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Wal-Mart & Catholic Social Teaching

Michael Sean Winters | Jul. 11, 2013 Distinctly Catholic

"There is a dictate of nature more imperious and more ancient than any bargain between man and man, that the remuneration must be enough to support the wage-earner in reasonable and frugal comfort. If through necessity or fear of a worse evil, the workingman accepts harder conditions because an employer or contractor will give him no better, he is the victim of force and injustice."

-Leo XIII, Rerum Novarum, # 45

Yesterday, the City Council for the District of Columbia passed a new ?living wage? law that applies specifically to large scale businesses like Wal-Mart. Indeed, the day before the vote, as mentioned yesterday, Wal-Mart threatened to suspend plans to build three additional stores in DC if the new law passed. The threat was straight out of the Wal-Mart playbook which is to throw its considerable weight around to get its way, and its way is to be the lowest possible wages to shore up their profit margins. Usually, it works, at least for Wal-Mart which posted $17 billion, with a ?b? in profits in its most recent fiscal year.

They achieve this high profitability through a variety of means. The ability of Wal-Mart to undercut prices at more traditional local stores may be a short-term boon for consumers, but when traditional, often family-run, stores are forced to close in their usual downtown locations, the center of many American towns become ghost towns, their customer-base lost to the big box stores. So, Wal-Mart creates jobs and takes away jobs in sales in any given community. And, Wal-Mart?s profitability is also premised on its ability to import cheap consumer goods from countries like China and Bangladesh where wages are low, thus further damaging the American worker by encouraging the movement of manufacturing jobs overseas.

All this would be enough to indict Wal-Mart in my eyes, but there is not a lot a city council can do about it. City councils do not set trade laws, nor determine the minimum wage in Bangladesh, nor have the capacity to convince customers that the price the pay for the goods at Wal-Mart may be cheap, but the loss of a downtown commercial center may be far more expensive, not only in terms of economic activity but in terms of quality-of-life assessments. But, city councils, and state legislatures, and Congress, can set a minimum wage.

The concept of a ?living wage? should be of special interest to Catholics. Pope Leo XIII did not use the phrase, although he clearly outlined the concept, in the quote at the top of the page. But, in 1906, Fr. John A. Ryan published a book, ?The Living Wage,? that not only introduced Leo?s concept to American Catholic audiences, but actually sought to determine what a living wage would be. He concluded anything less than $600 a year was insufficient.

Fr. Ryan went on to become the first director of the Social Action Committee of the National Catholic Welfare Conference, the forerunner of today?s USCCB. (Pius XI named him a monsignor in 1933.) He became one of the intellectual heavyweights in Franklin Roosevelt?s Brain Trust, working especially closely with his good friend Frances Perkins, who would become Roosevelt?s Secretary of Labor. In the final weeks of the 1932

presidential campaign, Roosevelt quoted Pope Pius XI?s encyclical *Quadragesimo Anno*! Ryan and the U.S. bishops of his time were at the forefront of the fight for social justice, shaping the national agenda, and helping our nation live out its founding commitment to justice and equality. Don?t take my word for it, though. Click here [1] to be taken to the Catholic University Archives where their ?American Catholic History Classroom? has an entire section on Catholics and the Living Wage. You can also click here [2]to find out more about the role of the bishops in social reform more generally. And you can click here [3] to find out about the Church?s support for labor unions. All of this material is on-line and, unlike much of what one finds on-line, has been culled by trained archivists, that is to say, the information is good information.

This information should disquiet some of our friends who prefer to downplay the Church?s social teaching or convert it into some kind of justification for the nasty, spread-eagle tactics deployed by Wal-Mart. Yesterday, the DC City Council, which is not usually very sympathetic to Catholic concerns, did the right thing, even if they did it with no prior knowledge of Fr. Ryan?s role in developing the concept they enacted into law. I hope the Council will go further and raise the minimum wage for all companies, not just large retailers. I hope, too, that more and more municipalities and states will follow their lead and make firms like Wal-Mart pay their workers a living wage. It can be done. Costco is also a big box retailer and while I do not enjoy shopping at any big box retailer, if I had to, I would go to one that gives its employees benefits and pays them a decent wage. I should note that the owner of Costco is an alumnus of the Catholic University of America where Fr. Ryan taught. Although obviously they were not contemporaries, the intellectual tradition of Catholic Social Teaching is perennial. Let us all hope it will become more widespread as our country wrestles with economic questions that are also moral questions.

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