



2014 Venite Conference
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Values for Business and Society

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1. OPENING

I wish to thank Venite warmly for the kind invitation to keynote the **2014 Venite Conference**, a wonderful opportunity for entrepreneurs to meet and, reflecting together, to discover the true role of business in serving society. Such service is what Pope Francis calls for in his apostolic exhortation *Evangelii Gaudium*:

“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.”¹

To live business as a vocation is what leads, we discover, to entrepreneurial success, personal happiness, and social justice

By way of background, then, I would like to introduce (2) what our Council does, and then (3) bring the key principles of Catholic Social Teaching (CST) to the world of business. We can then relate (4) business to society and (5) to the global scene, ending with (6) the joyful service which business can offer.

¹ Pope Francis, *Evangelii Gaudium*, 205.

2. ABOUT THE PONTIFICAL COUNCIL FOR JUSTICE AND PEACE

The Pontifical Council for Justice and Peace (PCJP) responds to the call of Vatican II for a Church body “to stimulate the Catholic Community to foster progress in needy regions and social justice on the international scene.”²

- The scope of the Council’s activities includes human rights, development, the environment, the economy and other topics, all contributing to justice and peace.
- An important task is to “deepen the social doctrine of the Church and attempt to make it widely known and applied.”³

Over the past few years, the Council has been very active on the subject of ethics in finance and business.

1. One stream of work is at the level of the global system. In 2011, we called for reforming the International Financial and Monetary Systems. In January 2014, at the World Economic Forum in Davos, the Message of Pope Francis called for “a new political and business mentality [to] take shape, one capable of guiding all economic and financial activity within the horizon of an ethical approach which is truly humane”⁴ and not an afterthought!
2. A second stream addresses the economy at the practical business level. This led to the publication of the handbook *Vocation of the Business Leader*,⁵ and I am overjoyed to have the Slovak version launched today here in Bratislava.
3. A third stream brings Catholic Social Teaching to bear on particular industries, like mining⁶ or agriculture,⁷ or decent work as an important issue that cuts across sectors.⁸

² Vatican II, *Gaudium et Spes*, 90.

³ John Paul II, *Pastor Bonus*, 1988, art. 143.

⁴ Pope Francis, *Message* to the World Economic Forum, Annual Meeting at Davos-Klosters, 17 Jan 2014.

⁵ Pontifical Council for Justice and Peace, *Vocation of the Business Leader*, 3rd ed., 2012.

⁶ Day of Reflection with Mining Executives, Rome, 7 Sept 2013.

⁷ World Food Prize, Des Moines, U.S.A., 16-17 Oct 2013.

⁸ International seminar on “Decent work, social justice, and global poverty eradication” co-sponsored with the International Labour Organization, 29-30 Apr 2014.

3. ABOUT CATHOLIC SOCIAL TEACHING (CST)

CST grounds the identity of Catholics and the values of what they do professionally and in society. Clearly, no one is born into a particular pursuit such as business but rather into family, community, faith and culture. Faith is to guide our whole life. CST guides the choices that leaders can and need to make in the public or social sphere of human existence, including business.

A. Faith with Works: Faithful Leaders

Jesus looked for more than faith alone. Although on several occasions the Gospels report him telling individuals that their faith has saved or healed them, the Lord seeks more than faith by itself: “Not everyone who says to me, ‘Lord, Lord’, will enter the kingdom of heaven, but only one who does the will of my Father in heaven” (Mt 7:21).

What is “the more”? James states it clearly in his Letter: “What good is it, my brothers and sisters, if you say you have faith but do not have works? Can faith save you? If a brother or sister is naked and lacks daily food, and one of you says to them, ‘Go in peace; keep warm and eat your fill’, and yet you do not supply their bodily needs, what is the good of that? So faith by itself, if it has no works, is dead.” (Jm 2:14-17)

Catholic social teachings express a *wisdom tradition* that places us in touch with a living reality of Christ’s presence in the world. These social teachings help us to understand the social dimensions of our convictions of faith. Faith cannot be a private reality, a set of private convictions and private doctrine and worship. Faith is incomplete without a vision of the world and our place within it – our works. It is for the sake of important needs in the world that the Catholic Church has always been a builder of hospices and then hospitals, monasteries and then schools and universities.

Jesus often criticized the contradictory gap between what was professed in the synagogue and what actually happened in the villages and countryside of Galilee. This gap must run very deep, because nearly 2,000 years later, Vatican II identified a *divided life* as one of the most serious errors of our age, the lack of connection between the faith we profess and how we carry out our daily engagements. The words of Jesus at the Final Judgment show us how: *Whatsoever you do for the least*

of these, whether it be feeding, clothing, caring, consoling (and so on, you do for me (Mt 25:31-46). Catholic social principles will help them to see the social implications of faith.

B. Works Guided by Faith: Principled Leaders

CST comprises perennial doctrine that grew over the ages and especially since Pope Leo XIII. In *Rerum Novarum* (1891), he addressed the excesses and cruelties of the industrial revolution. About ten years ago, our Council compiled these teachings in a compendium.⁹ This *Compendium* identifies core principles of CST: human dignity, common good, solidarity and subsidiarity.¹⁰ All are very relevant to finance and business, as is stewardship of resources and care for the environment. They apply to every area of life and organisations of all sorts including business.

- **Human Dignity:** Being made in the image of God (Gn 1:27), every man, woman and child possesses the dignity of personhood. Each and every person is an end in him or herself, never merely an instrument valued only for its utility! A person is not *something*, but *someone*.¹¹ Pope Francis gives eloquent expression to the principle of human dignity with his embrace of poor, sick, disfigured and the homeless: people who are usually spurned. (*Vocation*, §§ 30ff)
- **Common Good:** Furthermore each aspect of social and economic life finds its fulfilment when it places itself in service of the *common good*, which is best defined as “The sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily.”¹² The *common good* principle asserts that our plans and efforts must take into account the effect on everyone – not just a few or even many but all – now and in future generations too. Are not the lost coin, the lost sheep, the

⁹ Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church*, Libreria Editrice Vaticana, 2004. Published in Slovak in 2008.

¹⁰ *Compendium*, § 160 “These are principles of a general and fundamental character, since they concern the reality of society in its entirety: from close and immediate relationships to those mediated by politics, economics and law; from relationships among communities and groups to relations between peoples and nations. Because of their *permanence in time* and their *universality of meaning*, the Church presents them as the primary and fundamental parameters of reference for interpreting and evaluating social phenomena, which is the necessary source for working out the criteria for the discernment and orientation of social interactions in every area.” *Compendium*, § 161.

¹¹ Cfr. Pope John Paul II, *Catechism of the Catholic Church*, 1994, § 357.

¹² *Compendium*, §164.

prodigal son, all case-studies in the common good? (Lk 15). (*Vocation*, §§ 34ff)

- **Solidarity** is an active commitment towards the common good; it concretely expresses love of the other. According to St. John Paul, solidarity “is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, it is a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual, because we are all really responsible for all... Solidarity helps us to see the "other"-whether a person, people or nation-not just as some kind of instrument, with a work capacity and physical strength to be exploited at low cost and then discarded when no longer useful, but as our "neighbor," a "helper" (cf. Gen 2:18-20), to be made a sharer, on a par with ourselves, in the banquet of life to which all are equally invited by God.” (*SRS*, 39; *Vocation*, § 43)
- **Subsidiarity** calls for respect (and for support when needed) by larger and more distant entities, for the initiative, freedom and responsibility of the smaller, more local entities. It applies to respect for individuals and families by the state, for local and regional units by headquarters, for workers by bosses. “This principle is imperative because every person, family and intermediate group has something original to offer to the community.”¹³ The Church has struggled with this principle. Like Saint John XXIII before him, Pope Francis is working now to lessen the centralization of the Church in Rome and strengthen the role of the local Church. (*Vocation*, §§ 47ff)
- **Stewardship:** Men and women are the cultivators and custodians of the goods of creation (Gen 1:26-27). Further, as we read in *Gaudium et Spes* (37), “man can, indeed he must, love the things of God's creation: it is from God that he has received them, and it is as flowing from God's hand that he looks upon them and reveres them. Man thanks his divine benefactor for all these things, he uses them and enjoys them in a spirit of poverty and freedom.” It is in this spirit that business leaders should see themselves as co-creators with God and as His stewards in distributing His gifts to all people. (*Vocation*, § 54)

¹³ *Compendium*, § 187.

Now let us relate these basic principles to the businesses for which you are responsible, within the society that we all share.

4. ABOUT BUSINESS AND SOCIETY

Our question now is not about business in general and society in a general and abstract sense, Pope Francis explains, but real decisions by the real leaders in economics and politics:

“We can no longer trust in the unseen forces and the invisible hand of the market. Growth in justice requires more than economic growth, while presupposing such growth: it requires decisions, programmes, mechanisms and processes specifically geared to a better distribution of income, the creation of sources of employment and an integral promotion of the poor which goes beyond a simple welfare mentality.”¹⁴

Business leaders need to develop good habits of *discernment*, a process of *discovering the good in the concrete here and now*, by employing the great principles of human dignity, the common good, subsidiarity and solidarity as **beacons** to shed light on this reality, and as **lenses** to focus on it properly. Within the complex reality of the business, these same beacons or lenses will help them to make sound judgments and act accordingly. I want to touch briefly on three objectives that connect discernment with outcomes.

1. The first objective is to produce **Good Goods**. Businesses must *attend to people's needs* by producing goods that are truly good and services that truly serve. Businesses have an ability or opportunity to provide what everyone needs in the way of food, shelter, and so on. But are they truly good? The answer does not reduce to price or to legalities. Rather it should be asked: *How do these products and services contribute directly or indirectly to human well-being?* Customers are not just objects or consumers, but persons. Further, businesses must be alert for opportunities to serve deprived populations and people in significant need. *Solidarity with the poor* is one facet of the service which business provides to the common good.

¹⁴ *Evangelii Gaudium*, § 204.

2. Second, businesses should provide **Good Work**. By organizing good and productive work, businesses make a contribution to the community by fostering the special *dignity of human work*. Businesses are communities, not mere commodities! Further, applying the principle of *subsidiarity* contributes to the full human development of employees, by providing them with opportunities to exercise appropriate authority as they contribute to the mission of the organisation. They also allow workers to influence the overall direction of the business and accept their right to participate in intermediary bodies such as unions. The *Vocation* handbook applies the principle of subsidiarity to the internal organisation of businesses.¹⁵ In well-defined functions, the front-line and middle levels should exercise authority and should receive the needed training and resources in order to succeed. In a time when knowledge and information continue to be increasingly important factors of production, applying the principle of subsidiarity can play a crucial part in strengthening “the initiative, innovation and creativity, as well as the sense of common responsibility”¹⁶ in companies.

3. The third objective is **Good Wealth**. By being *good stewards* of the resources given to them, businesses create sustainable wealth through efficient and productive processes producing healthy profits. But generating wealth in a business is insufficient without the wider context of *stewardship* for the natural and cultural environment, and *just distribution* to all stakeholders who have made the wealth possible: employees, customers, investors, suppliers, and the larger community.

These three objectives show that businesses are multidimensional realities. They are not to be reduced to a single objective such as maximizing profit or enhancing shareholder wealth – just as marriage should not be reduced to sentiment between partners, or education to credentials for a career. Rather, a flourishing business enterprise contributes to the larger common good by fulfilling its threefold purpose of good goods, good work and good wealth.

¹⁵ It is noteworthy that *Vocation* is the first Vatican document to apply subsidiarity to business management.

¹⁶ *Vocation*, § 48.

This is the framework – these are the beacons, the lenses – that the *Vocation* handbook encourages business leaders to use when they **see, judge** and **act**:¹⁷ To see is to discover the needs in the environment and the challenges they face. To judge is to distinguish between courses of action and decide what is right instead of the ethically inadequate and sometimes even perverse. To act is to implement their ethical decisions within their business and in the larger society.

5. THE GLOBAL SCENE

The global financial crisis unleashed in 2008 is still underway and has caused immense ‘collateral damage.’ The indifference of business elites has been colossal: a brief shrug, demand for public assistance to prevent further disaster, then resumption of the former behaviour with even higher salaries and bonuses. No wonder that “Occupy Wall Street” rose up and spread so widely! The people of the world do not want to be ‘collateral damage.’ If a system causes so much harm, it is a bad system, not only technically but also ethically.

The American economist Jeffrey Sachs appreciates the critique which Pope Francis makes of economic pursuits reduced to a narrow libertarian ideology:

“Far too many of the rich and powerful ... are in thrall to an economic ideology that places property rights over human dignity, even human survival. Too many believe that morality is the result of the marketplace... Liberty in this vision is the freedom to buy, sell and protect one’s property. Neither government, nor regulation, nor even moral self-restraint, should interfere. Taxes, for example, are viewed as a form of servitude to the state, even when the tax revenues are destined to feed the poor, sustain the unemployed, provide health to the indigent and protect the environment for all.”

Sachs agrees with Pope Francis’ agenda of “re-establishing a moral foundation for our local, national and global economic dealings”, and concludes:

“We face a moral crisis much more than a financial or economic crisis... At this stage of history, humanity is at a crossroads, with the future course of our own choosing. We have the technical means to solve our national and

¹⁷ The *see-judge-act* methodology was developed by the Belgian priest and Cardinal Joseph Leo Cardijn (1882-1967), founder of the Young Christian Workers movement.

global problems — to banish poverty, fight disease, protect the environment and train the illiterate and unskilled. But we can and will do so only if we care enough to mount the effort.”¹⁸

We cannot expect a solution to arise from drift. We need a solid direction grounded in fundamental truth about our human nature and destiny. Early in his pontificate, Pope Francis spoke of the risks linked to the “tyranny of relativism” which favours selfishness and endangers the coexistence of peoples. He said, “There cannot be true peace if everyone is his own criterion, if everyone can always claim exclusively his own rights, without at the same time caring for the good of others, of everyone, on the basis of the nature that unites every human being on this earth.”¹⁹

6. CLOSING

When saying the *Our Father* and pray, *Give us this day our daily bread*, I hope that business leaders will understand that their vocation includes the need to satisfy hunger and to overcome poverty. And can they go further? How can they help to overcome the exclusion and inequality of which the Holy Father regularly speaks? To what extent can and should the private sector take up his challenge directly?

Thank you for this opportunity to explain what our Council does, and to explore Catholic Social Teaching as it applies to the world of business. The *Vocation* handbook begins with these words: “In the Gospel, Jesus tells us: ‘From everyone who has been given much, much will be demanded; and from the one who has been entrusted with much, much more will be asked’ (Lk 12:48). Businesspeople are gifted with great resources and the Lord asks them to do great things. This is their vocation.” I hope that the special focus of Pope Francis on exclusion and inequality, coupled with Catholic Social Teaching, will inspire you to see and judge business challenges in new ways that address the common good and the dignity of every human being. May you then act in ways that reflect the teaching and example of Jesus:

¹⁸ Jeffrey D. Sachs, “An economist considers Pope Francis’ critique of capitalism,” *America*, 14 Mar 2014 <http://americamagazine.org/issue/market-reformer>

¹⁹ Pope Francis, *Address to the Diplomatic Corps Accredited to the Holy See*, 22 Mar 2013.

“Moved by his example, we want to enter fully into the fabric of society, sharing the lives of all, listening to their concerns, helping them materially and spiritually in their needs, rejoicing with those who rejoice, weeping with those who weep; arm in arm with others, we are committed to building a new world. But we do so not from a sense of obligation, not as a burdensome duty, but as the result of a personal decision which brings us joy and gives meaning to our lives.”²⁰

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²⁰ *Evangelii Gaudium*, § 269.