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From Just Price to General Equilibrium: Catholic Social Teaching, Modern Value Theory, and the Problem of the Just Wage

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This paper traces the historical evolution of value theory from Augustine and Aquinas through the marginalist revolution and modern general equilibrium analysis. It argues that while Catholic Social Teaching (CST) offers enduring moral insights into justice, labor, finance, and economic life, its primary role is not to provide a rival technical theory of price formation but to evaluate economic outcomes in light of human dignity, solidarity, and the common good. The paper examines how modern economics developed increasingly formal analytical explanations of value, coordination, and allocation under scarcity, culminating in the general equilibrium tradition associated with Pareto, Arrow, McKenzie, and Debreu. At the same time, it argues that CST remains indispensable as a form of practical moral reasoning and political economy concerned with the ethical purposes toward which economic systems should be directed. The just wage, for example, functions not as an alternative equilibrium theory but as a moral boundary condition specifying outcomes beneath which human dignity is violated. The paper concludes by proposing a constructive division of labor between economics and theology: economics explains the mechanisms through which markets coordinate activity, while CST evaluates whether those outcomes remain consistent with justice and human flourishing. Properly understood, the two traditions are not competing systems of thought but complementary forms of inquiry addressing distinct dimensions of economic life.

Introduction

Among Catholic theologians, one often encounters the view that Augustine's reflections on human desire and Aquinas's notion of the just price remain relevant guides to understanding value. This view is not merely anecdotal. Rather, it is well attested in contemporary theological and ethical scholarship. Authors such as Mary Hirschfeld (2018), Albino Barrera (2005), and Anthony Annett (2022) explicitly engage Aquinas's economic reasoning as a moral framework for evaluating modern markets, while the *Compendium of the Social Doctrine of the Church* (Pontifical Council for Justice and Peace 2004) identifies both Augustine and Aquinas as enduring pillars of Catholic economic thought. Augustine's anthropology of desire, as discussed by John Milbank (1990) and Charles Taylor (1989), continues to inform Catholic accounts of human motivation and consumption. Likewise, Aquinas's concept of the just price, explored by Odd Langholm (1992) and Raymond De Roover (1958), remains central to discussions of fairness, exchange, and justice in Catholic social teaching.

Their reflections raised the first serious questions about what makes something valuable, what counts as a fair exchange, and how economic life fits within the moral order. Yet the relationship between Catholic social teaching (CST) and modern economics remains intellectually complex. Contemporary Catholic scholars generally recognize the distinction between moral theology and positive economic analysis. Authors such as Mary Hirschfeld (2018) and Albino Barrera (2005), for example, explicitly engage modern economic reasoning while simultaneously drawing on the moral and anthropological insights of the Scholastic tradition. Likewise, modern social encyclicals—from *Rerum Novarum* (Leo XIII 1891) to *Centesimus Annus* (John Paul II 1991) and *Caritas in Veritate* (Benedict XVI 2009)—do not typically propose detailed technical theories of price formation or deny the legitimacy of empirical economic inquiry. Rather, they seek to evaluate economic life in light of broader moral principles concerning justice, dignity, solidarity, and the common good.

Even so, tensions can emerge in interdisciplinary dialogue when normative principles concerning just price, just wage, or usury are translated into economic analysis or policy prescription without sufficiently distinguishing the respective domains and methods of moral theology and positive economics. CST remains deeply rooted in the conviction that economic life must be morally governed and that markets exist ultimately to serve the human person. Modern economics, by contrast, has advanced along a different trajectory—one increasingly concerned with the analytical explanation of how decentralized systems of exchange generate prices, wages, interest rates, and patterns of allocation under conditions of scarcity.

What began in Augustine and Aquinas as moral reflection on justice in exchange ultimately developed through the marginalist revolution and culminated in the formal equilibrium analysis of Pareto, Arrow, McKenzie, and Debreu. Understanding this evolution—from moral reflection to mathematical coordination theory—is crucial if theology and economics are to engage one another without conflating their distinct forms of inquiry.

Modern academic specialization often encourages theology and economics to be treated as wholly separate intellectual enterprises, as though one belonged exclusively to moral reflection and the other exclusively to technical analysis. Yet historically the relationship is far more continuous and intertwined. Many of the foundational questions later formalized within economics first emerged within theological and philosophical reflection on justice, exchange, obligation, and the proper ordering of social life. Recognizing this continuity does not collapse economics into theology, nor theology into economics. Rather, it clarifies why productive dialogue between the two disciplines remains both historically grounded and intellectually necessary.

The purpose of this article is therefore not to argue that CST mistakes theology for economics, nor that modern economics renders moral reasoning unnecessary. Rather, the article seeks to clarify how these two forms of inquiry relate to one another. It argues that modern value theory represents genuine analytical progress in explaining how markets coordinate economic activity, while CST retains an indispensable role in evaluating whether market outcomes accord with human dignity and the common good.

This article therefore pursues two goals. First, it explains, in terms accessible to readers without mathematical training, why modern value theory represents a significant advance in positive economic explanation rather than merely an ideological alternative to earlier traditions. Second, it shows how CST can retain its moral authority precisely by recognizing that its primary domain is ethical evaluation rather than technical price determination. Properly understood, the two traditions need not compete; they address different but complementary dimensions of economic life.

The argument of this article is not that CST is mistaken, but that it operates at a different level of analysis: It provides moral evaluation of outcomes, while modern economics explains the mechanisms by which those outcomes arise.

I. Normative and Positive: Framing the Debate

Milton Friedman's essay "The Methodology of Positive Economics" (Friedman 1953) distinguished between normative questions ("what ought to be") and positive ones ("what is"). Positive economics aspires to provide testable explanations of how markets behave, while normative economics evaluates outcomes against ethical or distributive criteria.

This distinction, while useful, is not philosophically uncontroversial. Critics such as Hilary Putnam (2002) and Amartya Sen (1987) have argued that the boundary between fact and value is porous—that the choice of what to model, which assumptions to privilege, and how to interpret results all involve normative judgments. The present article employs the distinction heuristically, recognizing that no inquiry is entirely value-free, while maintaining that there remains a meaningful difference between explaining how markets function and prescribing how they ought to function.

Augustine and Aquinas, like today's CST writers, were engaged primarily in normative reasoning. Augustine's *Confessions* and *City of God* linked human desire, scarcity, and the moral order in ways that anticipate later economic questions—but they remained reflections on justice, not mechanics. Aquinas, in the *Summa Theologica*, asked whether the price of a good ought to correspond to its social worth or its moral fairness. His doctrine of the just price embedded economics in theology, tying exchange to charity and natural law.

Catholic social teaching inherited this framework. When *Rerum Novarum* proposed that every worker deserves a wage "sufficient to support himself and his family," it restated Aquinas's principle in industrial terms. Likewise, *Quadragesimo Anno* expanded the doctrine into a social program—insisting that wages, profits, and property rights all be subject to moral evaluation. In each case, CST addressed the same enduring question: What makes an exchange just?

But to their credit, both the Scholastics and the popes who followed them raised the very questions economists still debate: What makes something valuable? Is value inherent or relational? How do fairness and justice intersect with market exchange? Their answers, however, remained in the realm of "ought." They lacked the analytical tools to explain how prices actually emerge, why they fluctuate, or how equilibrium is achieved.

CST's moral framework, therefore, serves best not as an alternative to economic theory but as a moral boundary condition: It tells us what outcomes are ethically required or forbidden, while positive economics tells us what outcomes are feasible and how different policies affect them. To conflate the two is to blur the difference between understanding how a system operates and judging whether its outcomes are just.

Catholic Social Teaching as Practical Reasoning. At the same time, CST should not be understood merely as an abstract set of moral ideals detached from practical realities. CST belongs to the broader tradition of practical moral reasoning rooted in Aristotle and developed through the Thomistic tradition. Its purpose is not simply to describe ideal ends but to guide prudential judgment concerning social and economic life under conditions of scarcity, uncertainty, and institutional constraint (Yuengert 2023).

Modern social encyclicals repeatedly acknowledge the legitimacy and partial autonomy of the human sciences, including economics, while simultaneously insisting that technical knowledge alone cannot determine the moral purposes toward which economic life should be directed. As *Caritas in Veritate* observes, economic reasoning cannot be morally self-sufficient, because markets operate within broader social and ethical contexts that shape both human welfare and the common good.

This distinction is important because it clarifies the nature of the dialogue between economics and theology. Economics seeks explanatory precision regarding how decentralized systems coordinate production, exchange, and allocation. CST, by contrast, addresses questions of prudence, justice, solidarity, dignity, and social purpose. These domains overlap but are not identical. As Daniel Finn (2006) argues, markets always operate within a broader "moral ecology" composed of institutions, norms, and social practices that shape both economic outcomes and human flourishing.

The resulting tensions are therefore not simply conflicts between "morality" and "science." They often arise from the difficulty of integrating normative principles with practical feasibility under real institutional conditions. Catholic thinkers may disagree about how principles such as the just wage or solidarity should be implemented in practice, just as economists disagree about the likely consequences of competing policies. The existence of such disagreement does not invalidate either discipline; rather, it reflects the complexity of applying moral and economic reasoning simultaneously.

Understanding CST in this way strengthens rather than weakens the article's central argument. The claim is not that CST attempts to replace positive economics with theology, but that the moral evaluation of economic life necessarily involves forms of reasoning that extend beyond the explanatory scope of economics alone. In this sense, the distinction between the science of economics and the broader art of political economy becomes especially important (Salter 2023; 2024).

II. The Scholastics Reconsidered: More Than Moralists

Before proceeding to the classical economists, it is important to correct a common misunderstanding. The Scholastics were not merely moralists pronouncing on what prices should be. Scholars such as Odd Langholm (1992), Raymond De Roover (1958), and Joseph Schumpeter (1954) have demonstrated that medieval thinkers were also engaged in something resembling positive analysis—attempting to understand how prices actually form in markets.

Aquinas's concept of *communis aestimatio*—the "common estimation" of value—can be read as an early recognition that market prices emerge from collective valuation rather than from the intrinsic properties of goods. The Scholastics observed that prices vary with scarcity, that demand affects what buyers will pay, and that competitive conditions matter for exchange. In this sense, they were proto-economists as well as moral theologians.

Yet their insights remained embedded in a normative framework. They asked whether the market price was just, whether sellers could charge more during shortages, whether buyers could exploit desperate sellers. These are moral questions, and the Scholastics answered them with moral reasoning. What they could not do—what no one could do before the development of calculus, probability theory, and formal modeling—was construct a systematic positive theory of how prices are determined across an entire economy.

The Scholastics therefore deserve credit for raising the right questions and for recognizing that markets possess an internal logic. But their contribution was foundational rather than final. Modern value theory builds on their insights while providing the analytical precision they lacked.

The later Scholastic tradition, particularly the thinkers associated with the Salamanca school in sixteenth-century Spain, moved even further toward systematic reflection on economic behavior. Scholars such as Francisco de Vitoria, Martín de Azpilcueta, Luis de Molina, and Juan de Mariana examined questions involving money, exchange, inflation, foreign trade, and interest with a level of analytical sophistication that increasingly resembled proto-political economy rather than purely abstract moral theology (Matson and Ballor 2026a; Langholm 1992).

Azpilcueta, for example, recognized that the abundance of money arriving from the New World affected prices within Spain—an early formulation of what would later become quantity-theoretic reasoning concerning money and inflation. Other Salamanca thinkers acknowledged the role of risk, time, uncertainty, and market conditions in shaping prices and exchange relationships. Their discussions of usury likewise became progressively more nuanced, distinguishing exploitative lending from legitimate compensation for risk, foregone opportunity, and commercial uncertainty.

These developments are important because they complicate simplistic narratives according to which medieval and early Christian thought stood wholly opposed to market reasoning. As recent work in the history of Christian political economy emphasizes, many late Scholastic thinkers were not enemies of commerce but serious analysts of the institutional and moral conditions under which commercial life could contribute to the common good (Matson and Ballor 2026a; 2026b).

At the same time, the central orientation of the Scholastic tradition remained fundamentally normative. The Salamanca thinkers sought not merely to explain market outcomes but to evaluate them morally within a broader framework of justice, virtue, and natural law. Their significance therefore lies not in having discovered modern economics in advance, but in helping establish the intellectual space within which later positive economic analysis could emerge.

This continuity matters for understanding the relationship between CST and modern economics. The transition from Scholastic reasoning to marginalism and general equilibrium theory was not simply a replacement of “religion” by "science." It was also a gradual differentiation between two related but distinct forms of inquiry: one primarily concerned with moral evaluation and social purpose, the other increasingly concerned with analytical explanation and coordination under scarcity.

III. The Classical Detour: Labor Theories and Their Limits

The transition from theological speculation to secular economic theory occurred with the classical economists. Adam Smith distinguished between labor-embodied and labor-commanded value in *The Wealth of Nations* (1776). David Ricardo (1817) developed this into a labor theory of relative prices, and Karl Marx extended it into a system of exploitation and surplus value in *Capital* (Marx 1867).

The labor theory of value held that the value of a good is determined by the quantity of labor required to produce it. This idea had intuitive appeal: It seemed fair that goods requiring more effort should command higher prices, and it provided a seemingly objective basis for value independent of subjective preferences.

Yet the labor theory failed—not because it was displaced by ideological rivals, but because it could not account for observed market phenomena. Consider three difficulties:

The diamond-water paradox. Water is essential for life and requires labor to collect and purify. Diamonds are luxuries with no survival value. Yet diamonds command vastly higher prices than water. The labor theory cannot explain this: The labor content of water and diamonds does not track their market values. The resolution came only with the marginalist insight that value depends on the additional usefulness of one more unit—and water, though essential in total, is abundant at the margin.

Heterogeneous labor. If value derives from labor, whose labor counts? An hour of skilled surgery and an hour of ditch-digging produce vastly different market values. The labor theorists attempted to reduce all labor to a common unit of "abstract labor," but this introduced arbitrary conversion factors that undermined the theory's objectivity.

Capital and time. Wine aged in a cellar increases in value without additional labor. Land produces crops without human effort. Financial assets generate returns through waiting and risk-bearing. The labor theory could not incorporate these sources of value without ad hoc modifications that stripped the theory of its explanatory power.

Marx attempted to resolve these difficulties through the concept of socially necessary labor time and the distinction between labor and labor-power. His moral diagnosis of exploitation under capitalism remains influential in certain theological circles, particularly among liberation theologians. But as a positive theory of value, Marx's system suffered from the same defects as Ricardo's. The transformation problem—the mathematical impossibility of consistently converting labor values into market prices—demonstrated that the labor theory could not serve as a foundation for price determination.

This is not a matter of ideological preference. The failure of the labor theory is a matter of logical and empirical inadequacy. Economists abandoned it not because they wished to justify capitalism but because the theory could not explain the data. When a scientific theory fails to predict or explain observed phenomena, it must be revised or replaced. The marginalist revolution provided that replacement.

Catholic social teaching emerged partly in reaction to the same injustices that concerned Marx. When *Rerum Novarum* (Leo XIII 1891) and *Quadragesimo Anno* (Pius XI 1931) condemned the exploitation of labor, they were responding to genuine suffering under early industrial capitalism. The papal encyclicals recognized, correctly, that labor had become commodified and that wages often bore little relation to the worker's dignity or family needs.

But while both CST and Marxism share a moral intuition about justice in production, their responses diverge. Marx proposed class struggle and the abolition of private property. CST proposed moral reform within a framework of natural law and human dignity. Neither, however, provided a positive theory of value consistent with observed markets. CST's persistence on the notion of a just wage demonstrates how theological traditions continue to assert normative concerns even after economic theory has moved beyond the analytical frameworks that once seemed to support them.

IV. The Marginalist Revolution: Solving the Value Problem

The decisive intellectual break came in the 1870s with the marginalist revolution. William Stanley Jevons (1871) in England, Carl Menger (1871) in Austria, and Léon Walras (1874) in Switzerland each articulated a subjective theory of value based on marginal utility. Goods are valued not according to their labor content or their moral standing, but according to their marginal contribution to satisfaction in conditions of scarcity.

The key insight is deceptively simple: The value of a good depends not on its total usefulness but on the usefulness of one additional unit. Water is essential, but because it is abundant, one more glass of water adds little to our wellbeing. Diamonds are inessential, but because they are scarce, one more diamond adds considerably to the possessor's satisfaction. This resolves the diamond-water paradox that defeated the labor theorists.

Understanding marginal analysis without mathematics. For readers unfamiliar with calculus, the marginalist insight can be understood through a simple example. Imagine you are thirsty and offered glasses of water. The first glass is extremely valuable—you might pay a great deal for it. The second glass is still valuable but less so. By the tenth glass, you are satiated; an additional glass has little value to you and might even be unwelcome.

The "marginal" value is the value of the next unit—not the average value of all units, not the total value of the entire stock, but the specific value of one more. Prices in markets reflect this marginal valuation because buyers and sellers make decisions at the margin: Should I buy one more unit at this price? Should I sell one more unit at this price?

This insight revolutionized economics because it provided a unified explanation for prices across all goods and services. Labor, capital, land, consumer goods, financial assets—all are valued according to their marginal contribution. The framework is general, consistent, and empirically powerful.

From Aquinas to Menger. Where Aquinas spoke of *communis aestimatio*—the common estimation of value—Menger demonstrated how subjective valuations converge through market exchange to produce objective prices. The Scholastics had perceived that markets possess an internal logic; the marginalists uncovered the mechanism by which that logic operates. Aquinas intuited that value arises from human estimation; Menger proved how individual estimations aggregate into market prices through the process of exchange.

This continuity deserves emphasis. The marginalist revolution did not repudiate the Scholastic insight that value is relational rather than intrinsic. It vindicated that insight by showing precisely how relational valuation works. The difference is one of analytical precision, not fundamental disagreement about the nature of value.

The theological anxiety. Yet even as the marginalists established a scientific foundation for value, CST remained uneasy. To many within the Church, the new economics appeared morally indifferent—concerned with efficiency but not with fairness. The notion that value was subjective seemed to dissolve moral absolutes; if value arises from preference, then even vice could command a price. The Church's fear was not unfounded: The marginal utility framework is ethically neutral. It tells us only what prices will be, not what they ought to be.

This anxiety resurfaces repeatedly in modern encyclicals. *Quadragesimo Anno* (Pius XI 1931) lamented the "dictatorship of the market," warning that unbridled competition risks subordinating moral law to profit. *Laborem Exercens* (John Paul II 1981) reaffirmed that labor must never be treated merely as a commodity—an implicit rebuke to the marginal productivity theory of wages. These papal statements, though normative, capture the enduring tension between the Church's concern for justice and economics' commitment to positive analysis.

But to dismiss marginalism as morally hollow is to misunderstand its purpose. The marginalist revolution did not seek to define justice; it sought to explain behavior. Its subjectivity was not relativism but realism—the recognition that value arises from individual choice under scarcity. In this sense, the marginalists completed what Aquinas and the Scholastics began: They identified the mechanism by which human estimation produces price. Where the Scholastics perceived moral order, the marginalists uncovered causal order.

A point of contact. This is where CST could, in principle, find harmony with economics rather than opposition. CST's insistence that exchange must serve the human person aligns, at a moral level, with the marginalist insight that all value derives from personal evaluation. Both affirm the dignity of the chooser, though in different registers—the theologian speaks of free will ordered to the good; the economist, of choice constrained by scarcity. Properly understood, the two are complementary: The one speaks to ends, the other to means.

V. From Marshall to Debreu: The Consolidation of Value Theory

The twentieth century consolidated the revolution in value theory. Alfred Marshall synthesized supply and demand into his famous "scissors" model in *Principles of Economics* (Marshall 1890), showing that price is determined by the intersection of what buyers are willing to pay and what sellers are willing to accept. Neither blade of the scissors cuts alone; value emerges from the interaction of both.

Irving Fisher (1930) defined value financially as the present value of future income streams, a principle that undergirds modern asset pricing. The value of any asset—a bond, a stock, a piece of land—equals the discounted sum of the income it will generate over time. This insight transformed finance from a moral puzzle into a positive science.

Vilfredo Pareto (1906) refined Walrasian equilibrium with ordinal utility and indifference curves, freeing economics from metaphysical claims about measurable utility. We need not assume that satisfaction can be measured in units; we need only assume that individuals can rank their preferences consistently. This methodological refinement made economic theory more rigorous without sacrificing its explanatory power.

General equilibrium: the culmination. The modern existence theory of general equilibrium begins with Arrow and Debreu (1954), who first proved that a competitive equilibrium exists under general conditions. Independent and complementary proofs were subsequently developed by Lionel McKenzie (1954), and the theory was further formalized and extended by Gérard Debreu (1959). Together, this work provided rigorous mathematical demonstrations of the existence of general equilibrium—a set of prices that simultaneously clears all markets in an economy.

For readers without mathematical training, the significance of this achievement can be understood as follows. Imagine an economy with thousands of goods, millions of consumers, and countless firms. Each consumer decides what to buy based on prices and income. Each firm decides what to produce based on prices and costs. These decisions are interdependent: What consumers buy affects what firms produce; what firms produce affects what consumers can buy; prices in one market affect decisions in every other market.

The question is, Can all these decisions be made consistent? Is there a set of prices such that every market clears—every good that someone wants to sell, someone else wants to buy, at those prices?

McKenzie and Debreu proved mathematically that, under specified conditions, such prices exist. This is not a normative claim about justice but a positive theorem about how decentralized decisions can be coordinated through prices. The proof demonstrates that markets possess an internal logic capable of organizing extraordinarily complex systems of production and exchange.

What the proof does and does not show. The existence proof does not claim that markets always reach equilibrium instantaneously, or that real-world markets satisfy all the idealized assumptions. It does not claim that equilibrium outcomes are fair, just, or morally adequate. It demonstrates only that market coordination is logically possible—that the price system can, in principle, solve the problem of allocating scarce resources among competing uses.

This matters for the dialogue with theology because it establishes that markets are not chaotic or arbitrary. They possess a discoverable order. The theologian who affirms that creation is intelligible—that reason can discern order in nature—should find this congenial. General equilibrium theory reveals the rational structure of economic life, just as physics reveals the rational structure of material nature.

The theological opportunity. For Catholic thinkers, this development posed both an opportunity and a challenge. On one hand, the general equilibrium model vindicated the idea—long intuited by Aquinas—that economic order possesses an inherent rationality, a logic that can be discovered and described. On the other, it stripped value of moral texture. In equilibrium, wages and prices reflect scarcity and productivity, not fairness or desert.

Centesimus Annus (John Paul II 1991) and *Caritas in Veritate* (Benedict XVI 2009) later reasserted that economics must remain “at the service of man,” implicitly acknowledging that equilibrium alone cannot guarantee justice. This papal recognition is precisely correct. The question is how to articulate the relationship between economic analysis and moral evaluation without conflating them.

VI. The Just Wage and Marginal Productivity

The doctrine of the just wage sits at the heart of the tension between CST and modern economics. Beginning with *Rerum Novarum* (Leo XIII 1891), the Church has maintained that every worker is entitled to remuneration “sufficient to maintain himself and his family in reasonable comfort.” This standard is not defined by market equilibrium but by moral adequacy—a wage is just when it sustains dignity, not merely when it clears the labor market.

Modern value theory, by contrast, defines the wage as the price of labor—the point where supply equals demand, or equivalently, where the wage equals the value of the worker’s marginal product. In competitive markets, employers hire workers up to the point where the additional revenue generated by one more worker equals the wage paid to that worker. If the wage exceeds marginal product, the employer loses money on that worker and will not hire. If the wage falls below marginal product, other employers will bid for the worker, driving the wage up.

Understanding marginal productivity without mathematics. Imagine a bakery that produces bread. The baker hires workers to make loaves. The first worker is highly productive—she can produce one hundred loaves per day. The second worker is also productive but slightly less so, because the two workers must share equipment—he produces eighty additional loaves. The third worker produces sixty additional loaves, and so on.

The “marginal product” of labor is the additional output produced by one more worker. If bread sells for $2 per loaf, the value of the marginal product of the third worker is $120 per day (60 loaves × $2). If the wage is $100 per day, the baker will hire the third worker because doing so adds $120 in revenue but only $100 in cost. If the wage is $150 per day, the baker will not hire the third worker because the cost exceeds the value of what that worker produces.

In equilibrium, the wage equals the value of the marginal product. This is not a moral claim but a logical result of employers maximizing profit and workers seeking the highest available wage.

The divergence. Here the divergence between CST and economics becomes unmistakable. The just wage doctrine asserts a moral entitlement independent of productivity. It seeks to define what the wage ought to be, not what it is. General equilibrium theory, however, is agnostic about ethics: It describes the wage that results from individual optimization, not the wage that accords with virtue.

The problem is not that CST is wrong to seek justice, but that it lacks a mechanism for achieving it without reference to productivity. If a just wage is declared to be $20 per hour, but a worker's marginal product is worth only $12 per hour, no employer can profitably hire that worker at the just wage. The result is unemployment—the worker receives not a just wage but no wage at all.

This is not an ideological claim but a logical consequence. When the price of anything—including labor—is set above its market-clearing level, quantity demanded falls below quantity supplied. The surplus, in the case of labor, is unemployment.

Toward reconciliation. This analysis does not invalidate justice; it clarifies its sphere. The Church's teaching on human dignity is indispensable, but its extension into wage-setting must respect that markets are systems of coordination, not tribunals of virtue.

The just wage can be understood as expressing society's moral boundary condition—a minimum beneath which human dignity is violated. The economist explains how wages are determined; the theologian reminds us that the worker is more than an input. Properly framed, the just wage functions not as a rival to equilibrium but as an ethical constraint upon it.

In practice, this means that societies pursuing justice must find mechanisms to raise the effective wage without destroying employment. Earned income tax credits, wage subsidies, skills training, and productivity-enhancing investments can raise workers' incomes by raising their marginal products or by supplementing market wages with transfers. These approaches honor both the economic logic of productivity and the moral imperative of dignity.

The economist and the theologian can thus find common ground: The goal is to raise the productivity of workers so that market wages approach what justice requires, while providing supplementary support for those whose productivity, through no fault of their own, falls short of a dignified income.

The appendix summarizes the conceptual distinction between the just wage and the marginal productivity theory of wages, clarifying how the two frameworks address different dimensions of economic life.

VII. Usury and the Time Value of Money

A similar divergence appears in CST's treatment of usury. From the medieval condemnations of *usura* to the cautious toleration of interest in modern encyclicals, the Church has struggled to reconcile moral aversion to "profit without labor" with the economic reality that capital possesses a time value.

The medieval prohibition on usury rested on Aristotle's claim that money is "barren"—it cannot reproduce itself. Lending money at interest seemed to create something from nothing, to charge for what does not exist. Aquinas permitted compensation for actual losses (*damnum emergens*) and forgone gains (*lucrum cessans*) but not interest as such.

Later Scholastic and early modern Catholic thinkers increasingly distinguished between exploitative lending and legitimate commercial finance. Questions concerning usury often depended not merely on the presence of interest payments themselves but on the broader structure of the lending arrangement: the allocation of risk, the productive character of the investment, the vulnerability of the borrower, and the possibility of unjust enrichment through asymmetrical bargaining power (Matson and Ballor 2026a; Noonan 1957).

This historical development is important because it demonstrates that Catholic reflection on finance evolved alongside the growing complexity of commercial society. The Church's concern was never simply mathematical opposition to all interest payments as such. Rather, it was fundamentally concerned with whether financial relationships contributed to or undermined justice, reciprocity, and the common good.

The modern understanding. Modern economics resolved this puzzle by recognizing that interest reflects the time value of money and the compensation for risk. Irving Fisher demonstrated that people systematically prefer goods now to goods later—a bird in the hand is worth two in the bush. Interest is the price that equilibrates this preference: It compensates lenders for deferring consumption and rewards them for bearing the risk that borrowers may default.

Consider a simple example. If I lend you a hundred dollars today, I give up the use of that money for a year. I cannot spend it, invest it elsewhere, or hold it against emergencies. The interest you pay compensates me for this sacrifice. Moreover, there is a chance you will not repay me. The interest rate incorporates a risk premium reflecting this possibility.

Interest is therefore not profit without labor but compensation for waiting and risk-bearing. The lender provides a genuine service: making resources available across time. This service has value, and interest is its price.

The continuing moral concern. CST, however, continues to view excessive or predatory interest as morally suspect—and rightly so. When credit becomes usurious, when lending detaches from productive purpose and serves only speculation or debt bondage, it violates the Church's vision of the common good.

The moral prohibition on usury finds its modern justification not in a misunderstanding of finance but in the recognition that unrestrained capital can undermine social solidarity. Payday lending at 400 percent annual interest, credit card rates that trap the unwary in permanent debt, and financial speculation disconnected from real economic activity all offend against justice, even if they satisfy the formal conditions of voluntary exchange.

Here again, we find complementarity rather than contradiction. Modern finance explains why interest exists; CST explains when it becomes unjust. One provides the analytical mechanism, while the other serves as the ethical guardrail. The task of a just society is not to prohibit interest but to regulate it—ensuring that financial markets serve productive purposes and that vulnerable borrowers are protected from exploitation.

VIII. CST as Moral Boundary Condition

The foregoing analysis suggests a more constructive framework for relating Catholic social teaching to modern economics. CST should not be understood as an alternative positive theory of price formation, wages, or market coordination. Nor, however, should it be reduced to a purely external moral critique imposed on an otherwise self-sufficient economic science.

Rather, CST operates primarily at the level of moral evaluation and political economy. It addresses the purposes toward which economic institutions should be directed, the legitimacy of particular forms of exchange, and the social conditions necessary for human flourishing. Modern economics, by contrast, primarily explains the mechanisms through which decentralized systems coordinate production, exchange, and allocation under conditions of scarcity.

The relationship between the two is therefore best understood not as competition but as complementarity. Economics explains how market systems function; CST evaluates whether those systems serve the dignity of the person and the common good. In this sense, CST functions not as an alternative economic theory but as a moral boundary condition—specifying the ethical constraints within which market outcomes must fall.

This distinction parallels the broader difference between economics as a positive science and political economy as the prudential evaluation of institutional arrangements in light of moral and social ends (Salter 2023; 2024). Markets are not morally self-justifying merely because they coordinate efficiently. At the same time, moral aspirations cannot be translated into policy without regard to the informational, institutional, and incentive structures analyzed by economics.

What is a boundary condition? In mathematics and physics, a boundary condition specifies the values that a solution must satisfy at the edges of a domain. The differential equations governing heat flow, for example, describe how temperature changes within a material; boundary conditions specify the temperature at the surfaces. The equations describe the mechanism; the boundary conditions constrain the outcome.

By analogy, economic theory describes the mechanism by which prices, wages, and interest rates are determined. CST specifies the moral boundaries: Outcomes that violate human dignity, exploit the vulnerable, or undermine the common good are impermissible regardless of their efficiency. Within those boundaries, the market operates according to its own logic; the role of moral reasoning is to define the boundaries, not to dictate the internal workings.

In this sense, CST plays a role analogous to a constraint set in optimization: It does not determine the solution, but it defines the space within which acceptable solutions must lie. Prudential judgment is then required to mediate between moral principles and practical feasibility in concrete institutional settings.

Operationalizing moral boundaries. This framework clarifies several practical questions:

Minimum wages and living wages. The just wage doctrine implies a floor beneath which wages should not fall. Economists can analyze the employment effects of different minimum wage levels; theologians can articulate why human dignity requires a minimum. Policy must balance these considerations, seeking mechanisms that raise the effective wage without destroying employment opportunities for the least skilled.

Usury laws and consumer protection. The prohibition on usury implies limits on interest rates charged to vulnerable borrowers. Economists can analyze how interest rate caps affect credit availability; theologians can articulate why exploitative lending violates justice. Regulation should protect the vulnerable without eliminating access to credit for those who can benefit from it.

Environmental constraints. Caritas in Veritate extended CST's concerns to environmental sustainability. Markets do not automatically incorporate the costs of pollution or resource depletion. The moral boundary condition requires that economic activity respect the integrity of creation. Economists can design mechanisms—carbon taxes, cap-and-trade systems—to incorporate environmental costs into prices; theologians articulate why such incorporation is morally required.

Distribution and solidarity. CST insists that economic life must serve the common good, not merely aggregate wealth. Markets can produce efficient outcomes that nonetheless leave some members of society in destitution. The moral boundary condition requires that the gains from economic activity be shared sufficiently to maintain social solidarity. Economists can analyze the effects of different tax and transfer systems; theologians articulate the moral imperative of solidarity with the poor.

Who defines the boundaries? A natural question arises: Who has authority to specify the moral boundary conditions? CST offers one answer rooted in natural law reasoning and the teaching authority of the Church. Democratic societies may reach different conclusions through deliberation and legislation. The framework proposed here does not resolve this question of authority but clarifies what is at stake: The debate concerns moral boundaries, not economic mechanisms.

Economists qua economists have no special competence to define moral boundaries. Their expertise concerns the mechanisms by which markets operate and the consequences of different policies. Theologians and moral philosophers have competence to articulate moral principles, though they may lack expertise in predicting policy consequences. Wise policy requires both: moral clarity about ends and analytical rigor about means.

IX. The Reciprocal Dialogue: What Theology Offers Economics

The preceding sections have emphasized what modern economics can contribute to Catholic social teaching: a clearer account of how prices, wages, interest rates, and patterns of allocation emerge under conditions of scarcity and exchange. But the dialogue also runs in the other direction. CST offers economics a richer account of the person, a thicker understanding of institutions, and a clearer orientation toward the common good.

This reciprocal contribution is best understood at the level of political economy. Economics, narrowly understood, explains coordination mechanisms and incentive structures. Political economy asks how institutions should be ordered in light of human flourishing, justice, and social purpose. CST therefore does not replace economics, but it helps orient economic analysis toward the ends economic systems are meant to serve (Salter 2023; 2024).

The limits of homo economicus. Standard economic models assume that agents are rational, self-interested, and possess stable preferences. This abstraction has proven extraordinarily fruitful for generating testable predictions and understanding market behavior. But it is an abstraction, not a complete description of human nature.

CST reminds us that human beings are social creatures, formed by relationships and oriented toward goods that transcend individual satisfaction. We are not merely consumers maximizing utility but persons seeking meaning, belonging, and communion. Economic models that ignore these dimensions may accurately predict market behavior while missing much of what makes economic life humanly significant.

Behavioral economics has begun to incorporate insights about cognitive limitations, social preferences, and context-dependent choice. These developments move economics toward a more realistic anthropology—one that CST has long advocated. The dialogue between theology and economics can enrich both: Economics gains realism; theology gains analytical precision. Finn's account of the "moral ecology" of markets reinforces this point: Markets do not operate in isolation, but within a network of moral norms, legal rules, cultural expectations, and social practices that shape both market behavior and human flourishing (Finn 2006).

The importance of institutions. CST has consistently emphasized the role of institutions beyond the market: family, church, voluntary associations, and the state. These institutions shape preferences, transmit values, and provide goods that markets cannot supply. This is not a rejection of economic analysis but a reminder that economic activity is institutionally embedded. The market order depends on moral and legal preconditions—trust, promise-keeping, property rights, family formation, civic habits—that it may use but cannot by itself generate.

Modern economics increasingly recognizes the importance of institutions for economic performance. The work of Douglass North, Daron Acemoglu, and others has demonstrated that property rights, rule of law, and social trust are essential preconditions for market prosperity. CST's emphasis on subsidiarity—the principle that social functions should be performed by the smallest competent authority—resonates with economic analysis showing that centralized planning cannot replicate the information-processing capacity of decentralized markets.

The question of ends. Most fundamentally, CST raises the question that economics, by methodological commitment, cannot finally answer: What are economic systems for? Economics can analyze trade-offs, incentives, efficiency, and feasibility; it cannot by itself determine which ends should govern economic life. This is where the distinction between economics as a positive science and political economy as prudential institutional judgment becomes essential (Salter 2023; 2024; Yuengert 2004).

CST answers that economic life exists to serve human flourishing—to provide the material conditions for persons to develop their capacities, fulfill their vocations, and participate in community. Efficiency is valuable because it expands the resources available for human purposes, but efficiency is instrumental, not ultimate. A society that maximizes GDP while destroying families, degrading the environment, and leaving millions in despair has failed, whatever its efficiency.

This teleological perspective is not part of positive economics as such, but it is essential for evaluating economic systems as human institutions. The dialogue between economics and theology is therefore not merely about correcting errors on either side. It is about integrating complementary forms of reasoning: Economic analysis clarifies mechanisms, trade-offs, and feasibility, while CST articulates the moral ends toward which economic life should be ordered.

X. Mathematical Proof and Moral Reasoning: Bridging Two Epistemologies

A significant barrier to dialogue between economists and theologians is epistemological. Economists rely heavily on mathematical proof and empirical verification; theologians rely on scriptural authority, philosophical reasoning, and tradition. These different modes of knowing can generate mutual incomprehension.

What mathematical proof accomplishes. A mathematical proof demonstrates that a conclusion follows necessarily from specified assumptions. If the assumptions are true, the conclusion must be true. This provides certainty within the domain of the assumptions—a kind of certainty unavailable to empirical observation alone.

The general equilibrium proofs of Arrow and Debreu (1954), McKenzie (1959), and Debreu (1959) demonstrate that, if consumers have well-behaved preferences, if firms have well-behaved technologies, and if markets are competitive, then a set of market-clearing prices exists. The proof does not claim that real-world markets satisfy these assumptions perfectly. It establishes a benchmark: We know what conditions are sufficient for market coordination to be logically possible. Deviations from the benchmark can then be studied systematically.

This is analogous to the role of idealized models in physics. We know that, due to air resistance, real projectiles do not follow perfect parabolas. But understanding the ideal case helps us analyze the real case. Similarly, understanding perfect competition helps us analyze imperfect competition.

Positive economic analysis therefore cannot by itself resolve normative questions. Theologians who suspect that mathematical economics sometimes embeds implicit value judgments are not entirely wrong: The choice of assumptions, the framing of questions, and the interpretation of results all involve judgment. But the core analytical results of economics remain value-neutral in the narrower sense that they describe mechanisms of coordination and allocation rather than prescribe moral outcomes.

Moral reasoning as a form of proof. Theologians, for their part, engage in rigorous reasoning even without mathematics. The natural law tradition reasons from premises about human nature and the requirements of flourishing to conclusions about moral obligation. The structure is deductive: If human beings have a certain nature, and if flourishing requires certain conditions, then certain actions are obligatory and others forbidden.

This form of reasoning can be rigorous, though its premises are philosophical rather than mathematical. The challenge is that philosophical premises are more contested than are mathematical axioms.

Finding common ground. Despite these epistemological differences, economists and theologians can still find substantial common ground. Both traditions value internal coherence, disciplined reasoning, and forms of evidence appropriate to their respective domains. Economists rely primarily upon logical structure, mathematical analysis, and empirical observation; theologians draw upon philosophical reasoning, moral reflection, revelation, and tradition.

Both traditions also recognize the limits of their methods. Economists know that models simplify reality; theologians recognize that moral reasoning operates under conditions of uncertainty and fallibility. Productive dialogue therefore requires mutual humility: Economists must recognize the limits of technical analysis in resolving moral questions, while theologians must recognize the importance of empirical and institutional analysis in understanding how policies and economic systems actually function.

The structure of economic and theological demonstration. General equilibrium proofs of the Arrow-Debreu-McKenzie type share a fundamental structure with demonstrations in philosophical theology: Both proceed deductively from specified premises to necessary conclusions. The Thomistic demonstrations of God's existence in the *Summa Theologica*, for instance (the "five ways"), begin with premises about motion, causation, and contingency, then reason to conclusions that follow necessarily if those premises are granted. Economic proofs operate identically. The existence theorems begin with premises about preference orderings (completeness, transitivity, continuity), production technologies (convexity, non-increasing returns), and market structure (price-taking behavior), then demonstrate that a market-clearing price vector must exist if those conditions obtain.

The difference between the two traditions lies not in logical rigor but in the character of the premises and the domain of application. Theological premises draw on metaphysics, revelation, and moral intuition; economic premises draw on behavioral regularities and mathematical structure. Theological conclusions concern ultimate realities and moral obligations; economic conclusions concern the logical possibilities of coordination under scarcity.

This parallel illuminates both the power and the limits of economic proof. Just as the five ways establish what must be true if their premises hold—without claiming that everyone accepts those premises—so general equilibrium theory establishes what must be true of markets if the specified conditions obtain. The proof does not assert that real markets satisfy these conditions perfectly. It establishes a benchmark: a set of sufficient conditions for coordination, against which actual markets can be evaluated. Deviations from the benchmark become objects of analysis rather than refutations of the theory.

The comparison is instructive because it clarifies that both economics and theology proceed through disciplined reasoning from specified premises to conditional conclusions. General equilibrium theory establishes what must follow if certain assumptions about preferences, technologies, and market structure obtain; Thomistic demonstrations proceed similarly from metaphysical premises concerning causation, motion, and contingency. The two traditions differ fundamentally in subject matter and method, but both seek internally coherent explanations within their respective domains.

The limits of existence: a shared epistemic boundary. The parallel between economic and theological demonstration extends further to the limits of practical knowledge. General equilibrium theory proves that market-clearing prices exist under specified conditions—a genuine mathematical achievement. Yet existence does not necessarily imply discoverability. In economies with indivisibilities or combinatorial complexity, computing equilibrium prices may involve problems for which no efficient general solution procedure is known, even when equilibrium existence is formally established (Chen et al. 2009). This observation introduces a useful epistemic humility into economic analysis. The existence of an ordered outcome does not guarantee that finite agents can fully identify or operationalize it. A related insight appears in theological reasoning. Natural theology may establish that certain truths obtain—that God exists or that moral obligations bind—without implying exhaustive comprehension of divine nature or complete specification of moral duty in every concrete circumstance.

Both traditions therefore confront limits separating formal existence from complete practical realization. The economist may demonstrate that equilibrium exists while remaining unable to compute or operationalize its exact location in sufficiently complex environments. The theologian may affirm the reality of moral truth while acknowledging the difficulty of fully applying that truth in concrete circumstances. In both cases, existence does not guarantee complete practical accessibility.

The significance of this parallel is not that economics and theology become identical forms of inquiry, but that both disciplines ultimately operate under conditions of bounded human understanding. Each can establish important truths while still confronting limits of implementation, interpretation, and application.

The dialogue between economics and theology is therefore not merely a comparison between different subject matters, but between disciplines that each confront limits separating formal demonstration from complete practical accessibility. General equilibrium theory may establish the existence of coordinated market outcomes without guaranteeing that finite agents can fully compute or operationalize them in sufficiently complex environments. Theology likewise may establish certain truths concerning moral obligation or divine existence without claiming exhaustive comprehension or complete practical specification.

The parallel does not collapse economics into theology or theology into economics. Rather, it suggests a shared epistemic humility. In both traditions, proof of existence does not necessarily imply full accessibility, complete realization, or exhaustive understanding. Each discipline therefore confronts the limits of finite reasoning while still affirming the reality of truths that exceed immediate operational mastery.

XI. The Persistence of Theological Frames

Why do theologians and philosophers at Catholic universities continue to invoke Augustine and Aquinas in discussions of economic life and value theory? The answer lies partly in institutional memory, partly in the enduring moral concerns raised by the Scholastic tradition, and partly in a continuing effort to integrate economics with broader questions of justice, virtue, and human flourishing. Augustine and Aquinas remind us that economic life is not morally neutral—that exchange implicates justice and that markets must be situated within a broader vision of the common good. Catholic social teaching preserves that inheritance.

From *Rerum Novarum* onward, the Church has insisted that market outcomes cannot be morally self-sufficient. Economic efficiency, left to itself, risks degenerating into moral minimalism.

The Church's continued invocation of the just price and just wage should therefore not be understood primarily as an attempt to provide a rival technical theory of value determination. Rather, these concepts persist because they express enduring moral concerns regarding justice, dignity, reciprocity, and the proper ordering of economic life. Yet the Scholastic contributions, while foundational, were surpassed as positive theories of price determination. To suggest that Aquinas's just price stands alongside Walrasian general equilibrium is to mistake the history of thought for the state of knowledge. The Scholastics raised many of the enduring questions concerning value, exchange, and economic justice; modern economics later developed increasingly sophisticated analytical frameworks for explaining how prices and coordination emerge under conditions of scarcity.

The appropriate stance is therefore one of differentiated respect. We honor the Scholastics for their moral seriousness and their proto-economic insights while recognizing that the science of value has advanced beyond what they could achieve with the tools available to them. We honor modern economics for its analytical power while recognizing that it cannot answer the moral questions that CST addresses. The challenge for contemporary scholarship is therefore not to collapse economics into theology or theology into economics, but to sustain a disciplined dialogue between distinct forms of inquiry concerned with overlapping dimensions of human social life.

XII. Conclusion: Truth and Goodness in Dialogue

The evolution of value theory is best understood as a gradual differentiation between normative reflection on justice in exchange and increasingly formal analytical explanations of price formation, coordination, and allocation under conditions of scarcity. Augustine and Aquinas raised enduring questions concerning value, fairness, exchange, and moral obligation, but their reflections remained embedded within theological and philosophical reasoning rather than systematic positive analysis. The classical labor theories advanced the discussion further but ultimately proved unable to explain many observed market phenomena consistently. The marginalists, followed by Marshall, Fisher, Pareto, McKenzie, Arrow, and Debreu, developed increasingly rigorous analytical frameworks for explaining value, prices, and coordination within decentralized economic systems.

Catholic social teaching, meanwhile, has traveled a parallel but distinct path. From the just price to the just wage, from the condemnation of usury to the cautious accommodation of modern finance, CST has sought to preserve moral order within an increasingly technical economy. Theologians remind us that efficiency without justice is hollow; economists remind us that justice without feasibility is impotent.

The relationship between the two traditions is therefore best understood not as competition but as complementarity. Economics explains how markets coordinate human activity under conditions of scarcity, while CST evaluates whether those outcomes serve the dignity of the person and the common good. In this sense, CST functions not as a rival positive theory of value but as a moral framework within which economic systems are to be judged and guided.

This distinction also clarifies the relationship between economics and political economy. Positive economics provides increasingly sophisticated tools for understanding incentives, trade-offs, coordination mechanisms, and institutional consequences. Political economy asks how those institutions should be ordered in light of broader social and moral purposes. The dialogue between CST and economics therefore concerns not merely technical policy disputes, but competing understandings of the ends toward which economic life should be directed.

At the same time, the article has argued that both economics and theology confront important epistemic limits. General equilibrium theory demonstrates that coherent coordination within decentralized market systems is logically possible under specified assumptions. Yet the existence of such order does not necessarily imply complete practical accessibility or operational mastery in all settings. Theology similarly affirms moral and metaphysical truths while acknowledging the limits of finite human understanding in fully specifying or applying those truths in concrete historical circumstances. Both traditions therefore operate under conditions of bounded knowledge and practical uncertainty.

This shared epistemic humility reinforces the importance of dialogue rather than disciplinary triumphalism. Economists must recognize that technical expertise alone cannot determine the moral ends of economic life. Theologians, in turn, must recognize that moral aspiration cannot substitute for careful analysis of incentives, institutional constraints, and unintended consequences. Economic systems are neither morally self-justifying nor infinitely malleable. They are human institutions operating within both analytical and moral limits.

Catholic universities therefore occupy a particularly important intellectual position. They can preserve the moral seriousness and anthropological insights of the Scholastic and CST traditions while also engaging fully with the analytical rigor of modern economics. Such engagement requires neither the rejection of markets nor the abandonment of moral evaluation. Rather, it requires sustained interdisciplinary reasoning capable of integrating empirical analysis with ethical reflection.

The final synthesis is therefore neither technocratic nor anti-economic. Markets remain indispensable mechanisms of coordination within complex societies, but they are not ends in themselves. Their legitimacy depends ultimately on whether they contribute to human flourishing, solidarity, justice, and the common good. Economics helps explain how such systems function; theology and moral philosophy help clarify why they matter and toward what purposes they should be directed.

That synthesis is not easy, but it is necessary. A world of technically sophisticated barbarians is no improvement over a world of morally earnest ignoramuses. We need both truth and goodness, both analytical rigor and moral wisdom, both economics and theology. The dialogue between them is therefore not a luxury but a necessity—for the health of the academy, for the guidance of public policy, and for the flourishing of the human persons whom both disciplines ultimately seek to serve.

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Appendix: Comparing the Just Wage and the Marginal Productivity of Labor

The doctrine of the just wage in Catholic social teaching originates in *Rerum Novarum* and has been reaffirmed through *Quadragesimo Anno* and *Laborem Exercens*. It maintains that every worker deserves pay sufficient to support a dignified life, sustain a family, and allow for modest savings. In economic terms, it treats the wage as a matter of moral adequacy rather than market equilibrium.

By contrast, modern economics defines the wage as the market price of labor—the level at which the quantity of labor supplied equals the quantity demanded. Under competitive conditions, this occurs when the wage equals the value of the worker's marginal product, meaning the additional output produced by one more unit of labor multiplied by the market price of that output.

The distinction between these two concepts reveals the fundamental divergence between theology and economics:

Basis of evaluation. The just wage is assessed by moral and social sufficiency; the market wage by productivity and scarcity.

Determinants. CST draws on human dignity and the natural-law duty to support the family; modern theory depends on technology, capital intensity, and consumer demand.

Purpose. For CST, a wage is just when it honors personhood; for economics, a wage is efficient when it clears the market.

Yet these are not mutually exclusive. The just wage can be seen as setting a moral floor below which society refuses to let the market fall. Economists might describe this in practical terms: Minimum-wage laws, earned-income credits, or wage subsidies represent instruments that align moral adequacy with economic feasibility.

A constructive synthesis, therefore, treats the market wage as a descriptive mechanism and the just wage as a prescriptive standard. Where the equilibrium wage ensures efficiency, the just wage ensures dignity. Economic policy's task is to bridge the two through taxation, transfer, or institutional design—without undermining the market's capacity to generate employment.

This complementarity applies equally to interest and capital. Modern theory justifies interest as the price of time and risk; CST condemns usury when it exploits the needy or extracts returns divorced from productive enterprise. In both cases, moral law defines the ends, while economics provides the means.

Ultimately, the dialogue between CST and modern value theory is not about replacing one with the other but about achieving coherence between truth and justice. Economics explains how the structure of incentives yields prices; theology ensures that those incentives serve the common good. The just wage and the marginal productivity wage are therefore best understood not as rivals but as partners—two languages describing the same reality from different vantage points.