

LABOR DAY STATEMENT
**RENEWING THE SOCIAL CONTRACT,
RECLAIMING THE DIGNITY OF WORK AND THE RIGHTS OF WORKERS**

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This Labor Day finds the American economy shifting, churning, and adapting to new realities. Even as our economy continues to expand from the last recession creating millions of new jobs, it is reported that most Americans have seen their income decline or just hold even. Young people with only a high school education are at a marked disadvantage. As they enter the work-force, they start jobs paying some 30 percent below similar jobs of the late 1970's. Indeed, wages for most Americans who have only a high school education have deteriorated. Families must work longer hours with more members of the family in the workforce just to keep pace. Income for middle-class families stagnates. From the shipyards of the East, the steel mills and auto plants of the Midwest, the textile mills of the South, to the high tech, aerospace industries of the West, American companies, American people, and American workers find that the "old ways" of working or doing business no longer exist. For too many, the assumed social contract between employer and employee has been replaced by "survival of the fittest."

Once our economy depended almost totally on the land. Each farmer, or more likely a family, could live fully off the land. Now agriculture employs just 1.6 percent of the American workforce. Then the industrial revolution developed the factory where many people prospered within the structure of manufacturing. In the last 25 years, the manufacturing sector, which helped many workers join the middle-class, has lost millions of jobs and now appears on the decline.

Change has brought us from the agricultural age, to the manufacturing age, to the still evolving service/information age. This emerging sector beginning to dominate the American economy brings challenges both to the workplace and to workers. Today, the economy relies increasingly on our knowledge--especially scientific knowledge--our capacity for interrelated and compact organization, as well as our ability to perceive the needs of others and to satisfy them. More than ever, our work is work *with others* and our work is work *for others*: it is a matter of doing something for someone else. While our nation still grows huge amounts of food and still manufactures a vast number of goods, it relies more and more on "high technology" rather than human brawn to provide our daily bread.

This new technology is freeing for many; but others face serious problems, all associated with economic change. The fact is that many people do not have the ability to make an effective and dignified contribution in this new economy. They do not have the sophistication or basic knowledge which would enable them to express their creativity and develop their full potential in this new environment. Without additional training and education there is no way for them to enter this network of knowledge and intercommunication.

Catholic social teaching increasingly recognizes the positive value of the market and of enterprise within society, but always places it at the service of the person. “The modern business economy has positive aspects. Its basis is human freedom exercised in the economic field, just as it is exercised in many other fields. Economic activity is indeed but one sector in a great variety of human activities, and like every other sector, it includes the right to freedom, as well as the duty of making responsible use of freedom.” The economy is only one part of the human experience, not its sole determinant, It, like other aspects of society, must work to build the common good. As Pope John Paul II notes, Catholic teaching envisions a society of work freely chosen, of enterprise, and of participation. He envisions a society not directed by, or directed against, the market; but where society and the government appropriately regulate the economy to guarantee that the basic needs of the whole society are satisfied. Business, as the Pope reminds us, is not just “‘a society of capital goods;’ it is also a ‘society of persons’ in which people participate in different ways and with specific responsibilities, whether they supply the necessary capital for the company’s activities or take part in such activities through their labor.”

More than 92 percent of the American workforce work for someone else. A vast amount of corporate restructuring took place in the late ‘70s and through the I 980s when American productivity lagged and wages followed. But since 1982 the stock market has exploded -- increasing more than 400%, at the same time it is reported that the average wage has fallen about 15%. The market has responded to record corporate profits produced by robust gains in worker productivity and other factors. This renewed growth in productivity in the last few years has been accompanied by, not the traditional increase in wages, but an actual decline in real wages. This decline of wages and benefits for working people in United States over the last ten years has resulted in the largest gap between the rich and poor in the industrialized world.

The so-called “downsizing,” or some suggest “rightsizing,” of corporations has brought about not just the elimination of jobs, but the remaining work often pays less, is part-time, and without health care or a pension. All of this has resulted in significant increases in the number of working families with children falling into poverty. In fact a majority of poor Americans live in households with workers, most of whom have no health insurance or pension. The minimum wage is now some 26% below its average for the I 970s when adjusted for inflation. Instead of sharing in the expanding economy created by rising productivity, many workers have come to depend on the Earned Income Tax Credit which has been raised three times since the mid- 80s. Recently an investment banker worried that “we face a real risk right now of dramatically increased social tensions and political upheaval if wages don’t begin to catch up with the productivity curve.”

The purpose of business in this new economy remains the same as other economic enterprises: to seek a profit by providing a service to the larger community and fulfilling the human needs of the people involved in the business. But John Paul II warns “profitability is not the only indicator of a firm’s condition. It is possible for the financial accounts to be in order, and yet for the people — who make up the firm’s most valuable asset — to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm’s economic efficiency... Profit is a regulator of the life of a business, but it is not the only one; other human and

moral factors must also be considered which, in the long term, are at least equally important for the life of a business.”

Business ownership entails moral responsibilities to the larger society that requires it to create opportunities for work and add to the common good. In *Economic Justice for All*, the bishops point out that work is so important that “all who can work are obliged to do so.” John Paul II in *Centesimus Annus* adds this corollary: “The obligation to earn one’s bread by the sweat of one’s brow also presumes the right to do so. A society in which this right is systematically denied, in which economic policies do not allow workers to reach satisfactory levels of employment, cannot be justified from an ethical point of view, nor can that society attain social peace.”

As America produces less things, products, manufactured goods, etc. and produces more ideas, services, and intangibles the nature of businesses and work changes. Those who possess skills, technology, and know-how become as important as landowners in years past. Work must not only provide for our own needs, but those of our families, our community, our nation, and all humanity.

A person is due — at whatever task, in whatever job, by the very fact of their humanity — both the possibility to survive and the possibility to contribute to the common good. The old adage “an honest day’s work for an honest day’s pay” implies a social contract between an employee and employer. It also recognizes the responsibility of employers and society to workers. Society must affirm this contract by ensuring that everyone who can work has the opportunity to do so. On the other hand, every business — regardless of its size, function, or organization — must respect the basic human rights of workers which include a living wage sufficient to support a family, old age and unemployment protection, a decent work environment, and the right to organize and bargain collectively.

On this Labor Day, we call on leaders of business and labor, government and other mediating organizations to reflect on the human consequences and moral dimensions of our changing economy. All must seek to renew the social contract which offers dignity to workers and puts work at the center of our national economic life.

Additional copies of the Labor Day Statement are available from
The Office of Domestic Social Development, U.S. Catholic Conference,
3211 Fourth Street, NE, Washington, DC 20017, (202) 541-3185.

DOCUMENTATION Commemorating Labor Day

Selected portions of current world-wide documents of special interest to Church executives

Annually the US Bishops commemorate Labor Day in the United States with a statement of principles and hopes for the future for the workers of America. Here is the 1998 statement issued by Spokane Washington Bishop William S Skyistad, the chairman of the US Bishops Domestic Policy Committee:

LABOR DAY:

NOT A PICNIC FOR EVERYONE

On Labor Day, families gather to mark the end of summer and the beginning of a new school year. Many families use the long Labor Day weekend to squeeze in the last picnic of summer. Backyard grills sizzle with barbecued chicken as we serve up the last fruits of the growing season.

It is also a time to remind ourselves of the roots of the holiday and the importance of protecting workers' rights, especially low-wage workers. The low-wage workers who cleaned the chickens and picked the strawberries for our Labor Day feast probably cannot afford to purchase the fruits of their labors. Most agricultural workers, like other low-wage workers-janitors, window washers, hotel housekeepers, and workers in health care and child care-have no pension other than Social Security and no health insurance.

For the past 100 years, modern labor unions have played a significant role in protecting workers' rights. Some Americans question whether workers still need to organize. They applaud the achievements of a movement such as Solidarity in Poland, but, ironically, fail to see a role for trade unions in our country. Many migrant farm workers lack not only a decent wage, health care and retirement benefits, but some live in wretched housing, contend with dangerous machinery, handle hazardous farm chemicals and work long hours. These seasonal crop workers-those who pick the strawberries, melons, apples, and other "picnic" delights-are especially vulnerable to exploitation because of their mobility and tough new immigration laws.

Msgr. George Higgins, a noted labor priest, was staying at a hotel when he asked the woman who cleaned his room how long she had worked there. "Twenty years," she said. He then asked her if she would mind telling him how much she earned. "Minimum wage," was her reply. Msgr. Higgins goes on to say, "I am often asked 'why are unions needed in this day and age?' People should not ask me. They should ask that maid and other low-wage workers."(1)

The church supports the right of workers to form unions or other associations as a specific application of the human right to associate. Workers, particularly migrant agricultural workers, have the right to organize and bargain collectively to secure fair wages and working conditions.(2) In the words of Pope John Paul II, "The experience of history teaches that organizations of this type are an indispensable element of social life, especially in modern industrialized societies."(3)

But unions, like employers, have duties to the larger society.(4) Just as our Catholic teaching demands that employers treat their employees with dignity and respect, so it demands that unions be about more than just economic gain for their members. Workers also must contribute to the common good by seeking excellence in production and service.(5) Catholic teaching challenges them to see their work as part of their Christian vocation to transform the world in the light of the Gospel.

While unions should defend the wages and benefits of their membership, they also have the obligation to empower workers to take an active role in the society and the larger community.(6) “Workers must use their collective power to contribute to the well-being of the whole community and should avoid pressing demands whose fulfillment would damage the common good and the rights of more vulnerable members of society.”(7)

This year, after the ‘Labor Day picnic, take time to say a prayer for the low-wage workers who provide our food. Many of them work long hours, in horrible working conditions, for meager wages. Pray for the workers who still don’t have a 40-hour work week, safe and sanitary shops or the chance to make a decent living for their families; remember the workers confronting firing, intimidation, delays, replacement and bad faith when they try to organize to defend their rights.(8) But recognize the contributions of those employers whose initiative and investment create decent jobs at decent wages, who treat their workers as partners and who help build the economic health and vitality of the community.

Over 10 years ago, the U.S. bishops’ pastoral letter on the economy, “Economic Justice For All,” called for a new American experiment: “new forms of cooperation ‘and partnership among those whose daily work is the source of the prosperity and justice of the nation.”(9) This Labor Day, I call on workers and employers, unions and corporations to work together more creatively to increase productivity, to enhance job security, to share economic rewards, to compete in a global marketplace and to contribute to the common good of our society.

Labor Day should be more than a shopping day or time for back-to-school sales. It should be a time to review why the church has stood with workers in their struggle for justice. Each of us has a responsibility to make this economy work for everyone: employers, workers, shareholders, union members, consumers. As followers of Jesus Christ, we are called to measure our economy, not only by what it produces, but how it touches human life, whether it protects human dignity and strengthens family life.

Footnotes

1. Msgr. George G. Higgins, “Organized Labor and the Church: Reflections of a ‘Labor Priest,” with William Bole (Paulist Press, 1993), p. 181.
2. National Conference of Catholic Bishops, “Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy,” Washington, D.C., 1986, no. 104.
3. Pope John Paul II, “Laborem Exercens (On Human Work), 1981, no. 20.
4. “Economic Justice for All,” no. 106.

5. "Economic Justice for All," no. 102.
6. "Economic Justice for All," no. 304.
7. "Economic Justice for All," no. 106.
8. Commission on the Future of Worker—Management Relations, "Fact Finding Report," Washington, D.C. 1994, pp. 68-74.
9. "Economic Justice for All," no. 296.