

“Vocation of the Business Leader! Or: This Economy Kills”

Lecture

on the occasion of the

Spring 2014 Conference of the Association of Catholic Entrepreneurs

(BKU), Speyer, Germany

by

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The document by the Pontifical Council for Justice and Peace entitled “Vocation of the Business Leader” has been received with a great deal of attention and approval. Indeed, it has been received as an “encouragement,” and that was the document’s intention as well.

The Apostolic Exhortation “Evangelii Gaudium” by Pope Francis has also received a great deal of attention from representatives of the business community, yet some view it as a source of uncertainty. Some of the passages of the text also seem to contradict statements made in “Vocation of the Business Leader.”

In my lecture today, I would like to attempt to place both documents in context and to make clear that seeming contradictions can be resolved.

First, I would like to note that Pope Francis also speaks of the call to entrepreneurship as a noble vocation. Unfortunately, the German translation falls noticeably short of the English text in this respect. In English, the Pope writes:

“Business is a vocation, and a noble vocation, provided that those engaged in it see themselves challenged by a greater meaning in life; this will enable them truly to serve the common good by striving to increase the goods of this world and to make them more accessible to all.”

The German translation of this passage, re-rendered in English, reads as follows:

“The work of a businessperson is noble work, provided that he or she questions this work based on the broader meaning of life; this permits the businessperson to work to increase the goods of this world and to make them more accessible to all in service of the public good.”

It seems important to me to speak not only of the businessperson’s “work” but of his or her “vocation,” as the latter term also expresses the “spiritual” dimension of entrepreneurship.

In this connection, “Vocation of the Business Leader” reads:

“The vocation of the businessperson is a genuine human and Christian calling. Its importance in the life of the Church and in the world economy can hardly be overstated.” As used here, the term “vocation” expresses that business leaders can discover that they play a role in God’s plan of salvation for this world. In responsibility before God, they have the mission of shaping the economy in keeping with the principles of human dignity and of public welfare.

This is particularly true for Christian business leaders, who have a deep sense of God’s calling to play a role in shaping His creation by creating businesses as productive organisations. If they become aware of this, then they also recognise the greatness of their calling and the enormous responsibility arising out of it.

“Vocation of the Business Leader” continues:

“When businesses and market economies function properly and focus on serving the common good, they contribute greatly to the material and even the spiritual well-being of society. [...] Where businesses succeed, people’s lives can be significantly improved; but where they fail, great harm can result. [...] Without guiding principles and virtuous leadership, businesses can be places in which expediency overcomes justice, power corrupts wisdom, technical instruments are detached from human dignity, and self-interest marginalises the common good.”

In “Evangelii Gaudium,” in my view, Pope Francis expresses nothing different; at most, his choice of words is more pointed, one might say: more rousing! Interesting here, too, is a comparison between the German and English translation. In German (translated into English), the Pope writes:

“Just as the Commandment ‘Thou shalt not kill’ sets a clear limit in order to secure the value of human life, today we must say ‘no to an economy of exclusion and income disparity.’ This economy kills.”

That this talk of the “killing economy” applies not to the economy as such but rather to an “economy of exclusion” is clearer in the English version than in the German when, at the end of this thought, it is written: “**SUCH** an economy kills.” [Emphasis added.]

This is certainly a statement no one will dispute. The aim of the economy is to provide people with the things they need to live their lives in dignity. If this aim is not achieved, then the economy has failed to fulfil its mission. Later we shall explore the question of why a situation such as this exists to begin with.

In “Vocation of the Business Leader,” it is written:

Christian business leaders can combine entrepreneurial success with specific contributions to the common good. [...] Business leaders who are guided by ethical social principles, lived through virtues and illuminated for Christians by the Gospel, can ... succeed and contribute to the common good. [...] All of these potential benefits encourage the Church to take a lively interest in business.”

The two most important fundamental principles of social theory in the Church are human dignity – also referred to as the “personality principle” [*Personalitätsprinzip*] in German – and the common good.

As God’s creation and likeness, the human being is a person: unique and unrepeatable in his or her individuality, and at the same time a social being that always lives in and for society, the natural core of which is the family. According to the leading principle of Catholic social theory, the human person is “the beginning, the subject and the goal of all social institutions” (Pastoral Constitution “*Gaudium et Spes*,” Art. 25, para. 1).

“Vocation of the Business Leader” continues:

“At the very foundation of the Church’s social tradition stands the conviction that each person, regardless of age, condition, or ability, is an image of God and so endowed with an irreducible dignity, or value. Each person is an end in him or herself, never merely an instrument valued only for its utility – a *who*, not a *what*; a *someone*, not a *something*. This dignity is possessed simply by virtue of being human. It is never an achievement, nor a gift from any human authority; nor can it be lost, forfeited, or justly taken away. All human beings regardless of individual properties and circumstances therefore enjoy this God-given dignity.”

Pope Francis rightly chastises certain of these circumstances when he writes in “*Evangelii Gaudium*”:

“Human beings are themselves considered consumer goods to be used and then discarded. We have created a ‘throw away’ culture which is now spreading. It is no longer simply about exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society’s underside or its fringes or its disenfranchised – they are no longer even a part of it. The excluded are not the ‘exploited’ but the outcast, the ‘leftovers.’”

In the face of such social realities, the Second Vatican Council defines the common good as “the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfilment.” (Pastoral Constitution “*Gaudium et Spes*,” Art. 26).

That businesses are necessary for this is set forth in “Vocation of the Business Leader” in the following words:

“Businesses produce many of the important conditions that contribute to the common good of the larger society. Their products and services, the jobs they provide, and the economic and social surplus they make available to society, are foundational to the good life of a nation and of humanity as a whole. Countries which do not have enough business activity tend to lose their best trained people to other countries because they cannot see a future for themselves or their families in their present situations. Some societies do not produce enough collective and public goods to ensure human life in dignity. Businesses are therefore essential to the common good of every society and to the whole global order. They contribute best when their activities are allowed to be oriented toward, and be fully respectful of, the dignity of people as ends in themselves who are intelligent, free, and social.”

The principles of personality and common good are the source of the actual purpose of a business firm, which, in the words of the Blessed John Paul II, “is not simply to make a profit, but is to be found in its very existence as a *community of persons* who in various ways are endeavouring to satisfy their basic needs, and who form a particular group at the service of the whole of society.”

While the term “community of persons” is not in common use in today’s specialised literature, it comes closest to expressing what a fully realised undertaking or business can be. The linguistic origins of the English words “company” and “companions” date to the Latin *cum* (“with”) and *panis* (“bread”) and mean “to break bread together.” The roots of the term “corporation” come from the Latin as well – *corpus* – and recall a group of individuals “united in a single body.” If we view a company as a community of persons, then it becomes clear that the relationships that hold us together are not legal agreements or processes of exchange oriented around self-interest but rather an obligation to real goods that we share with others in order to serve the world. It is a dangerous notion, one resting on false foundations, to consider a business as nothing more than a “society of shares” the entire significance of which is exhausted in self-interest, agreements, benefits and maximisation of financial profit. Indeed, a fundamental property of work is that, “to begin with, and in particular, brings people together. Therein lies its social power: the power to build up a community.” Such a grasp helps avoid the intellectual poverty often found in the context of market economies, a poverty fuelled by a lack of relationships within and around the business enterprise.

Establishing a business enterprise as a community of persons is not an easy task. This task can pose a challenge for major international businesses in particular in their effort to establish forms of practice and guidelines – and even more importantly – a corporate culture that takes the members of the business and shapes them into a community of persons.

With this in mind, the nature of executives in the business setting is to devote their attention to others. They combine the skills, talents, motivations and driving forces of a variety of different people, in turn, to serve the needs of still other people. They foster the development of the people who perform the work. The activities in which they are engaged together produce the goods and services that a healthy community needs.

The executive in the economy is not a speculator but, at his or her core, an innovator. The aim of the speculator is to maximise profit. For him or her, a company is primarily a means to an end – and that end is profit. For the speculator, the building of roads, the construction of hospitals or schools, is not a goal unto itself but rather simply a means in service of profit maximisation. It is thus immediately apparent that the speculator is not the role model of the executive in the economy that the Church holds up for emulation. Rather, the role model of relevance is the individual who helps promote the common good.

The Christian executive in the economy works in service of the common good by producing truly useful goods and offering services that truly serve.

The goods and services that businesses produce should serve true human needs. This includes not only needs with an immediate social value, such as life-saving medical equipment, microcredits, education, social investments, fairly traded products, healthcare services and affordable living space, but also everything that truly contributes to human development and realisation – from simple goods such as nails, tables or fabrics to complex systems such as refuse disposal, roads and transport.

In this connection, it is important to distinguish between needs and unreflected desires. The latter are marked by a longing that does not contribute to human well-being. In the extreme case, such a longing can in fact be harmful to human well-being, such as in the case of non-therapeutic drugs, pornography, games of chance, video games that glorify violence, and other harmful products. The preoccupation with needs of this nature is often referred to as ‘consumerism’, yet it this production and consumption detracts from the common good and hinders development of the person. Truly good products serve the needs of consumers in a clear sequence: the need for food, for instance, takes precedence over games of chance. There is an objective sequence involved here that the provision of goods and services must heed, rather than pursue a pure utility-based approach.

Along with the two foundational principles of personality and the common good, Catholic social theory also observes the – in the words of Oswald von Nell-Breuning – structural principles of solidarity and subsidiarity. These two principles have rarely been associated with the business world to date. This is changing, however.

The goods and services referred to as “bottom-of-the-pyramid” – the needs of the poor and the at-risk, including people with special needs, that are frequently overlooked by a market dominated by the drive for short-term profit – are coming in for closer scrutiny in the spirit of solidarity. Christian business leaders attentively pursue opportunities to serve these population groups who otherwise receive only limited attention. They do this not only out of a sense of social responsibility, but also because they consider it a tremendous business idea. An important role is already played in meeting the needs of the poor, and not just by microbusinesses, microcredits, social enterprises and social investment funds. In developing and emerging economies, keywords in this connection include “one-dollar shoes”, the “10-dollar mobile telephone” or the “100-dollar laptop,” not to mention the “1,000-dollar car.” These are products tailored to both the needs and the purchasing power of poor social strata.

These innovations will not only help lead people out of extreme poverty. They can also unleash these people’s own creativity and entrepreneurial spirit and provide a boost to a strong dynamic development.

Particularly in view of the Apostolic Exhortation “*Evangelii Gaudium*,” this latter aspect is a very decisive one. Pope Francis sharply objects to consumerism, the utter degeneration of which is the view of human beings as usable consumer goods. Even more crucial, then, than the question of how products and services can be offered specifically to poor segments of the population, is the question: How can the poor be integrated in the production process and, working in dignity, make the things they need to live?

This question leads to still other questions:

- How can people with modest qualifications be integrated in the labour market?
- How can these people be qualified further and better to permit them to become more productive?
- How can businesses grow and create new jobs? How can new businesses come into being?

- And particularly in the developing and emerging economies, the question must be asked: How can the many “self-employed” in the informal sectors advance to what we refer to with the pretty term of the “middle class?”

Ultimately, then, we arrive at questions that far transcend the responsibility of the individual entrepreneur and of the business community. If the common good is defined as “the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfilment,” then this also, and above all, includes the political framework conditions.

This aspect is not explored in depth in “Vocation of the Business Leader,” but it is clearly addressed:

“Obstacles to serving the common good come in many forms – lack of rule of law, corruption, tendencies towards greed, poor stewardship of resources.”

In this connection, on many occasions Pope John Paul II spoke of the “structures of sin” from which even individuals of goodwill and who make an effort to live up to their own moral standards have difficulty liberating themselves.

Pope Francis addresses these aspects in “*Evangelii Gaudium*” as well, albeit without exploring them in depth. Nevertheless, he, too, chastises “the widespread and deeply rooted corruption found in many countries – in their governments, businesses and institutions – whatever the political ideology of their leaders.”

He identifies the most important structural causes of poverty and exclusion, however in the “absolute autonomy of markets and financial speculation.” For him, inequality is the root of all social evil.

In this analysis, Pope Francis is certainly influenced above all by his experiences in Argentina and Latin America. The body of thought of a “social market economy” of the sort that arose in

Germany and is also enshrined for the European Union in the Lisbon Treaty seems less well-known there.

It must also be asked whether it is truly the “autonomy” of the markets that leads to inequality and exclusion, or perhaps rather the “empowerment” of markets. This question may have very different answers in the various countries of this world.

What seems important to me is the solution approach that strikes me as the right therapy for both diagnoses, one formulated as follows in the second joint statement on the social situation in Germany recently issued by the German Bishops’ Conference and the Protestant Church in Germany (EKD)

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“The market economy has proven itself the best possible system for covering our material needs under the notorious conditions of scarcity that affect earthly life. Yet even this system fulfils this task in only an imperfect way. The market requires an ordering framework for the protection of free and fair competition itself, and for the protection of public goods and the environment, and it requires state social policy to ensure a just share for all. (....) The ethical role model here should be to achieve the most comprehensive social inclusion and participation possible for all persons in our country.”

In terms of their goals, then, the document “Vocation of the Business Leader,” Pope Francis and both Churches are all in agreement: The aim is a society in which all have a share, and in which all participate! This is largely consistent with the short form with which Ludwig Erhard summed up the objectives of the social market economy: “Prosperity for all!”

There is broad consensus that the shaping of the ordering framework, and social policy in particular, must observe the principle of subsidiarity. How the principle of subsidiarity can be implemented in the inner organisation of businesses, in order to give employees an opportunity to develop themselves and their gifts for the well-being of the company, is a question that is gaining in relevance in times of businesses with global operations.

I suspect we shall hear more about this from the business practitioners tomorrow morning.

In conclusion, I would like to emphasise that our Christian ethics must transcend “Prosperity for all” or the image of the “respectable merchant” or modern “CSR concepts.”

The business as a “community of persons” calls for more than solid corporate governance, internal company participation and fair wages and salaries.

“Corporate social responsibility” means more than the melodious triad of “People, Profit, Planet.”

An inclusive society requires more than an ordered market economy and just systems of social security.

From a Christian point of view, it always also requires the spiritual dimension that is essential and indispensable for inviolable, indivisible “human dignity.”

Even a well-managed business will become a true community of persons – and not just of individuals – only if there is a corporate culture that pays attention not just to the functional but also to the relational quality of relationships between people.

The triple “P” of “People, Profit, Planet” should have a fourth “P” added:

“Pneuma,” meaning spirit. What is at stake here is more than simply “natural” or “human resources;” at stake are not simply employees and senior executives, producers and consumers. The human person may not be reduced to materialistic or utilitarian terms. Involved at all times is the integral, human person, as a social, relational, moral and spiritual being.

In our society, we need more than a culture of prosperity and welfare. We need a culture of integrally human life. “As a spiritual being, the human creature is defined through interpersonal relations” (Benedict XVI in “Caritas in Veritate,” no. 53).

Is this all an illusion? Does it mean we are falling into the idealistic trap of wanting to create paradise on earth?

No. As Christians, we are also always realists. We are aware of our fallibility. But as Christians, we may not relinquish the expectation we have of ourselves: the expectation of being the salt of this earth and the light in this world.

With this in mind, I would like to conclude with a prayer to the Holy Spirit:

“Come, Holy Spirit, fill the hearts of your faithful and kindle in them the fire of your love. Send forth your Spirit and they shall be created. And You shall renew the face of the earth.”

Speyer, Germany, 4 April 2014

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