

ACSJJC SUMMARY AND DISCUSSION GUIDE: *Rerum Novarum (On Capital and Labour)*

In 1891, Pope Leo XIII released his encyclical *Rerum Novarum (On Capital and Labour)*. The first of the social encyclicals, it was issued at a time of immense social change in Europe, marked by the awakening of democracy, a rise in industrialisation and the influence of capitalism, and the popular appeal of communism among working people.

Pope Leo was concerned about the rise of communism, which claimed to offer workers a socio-economic and political alternative to the alliance between aristocratic privilege and the capital industrial interests. At the same time he saw the excesses of capitalist development and the exploitation and dire poverty of workers.

There are three major themes in the encyclical:

- the balance between labour and capital
- the common good
- the role of the state.

Pope Leo also articulated what has come to be known as *the preferential option for the poor*.

The balance between labour and capital

In the opening of the encyclical, Pope Leo acknowledges:

It is no easy matter to define the relative rights and mutual duties of the rich and of the poor, of capital and of labour. And the danger lies in this, that crafty agitators are intent on making use of these differences of opinion to pervert men's judgments and to stir up the people to revolt. (# 2)

Nevertheless he proceeds to outline the main rights and duties of both.

Each needs the other: capital cannot do without labour, nor labour without capital. Mutual agreement results in the beauty of good order, while perpetual conflict necessarily produces confusion and savage barbarity. (# 19)

Workers' duties include the following (# 20):

- to perform conscientiously the work they have freely agreed to do
- not to damage the employer's property or resort to violence
- not to have anything to do 'with men of evil principles, who work upon the people with artful promises of great results ... which usually end in useless regrets and grievous loss'.

Employers' duties (# 20) include:

- respecting the dignity of their workers, not treating them as indentured labour or simply a factor of production, but remembering that working for a living is an honourable thing
- not to overtax their workers by giving them work that is beyond their capacity
- 'to give everyone what is just', and not to reduce wages by fraud or undue pressure. 'To defraud any one of wages that are his due is a great crime which cries to the avenging anger of Heaven.'

In one of the most famous passages in the encyclical, Pope Leo emphasises that wages must be sufficient for the worker's basic needs.

If through necessity or fear of a worse evil the workman accept harder conditions because an employer or contractor will afford him no better, he is made the victim of force and injustice. (# 48)

He makes the point that 'it is only by the labour of working men that States grow rich'.

Justice, therefore, demands that the interests of the working classes should be carefully watched over by the administration, so that they who contribute so largely to the advantage of the community may themselves share in the benefits which they create – that being housed, clothed, and bodily fit, they may find their life less hard and more endurable. (# 34)



The common good

Pope Leo made it clear that people have the right to private ownership, but must balance that right against the idea of the common good. He speaks of

the principle that it is one thing to have a right to the possession of money and another to have a right to use money as one wills. (# 22)

He continues:

Whoever has received from the divine bounty a large share of temporal blessings has received them for the purpose of using them for the perfecting of his own nature, and, at the same time, that he may employ them, as the steward of God's providence, for the benefit of others. (# 22)

[A]ll citizens, without exception, can and ought to contribute to that common good in which individuals share so advantageously to themselves. (# 34)

Also in this encyclical, Pope Leo articulates what has become known as *the preferential option for the poor* – the teaching that the poor, the marginalised and the powerless have a special call on our charity.

When there is question of defending the rights of individuals, the poor and badly off have a claim to especial consideration. (# 37)

[The Church's] desire is that the poor, for example, should rise above poverty and wretchedness, and better their condition in life; and for this she makes a strong endeavour. (# 28)

The role of the state

To maintain the balance between competing and often unequal forces, the encyclical asserts that the first duty of the state must be to ensure wellbeing for all.

Hereby, then, it lies in the power of a ruler to benefit every class in the State, and amongst the rest to promote to the utmost the interests of the poor ... And the more that is done for the benefit of the working classes by the general laws of the country, the less need will there be to seek for special means to relieve them. (# 32)

Pope Leo also emphasised the role of the state in supporting the individuals and the families to grow and develop.

We have said that the State must not absorb the individual or the family; both should be allowed free and untrammelled action so far as is consistent with the common good and the interest of others. (# 35)

Fundamental to the call of this encyclical is the God-given dignity of the human person. Key to this dignity is the availability of work that is fulfilling, with pay and conditions that protect the worker, satisfy family needs and promote community development.

For reflection and discussion

Which of these issues remain as a concern to be addressed?

Which parts of the encyclical are still relevant to issues such as:

- **labour and industrial relations?**
- **unbridled capitalism and globalisation?**
- **workers and families who are struggling to make ends meet?**

What situations or issues referred to in *Rerum Novarum* have changed since it was written in 1891?

Where in your community do you see the effects of inadequate working conditions, low wages or family poverty?

Documents

The encyclical *Rerum Novarum* can be found at:

www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l_xiii_15051891_rerum-novarum.en.html

In May 2011, the Catholic Bishops of Australia issued a statement on the 120th anniversary of *Rerum Novarum*:

http://www.catholic.org.au/index.php?option=com_docman&task=doc_download&gid=1140&Itemid=355