



Venite Roundtable with Entrepreneurs  
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### *Subsidiarity in a Company*

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Catholic social teaching (CST) intends to be a gift that stimulates a profound and creative social conversation. In upholding a vision of dignity, the common good, solidarity and subsidiarity, it becomes a beacon on a hill for our times. But like yeast mixed with flour, our social teaching seeks to leaven the entire dough. It is a common point of reference that helps us to listen to each other. Together we can raise a common future. It helps us to speak beyond our differences.

When CST speaks, it seeks conversation. It cannot express itself as a monologue. Everyone is a listening and contributing participant in every social conversation. CST wishes to model fraternity and solidarity, not only talk about them! The Church wishes to hear the response of those who daily take up political, economic, business and other tasks for society. She wants to hear how you see the challenges of seeking the common good in the current context, how you understand the griefs and sorrow, hopes and aspirations of those whom you serve. She wants to foster a community of communities where love prevails, in the form of care, solidarity, creativity, responsibility, leadership, fairness and closeness.

If we focus on the interplay of business with Catholic social teaching, we should expect conversations on at least two levels: those with a specific focus on business; and those that appreciate and challenge the business community alongside others in society – that is, the global village of many communities.

As you know already, Catholic social teaching has its foundations in the earliest Biblical times, and has accumulated insights and divine inspiration through the ages. But its modern distillation, under the general term *Catholic Social*

*Doctrine*, dates from the first social encyclical of Pope Leo XIII, namely *Rerum Novarum* of 1891.

Between the two World Wars and forty years after *Rerum novarum*, Pope Pius XI (1922-1939) introduced two key principles – **solidarity** and **subsidiarity** – in his social encyclical *Quadragesimo anno* (1931). Reflecting on current economic conditions, especially those resulting from the worldwide Great Depression that began in 1929, the Holy Father stressed the need for cooperation or *solidarity* to overcome persistent social problems such as hunger and unemployment. He also urged the State, in its relationships with its inhabitants, to serve and not to dominate, and thus to respect the principle of *subsidiarity*. These principles of solidarity and subsidiarity would become permanent elements in the Social Doctrine of the Church.

Subsidiarity calls for respect (and for support when needed) by larger and more distant entities, for the initiative, freedom and responsibility of the smaller, more local entities.<sup>1</sup> It applies to respect for individuals and families by the state; for local and regional units by headquarters; for workers by bosses.

According to Pope Pius XI: “It is an injustice and at the same time a grave evil and disturbance of right order, to assign to a greater and higher association what lesser and subordinate organizations can do.”<sup>2</sup> Instead, the higher, more distant or broader authority should always respect the competence and responsibility of lower and more local units that are more directly connected with the reality.

To put it in a positive way, *subsidiarity* means that every level of society – from the basic unit of the individual and family to the most complex international or global levels – should exercise the appropriate degree of responsibility. “This principle is imperative because every person, family and intermediate group has something original to offer to the community.”<sup>3</sup>

For example, the state should not decide what a family is going to have for supper; but when it comes to global warming or international terrorism, humanity as a whole needs to take responsibility for finding solutions – it is not enough to say to each family or even to each state, “Take care of it yourselves.”

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<sup>1</sup> This applies to the Church too. Like Saint John XXIII before him, Pope Francis is working now to lessen the centralization in Rome and strengthen the role of the local Church.

<sup>2</sup> *Quadragesimo Anno*, § 79.

<sup>3</sup> *Compendium*, § 187.

Or when it comes to jobs, the just distribution of work requires *subsidiarity*, with each level from the local and municipal all the way to the international and global playing its role properly, neither neglecting nor exaggerating its responsibilities.<sup>4</sup>

So here in Slovakia, the national Government should respect and support the Higher Territorial Units and municipalities in exercising authority in defined areas; and they in turn should respect the authority of the cities and towns as they carry out their responsibilities.

In some domains, this relationship proceeds as far as individuals and families: it is consistent with their human dignity and competence to make certain key decisions for themselves, with the support of – but without interference from – local or higher levels of government. This reflects the emphasis of Saint John Paul II. During his long pontificate (1978-2005), he witnessed – and indeed contributed to – the collapse of communism and the great political changes in Eastern Europe.

Early in his pontificate, St John Paul dedicated *Laborem Exercens* (1981) to the related questions of labour, the right to work, the fundamental good of the human person and the true aim of economic activities. He declared that “the basis for determining the value of human work is not primarily the kind of work being done but the fact that the one who is doing it is a person. The sources of the dignity of work are to be sought primarily in the subjective dimension, not in the objective one.” So we may accept and endorse the achievements of technological and commercial innovation “on condition that the objective dimension of work does not gain the upper hand over the subjective dimension, depriving man of his dignity and inalienable rights or reducing them.” This dignity and these rights pertain to people at three levels: the individual, the family, and finally the society or state.<sup>5</sup> This is why subsidiarity needs to address our human dignity in so many levels and situations.

Here we are examining its importance for businesses. In the *Vocation* document, we have applied the principle of subsidiarity to the internal organisation of businesses.<sup>6</sup> Indeed, it is crucial for them. In a time when knowledge and information as well as their acquisition and processing are becoming

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<sup>4</sup> E.g., *Laborem Exercens*, § 10.

<sup>5</sup> *Laborem Exercens*, § 6, 10.

<sup>6</sup> It is noteworthy that *Vocation* is the first Vatican document to connect subsidiarity to business management.

increasingly important factors of production, applying the principle of subsidiarity can play a crucial part in strengthening “the initiative, innovation and creativity, as well as the sense of common responsibility” (§ 48) in companies.

Businesses should provide **Good Work**. By organizing good and productive work, businesses make a contribution to the community by fostering the special *dignity of human work*. Businesses are communities, not mere commodities!

Further, they contribute to the full human development of employees by applying the principle of *subsidiarity*:

- They provide employees with opportunities to exercise appropriate authority and creativity, thus allowing them to contribute to the mission of the organisation and influence its overall direction.
- They define functions clearly and allow the front-line and middle levels to exercise as much authority as possible in their area of responsibility.
- They provide employees not only with resources but also the needed training in order to succeed. This should include topics that increase employees’ confidence and their ability to collaborate with colleagues.
- They are realistic about results. Even when all conditions are ideal and a worker is sincere and attentive, mistakes will happen. These must be opportunities for learning and growth, not reasons for punishment or dismissal.
- They are loyal to their employees in difficult times. Instead of dismissing employees at the first sign of financial trouble, they make difficult adjustments to keep them employed so they can sustain their families. Instead of blaming staff for errors, the owners and executives accept personal responsibility for everything done in the name of their business.
- They accept workers’ right to participate in intermediary bodies such as unions.

In conclusion, let me return to this statement from St. John Paul II: “The sources of the dignity of work are to be sought primarily in the subjective dimension, not in the objective one.” When we think of Jesus as a carpenter, we do not wonder how many chairs or doors he fashioned. Rather, we imagine the person doing the work – the subjective dimension. Just as Jesus taught us that when we clothe the naked and feed the hungry, we do this to him (Mt. 25) – so too, let us realize

that when we fulfil our vocation as business leaders, when we encourage and support employees in fulfilling, dignified work, it is Jesus who is our worker.