WHAT ROLE FOR SUBSIDIARITY IN EMERGING SCHEMES OF GOVERNANCE?

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1. Introduction
   The focus of our workshop is the assessment of the new schemes of governance as they pose challenges to freedom, legitimacy, solidarity and subsidiarity. So the main task of this session is to analyze the real life of the principle of subsidiarity in those new schemes and, I add, its relationships with the principle of solidarity both within nations and in the evolving relationships among developed countries, developing countries and countries that have been left behind in the economic progress that has taken place in recent years.1

2. The subsidiarity principle as a norm
   The most accepted interpretation of the subsidiarity principle (SP) understands it as inextricably linked to the principle of solidarity. Just to give a very relevant example, Benedict XVI in Caritas et veritate wrote that the principle of subsidiarity is “an expression of inalienable human freedom”, and it “must remain closely linked to the principle of solidarity and vice versa, since 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”.2 Another, very close way of thinking of the SP is as having two inseparable faces. The first one, and the most frequently quoted and referred to, is the one we can call the freedom or self-determination side and its mandate is to protect the autonomy of every person.

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1 The 2008 Plenary Session of our Academy was devoted precisely to that subject. See Margaret S. Archer and Pier Paolo Donati (editors), Pursuing the Common Good: How Solidarity and Subsidiarity Can Work Together, Pontifical Academy of Social Sciences, Acta 14, Vatican City, 2008, available online at http://www.pass.va/content/scienzesociali/en/publications/actacommongood.html

2 At the end of the paper we include quotations from Quadragesimo Anno and Pacem in Terris in order to have at hand some of the main original sources of the SP in the Social Doctrine of the Church. Available online at http://www.vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_19310515_quadragesimo-anno_en.html and http://www.vatican.va/holy_father/john_xxiii/encyclicals/documents/hf_j-xxiii_enc_11041963_pacem_en.html
and, in an increasing scale, to protect in the same way the autonomy of the family and the different communities of the civil society from more aggregated forms of social organization, the national state and, at the end, supranational organizations. The second one is the necessities side and obliges upper entities to subsidiarily assist those that can’t satisfy their basic human needs by themselves. In this context it is relevant to recall that subsidy comes from the Latin *subsidium*, meaning to help, to support, to aid.

In spite of their closeness it is also relevant to ask if the SP has the same “level”, the same importance as the solidarity principle – or if its two faces have it. For instance, the main differences between neoliberals and social democrats can be seen as giving more or less importance to the freedom or to the need side of the SP. Although mainstream Social Doctrine of the Church is very balanced as regard subsidiarity and solidarity principles or faces, it’s not always clear if this is just a reference to the SP or to the necessary complementation with the principle of solidarity. Since there are different opinions on this issue I think it’s worth spending some time discussing it in this session.

The subsidiarity principle as a vision of a social order or arrangement

An alternative but also complementary way of thinking is to envisage that the SP is a vision – certainly an ideal one, in the vein of the ideal types of Max Weber – of the most human way to organize human societies. This could help make clearer the inseparable nature of subsidiarity and solidarity. One of the social orders that result from that vision is participative democracy. Beyond its ways of electing the authorities and its republican character, this polity also allows the participation of all its groups or sectors. In such a context the SP would not mean just recognizing and respecting the autonomy of every person and every collective of the social structure to establish their own goals and to decide the processes to try to get them, but also to promote dialogue and participation of all members of society – collectives and individuals – in defining the goals of the higher levels of the social structure, up to the State, in designing the strategies to meet them, in the ways of putting them into practice and in their regulation and assessment. It has always been very difficult to put such an order into practice but there are some societies that approach this ideal, and participatory decision making has always resulted in institutional devices aimed at putting solidarity in practice. But the newest forms of multiculturalism and globalization add even more difficult challenges and that’s why we strongly agree that “subsidiarity still has to be invented, as all decisions that matter in the global sphere are taken by undefined or shadow powers”, as Msgr. Min-
nerath said in his Introduction to this workshop. I would add that even at
the regional or national levels a sort of reinvention of subsidiarity would
be more than convenient.

3. The emerging schemes of governance and the positive and normative
sides of the subsidiarity principle

Considering subsidiarity heuristically as a vision of social order helps us
identify a variety of new emerging schemes of governance in almost any
sphere of human life, both sound and superficial, from families to the econ-
omy, polities and many other dimensions of social life and, at the same time,
at any level of geographic aggregation.

3.1. At the national level

Although the focus of the workshop is on the international structures
of governance it is also relevant to devote some attention to regional blocks
and to national, subnational and even communal or local levels of gover-
nance. The same happens with the crucial issue of the relationship between
the state and the market that operate at very different scales of government.

Political, economic and social subnational orders

* The local is reawakening everywhere and widespread social and political
movements claiming devolution, federalization and decentralization are in-
creasingly challenging national states. Even secessionist ideas or movements
are taking place in some countries. As a consequence, arguments are grow-
ing on the “optimal” distribution of intra-national sovereignties and the
best level of government to tax and to deliver services, be they local com-
munalities, municipalities-counties, states-provinces, regions inside nations or
the national states.

* Local development appears to be the best way to develop regions through
rich horizontal relationships between civil society organizations (CSO),
firms, local governments and the agents of the knowledge society, which
are frequently in line with the two faces of the SP. In this context it is rel-
evant to recall that Tocqueville’s praise of American democracy in the 19th
century very frequently referred not to the polity but to the marvelous vi-
tality of civil society’s organizations and initiatives.

3 A majority of current conflicts take place inside nations and include cases of seces-
sionism. See Conflict Barometer of the Heidelberg Institute for International Conflict Re-
search.
Notwithstanding, certain tensions emerge between subsidiarity and solidarity around this issue of the optimal “geographic” place of governance and the delivery of goods and services. There are some policies that most of the time need to be developed at the national level, like insurances against risks such as ageing (pensions systems), health or unemployment or, even clearer, anti-cyclical economic policies as referred to below. On the other hand, different forms of decentralization can be very successful in fields like education, economic development, justice and the rule of law, personal security or social assistance that combine subsidiarity and solidarity more efficiently than when they are centralized. It can even be discussed whether the local level, i.e., one in which interpersonal relations can take place, is not the best locus to combine solidarity and subsidiarity in many, if not most, public policies.

Public-private cooperation and new roles for civil society organizations (CSO)

In addition to the local ones, other new ways of public-private cooperation are also emerging in various development, public works, philanthropy or social policy initiatives, both at the national and supranational levels. They involve different forms of cooperation, including tax deductions for investments in culture, arts, sciences, education or social initiatives. Even if they are a good way of putting in practice the SP, caution is needed in order to avoid corrupt practices – not only in emerging countries, as recent scandals show – and subsidies given to very big organizations crowding out smaller foundations or CSOs and contradicting in such a way the SP.

Caution is also needed to avoid or at least reduce the biases of some foundations that, most of the time implicitly, don’t support projects of CSO’s identified as belonging to or just sympathizing with certain religions or practices not considered proper, like pro-life ones.

Another development that can eventually give way to activities guided or compatible with subsidiarity and solidarity is the growing relationship of firms, particularly the biggest ones, with their stakeholders. This concept comprises not only employees, unions, suppliers or customers but also other agencies or issues that weren’t considered in the past, such as governments, local communities or the environment. More and more frequently actions labeled as corporate social responsibility take place, inspired in the stakeholders’ approach. Even if at times these actions seem just a new way of advertising or maintaining institutional relations, others show in practice that many social actions can be enriched in their innovation and efficiency by the entrepreneurial approach given by firms, re-
resulting in cases that can help improve social policies which always require this help in order to overcome their frequently inefficient and paternalistic – i.e., not subsidiary – approach.

**Persons and families rights**

*The postmodern and multicultural context we live in poses completely new challenges to the rights of the most basic entities protected by the SP, i.e., persons and families. Nowadays this can be seen in many aspects of social life, such as laws or regulations that oblige medical personnel to practice abortions or institutions that are against it; educational content in public schools which is not shared by the students themselves or by their parents, or media content through open TV or other mass communication devices which, in addition to being tasteless, are also against the intimate feelings or principles of people who find it difficult to avoid being exposed to them. Further developments of the SP could also help find more effective ways to protect affected rights.*

**3.2. Markets and State**

*This is perhaps the most disputed field at the time of giving priority either to the freedom or to the needs faces of the SP or to make it compatible with the solidarity principle. Disputes take place both at the national and international levels. Some typically conflictive cases are shown below including both ones in which the SP advice seems to be an active intervention of the State and others that advise giving a greater place to lower level polities or CSOs.*

- The SP’s advice is not clear as regards conflicts between numerous small states and multinational firms that are frequently bigger than them on items like regulations, including labor laws, or taxation.

- *Alternative forms of enterprise organizations* such as cooperatives, ESOPs (employee stock ownership plans) and similar forms, microfinance or totally or partially non-profit firms look like a promising field to develop both at the academic and at the practical levels, particularly in the socially stressed context that has resulted from the world crisis of 2008 and its aftermath. Unfortunately this is not a field to which academicians devote much work.

- Another interesting field to work on is the use and organization of common pool resources that most of the time make evident phenomena that
do not fit in a dichotomous world of the market and the state. A good performance of these very complex systems requires trust among participants as its critical factor, i.e., a trait that characterizes or predominates neither the relationships in the market (self-interest) nor the relations between citizens and State (coercion, frequently with some consensual ingredient).

- **Delivering of public services.** Establishing who is better endowed to provide different public services has also always been another relevant issue from the point of view of the SP. Education is one of the most important issues because it involves the rights of parents and their sons and daughters and, on the other hand, many alternative ways to provide it have arisen in the field during the last 20 years or so: charter, cooperative and subsidized public schools; home-schooling and the old but renewed Dutch system of free schools in which every social or religious association that fulfills some basic requirements is subsidized by the government, i.e., something like a generalized charter system.

- **Private versus public property of monopolies or oligopolies,** particularly in the case of public services. A good regulation entity seems to be the best way to assure both an equitable and optimal provision of the good or service in question, particularly if they also allow for the participation of different social actors in a subsidiary way. It could be, however, that a very pragmatic approach is the best one. In some countries there is a tradition of efficient state-owned firms whereas it is exactly the opposite in other contexts. But even in the first case the best alternative could be public-private firms with the participation of different social groups and subnational governments both in stock ownership and in the boards.

- **The financial sector.** The Big Recession that burst in 2008 has very clearly shown that the financial industry is a sector in which good regulation is critical and therefore is the mainstream way of thinking in the academic world of economics. Bad or insufficient financial regulations and the resulting lack of transparency in many countries were decisive to ignite or at least to increase the intensity of the crisis. They also made clear that the banks’ and other financial institutions’ bankruptcies have tremendously negative externalities for the whole economic system, i.e., a cost

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4 A field to which our colleague Partha Dasgupta has contributed a lot and it was the main field of interest of the late 2009 Nobel Prize in Economics Elinor Ostrom.
for other parties otherwise uninvolved in the original transactions. In this case, the failure of big financial institutions induced a run not only against other banks but also against any other financial asset of institution too. And when financial transactions are in an important part transnational the negative externalities spread to the global financial and economic system. The consequent intervention of governments and international financial organizations to bail out those too-big-to-fail institutions is not exempt from problems. The most well known is moral hazard, i.e., the expectation of bail outs could induce very risky but profitable behaviors in the future both in banks and in government entities that might help create a subsequent crisis. A minority of economists, however, based on the efficient markets theory, believe that markets can fix the economy and the financial system by themselves.

- Another broad consensus of the academic world is on the indispensable role of the State to perform good anti-cyclical economic policies as it was also very clearly seen in the aftermath of the Big Recession. Where it was prompter and more active, like in the United States and many emerging countries, like China, results have been much better than in those places where the policy was slower and in installments, like the Eurozone or Japan.

3.3. At the supranational level

The new reality of a multipolar world

For the first time in centuries we are living in an at least partially multipolar world. Can we think of it as more subsidiary than a world ruled by one or two superpowers as was the normal state of affairs for centuries? Perhaps it has some potential to be so as long as it opens more possibilities to more countries to have a say. An incipient example is the G20, the group in which developed and emerging countries participate, which, after the crisis has suddenly gained a place as one of the most important supranational forums, if not the most important one. Another, older case is the existence of non-permanent members of the UN Security Council whose participation, however, is much more limited than the permanent members’ – China, France, Russia, the United Kingdom and the United States – as the former do not have veto power.

5 Members of the G20 are Argentina, Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the USA.
In spite of these potentials, nowadays the dominant trait of world governance is its weakness and even some anarchical trends. Whether at the G2 (China and the US), the G7 (Canada, France, Germany, Italy, Japan, the UK and the US), the G8 (G7 plus Russia) or the G20 it is very difficult to make decisions. A relevant exception was the critical April 2009 G20 meeting in London when, under very dangerous circumstances for the world, its leaders coordinated very effective, decisive actions for the recovery of the world economy. It was a very relevant evidence of the effectiveness of a coordinated action. Nowadays the situation is very different. In the economic realm we see insufficient advances in worldwide financial regulation, in the multilateral exchange rates system and in how to avoid excesses of surplus or deficit in the balances of payments and, as we describe below, in international trade agreements. In the case of the environment advances have also been very difficult and poor. The world is behaving like a spoiled child, wanting the benefits of globalization but rejecting the minimal governance needed to avoid or mitigate some of the problems it creates.

**International governmental organizations**

*IGOs are no longer what they used to be from the Postwar through the eighties as they have lost prestige, influence and respect from many relevant actors. Those devoted to economic issues, like the IMF or the World Bank, have recommended in the past adjustment policies or reforms now seen as totally or partially inconvenient to the countries involved. They are also blamed because of insufficient prevision and preventive action regarding the Big Recession and its consequences. In the case of non-economic agencies some of them like the UNFPA (United Nations Population Fund) or the UNDP (United Nations Development Program) are also under criticism because their frequent advice based on the “politically correct” ideas of their technocracies is often in conflict with that of the people they deal with and even that of their principals, i.e., the countries that belong to the organization. This happens because – recalling Michels’ iron law of oligarchies – those technocracies tend to develop an autonomous way of thinking not necessarily in accord with the explicit mandates of the principals. These conflicts are particularly evident in the case of life and family issues. The relevant question in this context is what would be a fair application of the subsidiarity principle in the IGOs? Of course, a significant part of the problem has its origin at the national level so the question of the application of the SP to life, families and other personal issues could be better analyzed considering
together supranational, national and subnational levels of government. It seems at least probable that different forms of democratization of IGOs as well as the formal incorporation of CSOs to them could contribute to improve the emerging schemes of world governance.

**Trade, WTO, developed and emerging countries and local communities**

* Almost immediately after the Big Depression most of the countries began a process of competitive devaluation of their currencies and a gradual increase in the barriers to international trade. According to a broad academic consensus these anti-trade policies had a very negative effect on the world’s economic activity and in some countries prolonged the recession until the eve of the Second World War. Fortunately, the reaction has been very different in the aftermath of the Big Recession of 2008. Yes, some countries put in place measures to reduce imports promoting national industries while just a few built high barriers against imports. But undoubtedly, the widespread rejection of protectionism – arising at least in part from the commitments undertaken in the WTO (World Trade Organization) – has been one of the policies that helped avoid a deeper fall of the world economic activity. However, negotiations in the framework of the Doha round that began in 2001 have not yet finished. There are hopes that at least some agreements will be reached in the next meeting in Bali in December. In the meantime some supranational regional agreements have progressed more rapidly, like the Trans-Pacific Partnership (TPP), the Regional Comprehensive Economic Partnership (RCEP) and the Transatlantic Trade and Investment Partnership (TATIP). From the point of view of the SP it seems that the natural state of affairs nowadays is to give priority to regional over global trade agreements.

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6 The Trans-Pacific Partnership (TPP) is a significant expansion of the Trans-Pacific Strategic Economic Partnership originally signed by Brunei, Chile, New Zealand and Singapore. Its enlarged version that aims to build a big free trade area added the participation of Australia, Canada, Malaysia, Mexico, Peru, the United States and Vietnam.

7 The RCEP includes all the members of ASEAN (Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) plus China, Japan, South Korea, India, Australia and New Zealand. While the TPP is said to be promoted by the USA, the RCEP appears to be promoted by China. The fact is that the two countries do not share membership in these two organizations.

8 The Transatlantic Trade and Investment Partnership is a very ambitious and recent proposal of a free trade agreement between the European Union and the United States.
Underlying this complex and long march to a free trade world are the industrialization problems of non-Asian countries, both emerging and developed, because of the astonishing efficiency of Asian countries’ manufacturing, frequently based on very low wages, unprotected labor and bad working conditions. These conflicts pose an almost impossible to solve problem and also a challenge for the SP. On the one hand the whole trade liberalization process has allowed access to very cheap goods to billions of people around the world, including computers or smartphones, which become cheaper every year, giving the poor clear opportunities to improve their productivity and income and, even more, to have access to the knowledge society. For instance, mobile phones in Africa were less than 10% of its population in 2003 and reached 80% in 2012. On the other hand, the same process leads to de-industrialization in many regions, cities or local communities, particularly and more intensely in certain developed countries. The aforementioned absence of worldwide agreements on exchange rates and balances of payments makes it impossible to reduce the social pain caused by this otherwise mainly positive process.

**Regional Blocks**

* The most important application of the subsidiarity principle as inspired by the Social Doctrine of the Church to a secular question has been, beyond doubts, its explicit inclusion as an organizing orientation of the constitution of the European Union. However, its current problems show how difficult a good performance of big international federations is, as can be very clearly seen in the case of the euro monetary union without an effective fiscal coordination. The problem is that it requires an authority with the capacity of penalizing those countries that do not accomplish their goals, something that is almost impossible to put in practice. Does this experience imply that

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9 The principle of subsidiarity is defined in Article 5 of the Treaty on the European Union signed in Maastricht in 1992. It ensures that decisions are taken as closely as possible to the citizen and that constant checks are made to verify that action at Union level is justified in the light of the possibilities available at national, regional or local level. Specifically, it is the principle whereby the Union does not take action (except in the areas that fall within its exclusive competence), unless it is more effective than action taken at national, regional or local level. It is closely bound with the principle of proportionality, which requires that any action by the Union should not go beyond what is necessary to achieve the objectives of the Treaties. The application of the principle was afterwards modified and spelled out in the Edinburgh European Council of December 1992, the Treaty of Amsterdam (1999), and the Treaty of Lisbon (2009).
it isn’t possible to organize regional blocks with these traits or is it just a particular case without further consequences? Is there an unavoidable conflict between the application of the SP and, on the other hand, the building of big federations that can help foster not only economic development through broader markets but, more importantly, friendship and peace among peoples and nations?

Global public goods

There are some public goods whose nature is global, i.e., whose provision positively or negatively affects most of or even all the world population. A clean and healthy environment and a good macroeconomic environment are perhaps the two most important. Analyzing this question from the point of view of the SP it’s evident that these public goods can only be provided by a public entity, either an ad hoc IGO or some sort of assembly of representatives of all countries.

Environment. To be efficient the entity in question should have enforcement powers. But as regards the environment the reality nowadays is that the world has no adequate governance to guarantee a better environment, and this is one of the anarchical traits of the current situation we have already mentioned. As regards enforcement power an alternative could be its delegation to lower levels of government, either national or subnational, but this is of course very difficult because of the high transaction costs involved.

Macroeconomics. As it was mentioned before the absence or insufficient coordination of policies regarding exchange rates, balance of payments surpluses or deficits and financial regulations have played a very relevant role in the build-up of the last worldwide financial bubble and its bursting into a Big Recession. International macroeconomic coordination is of course very difficult but without it the risk of a new worldwide recession is not low.

These two cases are interesting from the doctrinal point of view since they show the serious difficulties that the current international disorder poses to the application of the SP.

Global CSOs and citizenship. The existence of global problems and global public goods is giving place to new kinds of citizens and CSOs, the global ones. The two of them are increasingly interested and even involved not only in the issues already mentioned but also in others like fair trade or highly indebted countries. It’s not simple at all to get increased participation of global CSOs or citizens in the new schemes of global governance. But it could also be that global governance might in the end be more complicated without that participation.
4. Thinking of new initiatives of solidarity and subsidiarity working together

4.1. Inside nations

* Core goals: 1) reducing poverty and exclusion; 2) improving income distribution through access to human and physical capital and other policies.

- **Social policies.** Centralized coordination but local delivery, paying special attention to alternatives that enable and empower people avoiding paternalistic and politically conditioned approaches.

- **Income distribution and poverty.** Beyond usual or new ways to fight poverty a special place should be given to allow more access to human and physical capital that can simultaneously promote a more equitable income distribution.
  
  - **Human capital through education.** a) Active participation of the communities in the schools. b) Initiatives like charter schools, the Dutch system, cooperatives that promote at the same time freedom and improved quality of the schools attended by the poor.
  
  - **Physical capital.** a) Promoting home ownership per se and for its capacity to be used as credit collateral. b) Access to the property of firms through alternative organizations like cooperatives, ESOPs, etcetera. c) Microfinance.

4.2. At the supranational level

* **Improvement of the governance of social and economic globalization** in order to improve its effects on poverty reduction and their still negative consequences as regards income distribution in many countries, to avoid or reduce the intensity of financial crises and to obtain smoother free trade processes.

- Either through the G20 or, more bureaucratically, through a new IGO, it is urgent to improve economic world governance particularly as regards exchange rate alignment, fairer balances of payments and a consensual financial regulation.

- Promoting **regional trade agreements** could be better as an initial step to a worldwide agreement at the WTO. Also as regard freer trade it’s necessary to get renewed agreements on decent labor. As welcome as the industrialization of emerging countries is, it shouldn’t be based on unjust and unfair labor conditions.
• The majority of the richest countries have permanently unfulfilled the goal of giving 0.7% of their GDP to promote the development of the poorest ones. Although fulfilling this commitment now seems more problematic than ever because of the crisis in the developed countries, the goal should not be given up, trying instead to find new ways to give new life to it. One of these could be the investment of the funds coming from a consensual reduction of weaponry expenditure by the main world powers as H.H. Paul VI had timely suggested to the United Nations. The richest emerging countries, for instance, those whose GDP per capita is over 10,000 US dollars, should also contribute to the same fund with some proportion of their GDPPs. This gesture could help encourage developed countries to renew their commitment and create a new worldwide solidarity climate.

• A critical investment to improve the living conditions of people in developing countries is R&D aimed at creating cheap or cheaper medicines to combat diseases like tuberculosis, malaria and others that affect mostly the poor.

• Effective priority should be given to the poorest countries in all IGO policies and actions taking their cultures into account.

• Worldwide strategy of job creation. Based on the previous points it would be possible to design and put in practice this strategy aimed at the critical ingredient to obtain social inclusion, combat poverty and improve income distribution, i.e., the creation of enough decent jobs.

Communication of these initiatives

The creation of a website to promote the study, knowledge and dissemination of social actions explicitly or implicitly applying the subsidiarity and solidarity principles could act as a factory of new and innovative social policies. Caritas could be a potential organizer of this website but an ecumenical initiative could be even better.

5. Final comments

As Msgr. Minnerath said in his introduction “the market and behind the market the human tendency to selfishness and greed, national arrogance and strategies of domination are the true motors of the global play” and that “for the time being we have no legitimate world governance”.

Confronted with these realities while at the same time taking into account the renewed commitment towards the poor and the needy which H.H. Pope Francis has very clearly emphasized since the very beginning of
his pontificate, I think that our Academy should consider devoting more energy to the not very well developed science of social policies\textsuperscript{10}, becoming for a while a sort of laboratory of ideas and suggestions to help the development of new ways to put in practice the Social Doctrine of the Church.

\textbf{Quadragesimo Anno (Pius XI)}

25. With regard to civil authority, Leo XIII, boldly breaking through the confines imposed by Liberalism, fearlessly taught that government must not be thought a mere guardian of law and of good order, but rather must put forth every effort so that “through the entire scheme of laws and institutions...both public and individual well-being may develop spontaneously out of the very structure and administration of the State”. [RN, 26] Just freedom of action must, of course, be left both to individual citizens and to families, yet only on condition that the common good be preserved and wrong to any individual be abolished. The function of the rulers of the State, moreover, is to watch over the community and its parts; but in protecting private individuals in their rights, chief consideration ought to be given to the weak and the poor. “For the nation, as it were, of the rich is guarded by its own defenses and is in less need of governmental protection, whereas the suffering multitude, without the means to protect itself relies especially on the protection of the State. Wherefore, since wageworkers are numbered among the great mass of the needy, the State must include them under its special care and foresight”. [RN, 29]

78. When we speak of institutional reform the State comes chiefly to mind, not as if universal well-being were to be expected from its activity, but because things have come to such a pass through the evil of what we have termed “individualism” that, following upon the overthrow and near extinction of that rich social life which was once highly developed through associations of various kinds, there remain virtually only individuals and the State. This is to the great harm of the State itself; for, with a structure of social governance lost, and with the taking over of all the burdens which the wrecked associations once bore the State has been overwhelmed and crushed by almost infinite tasks and duties.

79. As history abundantly proves, it is true that on account of changed conditions many things which were done by small associations in former times

\textsuperscript{10} One of the useful ways to perform this task is the development of evaluations of the results of the policies, normally absent, and their comparative analysis.
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cannot be done now save by large associations. Still, that most weighty principle, which cannot be set aside or changed, remains fixed and unshaken in social philosophy: Just as it is gravely wrong to take from individuals what they can accomplish by their own initiative and industry and give it to the community, so also 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. For every social activity ought of its very nature to furnish help to the members of the body social, and never destroy and absorb them.

80. The supreme authority of the State ought, therefore, to let subordinate groups handle matters and concerns of lesser importance, which would otherwise dissipate its efforts greatly. Thereby the State will more freely, powerfully, and effectively do all those things that belong to it alone because it alone can do them: directing, watching, urging, restraining, as occasion requires and necessity demands. Therefore, those in power should be sure that the more perfectly a graduated order is kept among the various associations, in observance of the principle of “subsidiary function,” the stronger social authority and effectiveness will be the happier and more prosperous the condition of the State.

Pacem in Terris (John XXIII)

140. The same principle of subsidiarity which governs the relations between public authorities and individuals, families and intermediate societies in a single State, must also apply to the relations between the public authority of the world community and the public authorities of each political community. The special function of this universal authority must be to evaluate and find a solution to economic, social, political and cultural problems which affect the universal common good. These are problems which, because of their extreme gravity, vastness and urgency, must be considered too difficult for the rulers of individual States to solve with any degree of success.

141. But it is no part of the duty of universal authority to limit the sphere of action of the public authority of individual States, or to arrogate any of their functions to itself. On the contrary, its essential purpose is to create world conditions in which the public authorities of each nation, its citizens and intermediate groups, can carry out their tasks, fulfill their duties and claim their rights with greater security.