini redemptoris*, 1937, Latin text, [http://vatican.va/holy\\_father/pius\\_xi/encyclicals/documents/hf\\_p-xi\\_enc\\_19031937\\_divini-redemptoris\\_lt.html](http://vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_19031937_divini-redemptoris_lt.html) (30 Jun. 2009), § 51. The author is grateful to John Czyzynski, SCJ, for help in translating the Latin text correctly into English.
9. *Encyclicals of a Century*, (Derby NY: Daughters of St. Paul, Apostolate of the Press, 1942), 314.
10. Dempsey, *Functional Economy*, 220, 372.
11. *Ibid.*, 372.
12. *Ibid.*, 220. Perhaps what accounts for this lapse is that Dempsey on the same page (202) states that in the language employed in *Quadragesimo anno* (§57, §58) Pius XI says in effect that “the practical application of the virtue of social justice . . . is equated with the common good.”
13. Waters, *Evolution*, 113.
14. McKee, “Distributive Justice,” 2–3.
15. Dempsey, *Functional Economy*, 164.
16. Waters, *Evolution*, 95, correctly asserts that a just society is one in which the rights of the individual and the community are satisfied.
17. *Ibid.*, 113.
18. Tax avoidance is an entirely different matter. Avoidance means arranging one’s income in a way that conforms to the tax code but reduces the amount owed in taxes.
19. Dempsey, *Functional Economy*, 370, 372.

20. Benedict XVI, *Caritas in veritate*, 2009,  
[http://vatican.va/holy\\_father/benedict\\_xvi/encyclicals/documents/hf\\_ben-xvi\\_enc\\_20090629\\_caritas-in-veritate\\_en.html](http://vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate_en.html) (8 Jul. 2009), § 35.
21. Pius XI, *Divini redemptoris*, English text (corrected), § 51, emphasis added.
22. Benedict XVI, *Caritas in veritate*, § 35.
23. Dempsey, *Functional Economy*, 272–73.
24. Benedict XVI, *Caritas in veritate*, § 7; quote marks in the original.
25. Dempsey, *Functional Economy*, 272.
26. *Catechism of the Catholic Church*, (San Francisco, CA: Ignatius Press, 1994), § 822.
27. Leo XIII, *Rerum novarum*, 1891,  
[http://vatican.va/holy\\_father/leo\\_xiii/encyclicals/documents/hf\\_l-xiii\\_enc\\_15051891\\_rerum-novarum\\_en.html](http://vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html) (9 Jul. 2009), § 14.
28. *Ibid.*, § 22.
29. Ederer, “A Principle,” 107.
30. *Ibid.*, 114.
31. John Paul II, *Sollicitudo rei socialis*, 1987,  
[http://vatican.va/holy\\_father/john\\_paul\\_ii/encyclicals/documents/hf\\_jp-ii\\_enc\\_30121987\\_sollicitudo-rei-socialis\\_en.html](http://vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_30121987_sollicitudo-rei-socialis_en.html) (10 Jul. 2009), § 38.
32. *Ibid.*, § 40.
33. John Paul II, *Centesimus annus*, 1991,  
[http://vatican.va/holy\\_father/john\\_paul\\_ii/encyclicals/documents/hf\\_jp-ii\\_enc\\_01051991\\_centesimus-annus\\_en.html](http://vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus_en.html) (10 Jul. 2009), § 10.

34. Benedict XVI, *Caritas in veritate*, § 38.
35. *Ibid.*, § 35.
36. Benedict XVI, *Caritas in veritate*, § 38; emphasis in the original. Later Benedict adds “international solidarity,” “social solidarity,” and “welfare solidarity” (see § 60) without clarifying how those terms differ from “solidarity” as defined in this section. The difference seems to somehow relate to the principle of subsidiarity. It is also important to note in this passage that, in the early 1900s, for example, the German Jesuit economist Heinrich Pesch identified the two as complements: “charity must complement justice so that one person will help the other, even when he is not compelled to do so by any kind of legal obligation.” See Heinrich Pesch, *Heinrich Pesch on Solidarist Economics: Excerpts from the Lehrbuch der Nationalökonomie*, trans. Rupert J. Ederer (Lanham, MD: University Press of America, 1998), 177.
37. Benedict XVI, *Caritas in veritate*, § 58.
38. Ederer, “A Principle,” 114.
39. The profit maximization principle asserts that profits of the typical firm are maximized at the unique combination of price and output where the additional cost of producing one more unit of output is equal to the added revenue from selling that unit.
40. James Schall, “Justice: The Most Terrible of the Virtues,” *Journal of Markets and Morality* 7 (2004): 412.
41. John Paul II, “From the Justice of Each Comes Peace for All,” 1998, [http://vatican.va/holy\\_father/john\\_paul\\_ii/messages/peace/docoments/hf\\_jp-ii\\_mes\\_08121997\\_xxxi-world-day-of-peace\\_en.html](http://vatican.va/holy_father/john_paul_ii/messages/peace/docoments/hf_jp-ii_mes_08121997_xxxi-world-day-of-peace_en.html) (10 Jul. 2009): 1.

42. John Paul II, *Sollicitudo rei socialis*, § 38.

43. Benedict XVI, *Caritas in veritate*, § 38.