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**An Examination and Clarification of Christian  
Ethical Perspectives and Principles and their  
Actual or Potential Relationship to Corporations**

Thesis Director: Professor Terence R. Anderson

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To Patricia

*"Forsan et haec olim meminisse iuvabit."*

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## Table of Contents

Chapter One: Introduction .....	1
Motivation.....	1
Objectives and Outline.....	8
Methodology.....	10
Terminology.....	18
Parameters.....	20
Summary .....	25
Notes .....	27
Chapter Two: Secular Ethical Perspectives and Principles and their	
Relationship to the Current Perceptions and Practices of Corporations .....	29
Secular Perspectives on Justice.....	31
Secular Perspectives on Liberty .....	45
Secular Perspectives on the Trusteeship of Nature.....	52
Secular Perspectives on the Common Good.....	58
Secular Perspectives on Rights .....	66
Secular Perspectives on Virtue .....	77
Secular Worldviews: the Role of the Corporation as Moral Agent .....	89
Notes .....	100
Chapter Three: Christian Ethical Perspectives and Principles and their	
Relationship to the Current Perceptions and Practices of Corporations .....	104
Christian Perspectives on Justice .....	108
Catholic Views of Justice.....	110
Protestant Views of Justice .....	127
Corporate Reactions to Christian Views of Justice.....	144
Christian Perspectives on Freedom.....	149
Catholic Views of Freedom .....	151
Protestant Views of Freedom.....	159
Corporate Reactions to Christian Views of Freedom .....	169
Christian Perspectives on the Trusteeship of Nature .....	171
Catholic Views of the Trusteeship of Nature.....	175
Protestant Views of the Trusteeship of Nature .....	185
Corporate Reactions to Christian Views of the Trusteeship of Nature.....	192
Christian Perspectives on the Common Good .....	194
Catholic Views of the Common Good.....	196
Protestant Views of the Common Good .....	202
Corporate Reactions to Christian Views of the Common Good.....	204
Christian Perspectives on Rights .....	205
Catholic Views of Rights .....	207
Protestant Views of Rights.....	214
Corporate Reactions to Christian Views on Rights .....	219
Christian Perspectives on Virtue.....	220
Catholic Views of Virtue .....	222

Protestant Views of Virtue.....	227
Corporate Reactions to Christian Views of Virtue .....	236
Christian Worldviews: Roles of Corporations and of the Church .....	238
Catholic Perspectives on the Roles of Corporations and of the Church .....	240
Protestant Perspectives on the Roles of Corporations and of the Church.....	250
Notes .....	260
Chapter Four: Conclusion .....	270
The Ground and Substance of Christian Normative Demands on Corporations .....	270
Corporate Reactions to Secular and Christian Ethical Perspectives and Principles ...	274
Prospects for Expanding Corporate Ethical Capacity.....	276
The Way Forward .....	284
Bibliography .....	289
Annex: A Comparison of the Principles for Corporations of the Canadian Task Force on the Churches and Corporate Responsibility and of the International Council on Metals and the Environment .....	after page 300

## **Chapter One**

### **Introduction**

#### **Motivation**

For nearly twenty-five years the author has worked for Canadian multinational mining corporations, generally in the areas of public affairs and strategic planning. During the past several years he has been engaged in internal and external consultations related to exploration projects, mine feasibility studies, and operational practices. These discussions have touched on issues that might be categorized under the headings of environmental protection, sustainable social and economic development and corporate social responsibility. In this effort he has frequently engaged in dialogue with various Christian churches and organizations.

On many occasions, while working on projects in Latin America, or Africa, or Asia and the South Pacific, he has encountered questions about, if not opposition to, multinational corporations generally, and mining specifically, from representatives of mainstream Christian churches, both Catholic and Protestant. In several instances, he has been engaged in public controversy and dialogue with Church representatives related to actions of the company he represented.<sup>1</sup>

From the beginning of his employment in the mining industry, the author has sought common ground between the business he is engaged in, which he strongly believes to be a moral and socially beneficial endeavour, and Christianity, the faith he, as

a Roman Catholic, personally professes. To some, however, this effort has appeared to be an exercise in self-deception if not hypocrisy.<sup>2</sup>

Corporations are subjected to a plethora of external normative demands, partly from secular organizations focussed on concerns such as environmental protection, human rights, labour standards, or social development, partly from academic critics of the market economy and the impact of corporations, and partly from Christian churches and ethicists. So variegated and confusing is the array of pressures and messages that few, if any, corporate employees would assert with confidence that their decisions and actions and those of the corporation they work for are demonstrably ethical.

Which of these normative demands do corporations actually take into account? Which demands appear reasonable and realistic from a corporate perspective, which less so, or not at all? It would seem almost impossible to satisfy all the ethical criteria proposed. For corporate critics not only advocate priorities and values that often seem at odds with those of corporations and their employees, but sometimes they even question or reject the very notion that corporations have the capacity to make ethical decisions and take ethical actions.

For Christians who work in corporations, such as the author, criticisms and normative demands launched at corporations by churches cause tension. It is evident that many Christian churches and ethicists believe that corporations are actually or potentially involved in unethical decisions and actions. Criticisms and demands are generally aimed at the corporations themselves and not the persons who work in and for them, but few sensitive Christian corporate employees can feel unaffected. After all, such a person is

attached to both institutions, respects the roles and accepts the values of both, so that if the institutions are in conflict, the individual is necessarily conflicted.

Christians who possess an understanding of their ecclesiastical histories and theological traditions know that tension between the Christian and secular worlds is as old as the religion itself, and may be inevitable. The contemporary conflict between churches and corporations may be no more than a modern manifestation of this age-old tension. Some, perhaps many, individuals adjust to this tension by separating and isolating, as far as possible, their religious and working lives. Others, including the author, feel that this solution contradicts personal integrity and authenticity.

One feels a need for a clarification of the origin and nature of Christian ethical perspectives and principles and their actual or potential relationship to decisions and actions of corporations. What options are available to inform an understanding of: (1) the coherence of actual or potential normative demands imposed by churches on corporations with Christian ethical perspectives and principles rooted in various theological traditions; (2) the actual or potential capacity of corporations to integrate the implications of Christian ethical perspectives and principles into their decisions and actions; and (3) the actual and potential role of corporations as moral agents in society, or more broadly in God's plan for creation?

In response to external normative demands, corporations in recent years have begun to express certain basic principles that guide their decisions and actions. The author has been involved in a number of exercises to formulate corporate ethical principles, a major one of which was the development of his company's *Sustainability*

*Policy*<sup>3</sup>. A significant experience in drafting principles for an industrial sector was the author's participation in the development of a *Charter* for the International Council on Metals and the Environment (I.C.M.E.).

Since its inception in 1991, the author has been active with the I.C.M.E., which currently counts twenty-eight of the world's largest multinational mining corporations among its members. During that time, he has represented his company in negotiating with other I.C.M.E. member companies the words and phrases which have come to constitute the *Charter*, a set of global operating principles accepted by all member companies. The initial version of the *Charter*, with principles related primarily to protection of the environment and human health, was issued in 1992. The *Charter* was revised to include a set of social principles, and was reissued in 1998.<sup>4</sup> In effect, the I.C.M.E. *Charter* can be read as a set of ethical norms for multinational business corporations developed in a wholly secular context.

For almost a decade, the author has been in dialogue with the Canadian Task Force on the Churches and Corporate Responsibility (T.C.C.R.). This organization is an ecumenical coalition of a number of Canadian church groups, Protestant and Roman Catholic, established to undertake research and action programs that will help promote and implement policies adopted by members with respect to the environmental and social responsibilities of Canadian-based corporations and financial institutions. At times dialogue has focussed on specific issues involving the author's company, about which T.C.C.R. was concerned. In recent years, the author has engaged in discussions with T.C.C.R. about their *Principles for Global Corporate Responsibility*, referred to as the *Bench Marks* document, with respect to its apparent implications for his company and for

the mining industry generally. *Bench Marks* was developed by T.C.C.R. together with its counterpart in the United States, the Interfaith Center on Corporate Responsibility (I.C.C.R.) and, in the United Kingdom, the Ecumenical Council for Corporate Responsibility (E.C.C.R.). *Bench Marks*, and was initially issued in 1995, and was revised and reissued in 1998. *Bench Marks* is an example of an extensive set of normative demands which Christian churches are proposing to corporations.<sup>5</sup>

As part of an I.C.M.E. project to complete a revision of the *Charter* during the year 2000, so as to better incorporate the principle of sustainable development, the author has compared the *Charter* with *Bench Marks*.<sup>6</sup> The objective of this comparison was to discern gaps between the two documents, and identify the additional words and phrases that would serve to bring the *Charter* into closer alignment with *Bench Marks*. While the preambles of the two documents reveal differences in perspective between the two organizations on environmental and social issues, variances between the *Charter*'s principles and *Bench Marks*' principles appear to be mostly a matter of specificity or concreteness in reference, rather than a matter of ethical principles. The author has found himself unable to attribute differences in the two documents to a secular as opposed to a Christian understanding of the roles and responsibilities of corporations or of the communal context of their activities. Indeed, except for the preamble, it appears to the author that the principles presented in *Bench Marks* could have originated as readily in a secular ethical context as in a Christian ethical context. This has left the author wondering how the normative demands presented by the churches relate to specifically Christian ethical perceptions and principles.

Clearly, corporations and their employees are beginning to respond to the manifold external normative demands by adopting and adhering to sets of principles related to a range of ethical concerns. From the author's observation, this corporate response generally forms part of a strategy of conflict reduction or issues management. The author is unaware of any instance in which a corporation has adopted principles related, for example, to environmental protection, human rights, labour standards or social development, for the express purpose of becoming demonstrably ethical in its decisions and actions. Rather such principles are usually adopted for the purpose of satisfying the demands of certain constituencies, such as governments, communities or organizations in civil society, or for the purpose of reducing opposition and winning support for the corporation's business.

A corporation might claim that it is being ethical insofar as its actions conform to a clear set of guiding principles, whether being ethical is its primary intention or not. One would presumably have to concede such actions to be more ethical than alternatives that might conflict with such principles. However, the author has observed that the conformity of a corporation's actions to certain guiding principles need not mean that the corporation's decision-making processes explicitly integrate ethical considerations in a manner that would qualify the corporation to be considered, in the author's view, as a true moral agent. This has prompted the author to ask how one might understand, and perhaps eventually enhance, the capacity of the corporation for ethical decision-making.

It was with these questions in mind that, during his studies at the Vancouver School of Theology, the author encountered the ethical methodology of Professor Terence R. Anderson. This methodology appears to the author to offer a holistic

approach to incorporating ethical considerations into decision-making, in that it seeks to integrate and apply a comprehensive range of ethical categories (which Anderson calls “base points”). Anderson’s methodology seems to offer a well-founded, reasonable and comprehensive approach to ethical decision-making. This has prompted the author to ask:

If one were to apply the methodology for ethical decision-making proposed by Anderson to the decision processes of corporations, what would be some of the specific secular and Christian ethical norms that one would need to take into account?

This then became the motivating question that has inspired this thesis. Anderson’s base points, being clearly defined and quite distinct, offer a framework for organizing an examination of various secular and Christian ethical perspectives and principles that can be applied to corporate decisions and actions. Reviewing Christian ethical perspectives and principles in this manner might help set the stage for developing and implementing strategies to enhance the capacity for ethical decision-making and to resolve, at least partially, the tension between the churches and corporations.

At times, the author, prompted no doubt by his Catholic background and predilections, has imagined that when he ascends by elevator in the office tower of his corporation, to the floor where he works, and repairs to his office to think and write, he resembles in some ways the monk of centuries past (and perhaps today) who, after a brief sojourn in the world, is lifted in a basket to his monastery on a cliff, where he retires to his cell to meditate and transcribe the scriptures. The institutions in terms of intention,

motivation and experience may be fundamentally different; yet might there be an arrow of similarity (or even continuity?) which pierces through and connects monasteries and corporations? One final question, therefore, on which the examination of Christian ethical perspectives in this thesis may shed some light, is whether the corporation, whatever its role in secular society, has the potential to be an incubator of individual and collective moral and spiritual development.

## **Objectives and Outline**

The objective of this thesis can be briefly summarized as follows: to describe in a systematic and organized manner a range and variety of Christian ethical perspectives and principles, within four mainstream traditions of Christianity (Catholic, Lutheran, Calvinist and Anabaptist), and to clarify how these ethical perspectives and principles have been or might be applied to the decisions and actions of corporations. The methodological framework of Terence R. Anderson will be used to organize the discussion of the various ethical perspectives and principles. The author's experience in corporations will form the basis for judging the corporate capacity to understand, accept and internalize those perspectives and principles. The specific outcome of this work will be a clarification of:

- the ground and substance of a variety of Christian ethical perspectives and principles that actually or potentially impose normative demands on corporations;
- the putative reactions of corporations, in light of their current perceptions and practices, to various secular and Christian ethical perspectives and principles.

Chapter Two will examine a variety of normative demands on corporations that originate among secular ethicists. The consideration of secular ethical perspectives and principles separately from Christian ethical perspectives and principles is motivated by a consideration of what would be useful from a corporate point of view with respect to making various normative demands, to which a corporation is subject, accessible and comprehensible. It is assumed that secular ethical perspectives and principles are likely to be more plausible to corporations, as secular institutions, than Christian perspectives and principles. Moreover, if a minimalist test can be developed for deciding whether corporate decisions and actions are ethical, one might reasonably expect the relevant criteria to be found within the range of ethical principles articulated in the secular domain. On the basis of his experience in the corporate world, the author will comment on the extent of convergence or conflict between secular ethical perspectives and principles and the current perceptions and practices of corporations in making decisions and taking actions.

Chapter Three will examine a variety of Christian ethical perspectives and principles that can be related to corporations, with a review of the distinctive theological traditions on which those perspectives and principles are based. First, the ethical perspectives of Saint Augustine with respect to each of the main categories, as expressed comprehensively and systematically in the *City of God*, will be reviewed. The examination of Catholic ethical perspectives within each category will begin with a consideration of the views of Saint Thomas Aquinas, as expressed in his *Summa Theologiae*. Then the official social teaching of the Catholic Church will be considered, as expressed in the papal encyclicals and other authoritative statements. Finally, the

views of a few leading Catholic theologians and ethicists will be considered, so as to illustrate the variety of Catholic ethical perspectives as well as the diversity of interpretations of the official teaching. For Protestant ethical perspectives the views of Luther, Calvin and the early Anabaptists will first be reviewed. Then church statements, where relevant and available, will be examined; and finally the views of leading Protestant theologians will be considered. In concluding the discussion of each category of norms, the author will comment on the reactions that corporations might be expected to have to various Christian perspectives and principles.

Chapter Four, the conclusion, will provide brief reflections on the extensive material presented in support of the two principal objectives of the thesis. Then consideration will be given to the overall potential of corporations to expand their capacity for ethical decision-making, first with respect to adopting and applying a more extensive set of secular ethical norms, and then with respect to understanding and accepting a range of Christian ethical principles. Finally, certain practical steps will be proposed for moving forward in expanding the corporate capacity for ethical decision-making by deepening the corporate comprehension of Christian ethical perspectives and principles.

## **Methodology**

A clearly defined methodological framework is required to organize the review of secular and Christian perspectives and principles as they relate to corporations. For this purpose, the framework developed by Terence R. Anderson for systematically identifying the elements or components of the moral life will be used.<sup>7</sup>

**Anderson's fundamental perspective is that the moral life is an integrated whole.**

**For the purpose of ethical reflection and analyses, however, five categories or "base points" within this integrated whole can be identified. They are:**

- **moral norms and standards**
- **moral character**
- **worldview and basic convictions**
- **situation and context**
- **authoritative sources.**

**Anderson introduces and examines his ethical categories within a Christian context. However, they are equally applicable within a secular context. The review of both the religious and the secular literature on corporate ethics can be neatly structured according to these categories.**

**Anderson applies his five categories in two streams of analysis:**

- **Analysis of self as agent (which includes the three base points of moral character, worldview and basic convictions), and moral norms and standards.**
- **Analysis of the social setting, which includes the base point of context and situation.**

**Authority, the remaining base point applies both to the analysis of self as agent and to the analysis of the social situation.**

**"Moral norms" are defined as standards for guiding and assessing qualities of moral being (virtues and vices) and behaviour (actions that are right or wrong, obligatory**

or permitted). Anderson identifies three broad categories of moral norms and standards: obligations, values and goods, and moral rights or claims.

“Obligations” are one type of moral norm. They designate right actions deemed essential for the flourishing of human community. Obligations are to be contrasted with “duties” which arise out of roles and functions of the individual in society, rather than from the context of relations and consequences. The term “obligations” embraces the term “principles”, which refers to norms designating actions that are intrinsically right or wrong in themselves, or actions deemed right or wrong in terms of the good or evil consequences they produce. The principal obligations identified by Anderson are:

- Love of neighbour, *e.g.*
  - Ten Commandments
  - justice (procedural and distributive)
  - liberty
- Trusteeship of creation
  - respect for intrinsic worth
  - sustainable use
  - well-being of creatures

Values and Goods are the second type of moral Norm. “Values” are defined as standards that indicate a desirable consequence of an action, such as friendship, well-being, health, happiness, and so forth. “Goods” are defined as a more traditional synonym for “values” referring to the desirable consequences or ultimate end our actions should produce, in other words objects or end-states thought to be worthy of human pursuit. Among values and goods, Anderson identifies:

- Beneficence or well-being
- Common good (shared values of a collectivity)
- Middle axioms (specific social action goals)

Moral rights are the third type of moral norm. “Rights” are defined as justified claims that individuals and groups can make upon others in society, characteristically claims of power, privileges, or essential goods and services (of basic importance to human life). Rights can be categorized as:

- individual rights
- collective rights
- animal rights<sup>8</sup>

“Moral character” is defined as the inner and distinctive core of a person from which moral discernment, decisions and actions spring. It is an enduring configuration of intentions, feelings, dispositions and perceptions of the self as moral agent. Anderson identifies two essential features of moral character:

- posture or stance towards life and the world, the determinative perspective or point of view from which one examines one’s expressions and evaluates them
- dispositions, a persistent tendency or readiness to speak and act in a certain way; good or desirable dispositions are called “virtues”, and the opposites are called “vices.”<sup>9</sup>

“Worldview” is defined by Anderson as the basic operative understanding of reality shared by a group of people or society generally, usually unarticulated and unconsciously assumed, but always deeply held and often regarded as virtually axiomatic. Worldview encompasses answers to such basic questions (and Christian answers) as:

- Who are we? (Human Nature)
- Where are we? (Creation)

- What is wrong? (Sin and Fall)
- What is the remedy? (Christ and Redemption)<sup>10</sup>

Anderson uses the term “context” to refer to the overall economic, political, cultural and religious dimensions of society, and the term “situation” to refer to the immediate conditions affecting the individual as agent. Analysis of the context is a matter of:

- gathering reliable data and factual information
- performing a social analysis to discover underlying patterns and causes of conditions
- assessing the significance of what is happening in terms of a larger frame of meaning.

Analysis of the situation includes the gathering of more specific information and facts (what, why, how, who, where, when), and assessing alternative courses of action, with respect to their feasibility and likely consequences.<sup>11</sup>

“Authoritative Sources” apply both to the analysis of self as agent (norms, character, worldview) and to the analysis of the situation and context. One can categorize the various types of authority:

- scripture
- tradition
- reason (Natural Law)
- experience (personal or communicated)
- law
- history
- science<sup>12</sup>

This brief summary of Anderson’s methodology of necessity leaves out the variety of details and specifics which he provides for each of his base points, some of

which will be reviewed in Chapter Three. Anderson maintains, however, that in the end it is not the specific analysis focussed on one or more base points which is central to his ethical framework, but the comprehensive inclusion of all base points in any ethical analysis. Moreover, a comprehensive ethical perspective should also meet the criteria of being congruent (having consistency within and among base points) and of being integrative (giving due weight to base points).<sup>13</sup> While these three criteria are essential for moral decision-making within Anderson's framework, they are not subjected to explicit consideration in the examination of the various secular and Christian perspectives and principles that can be related to the ethics of corporations.

Having derived from Anderson's base points six major categories for classification, the thesis will examine a significant, but not exhaustively comprehensive, range of ethical perspectives and principles. Five of the categories under which perspectives and principles are considered are drawn from the base point of "moral norms and standards": justice, liberty, trusteeship of nature, common good and human rights. One category, virtue, relates to the base point of "moral character." Another base point, that of "world view" will constitute the final category, within which the discussion will focus largely on various perspectives on the role of the corporation as a moral agent in society. The discussion of perspectives and principles related to Anderson's other base points, situation and context and authoritative sources, will be incidental as the subject under discussion warrants.

The author has selected a sample of notable contemporary ethicists to illustrate the variety of perspectives and principles that are associated with each of the base points. This selection has been made on the basis of the author's survey of secular and Christian

ethical literature, especially that focussed on social and economic issues generally and corporations in particular. In a number of instances, the author will need to draw out the implications for corporate ethics of certain perspectives and principles whose formulation is at a higher level of generality (dealing for example with the market economy or the organization of society).

The examination of secular ethical perspectives and principles (Chapter Two) provides input to the base case for considering corporate ethics, on the assumption that these concepts are relatively plausible and accessible to corporations, as secular institutions. The examination of Christian ethical perspectives and principles and their relationship to corporations (Chapter Three), the main work of this thesis, is more extensive than the review of secular positions. A brief sketch of the theological background of different Christian ethical perspectives and positions will clarify the grounds for concerns and priorities of the churches with respect to corporate performance. For each of the base points, an effort is made to identify certain fundamental perspectives of the Catholic, Lutheran, Calvinist, and (to a lesser extent) Anabaptist traditions. Insofar as possible, the historical sketch attempts to capture how the different traditions have applied principles associated with the different base points to questions of the economy or society more generally. The possible ethical implications for corporations and likely corporate reactions are then considered.

The ethics of corporations raises one issue that is not addressed explicitly in Anderson's systematic framework, namely the nature and role of the collectivity (*i.e.* a corporation) as a moral agent. The examination of secular and Christian worldviews will suggest several possible answers to the question of whether and to what extent a

corporation can usefully be described as a “collective moral agent.” Collective moral agency, if it exists, implies that ethical responsibility for a corporate decision or action belongs to the corporation in a manner and to an extent that it does not belong to the individuals, in part or in whole, who work for the corporation, whatever their particular involvement in the decision or action.

The author’s experience in corporations will provide the, admittedly subjective but well informed, base for assessing: (1) the potential relevance of the various ethical perspectives and principles to the current perceptions and practices of corporations; (2) the capacity of corporations to integrate those perspectives and principles in their decisions and actions; and (3) the progress that corporations are making and could further make in the direction of understanding, accepting and applying various ethical perspectives and positions.

For the purpose of clarity it is important to establish that “corporation” as used in this thesis refers to the multinational business corporation, and not to the other forms of that legal entity. A corporation, as experienced by the author, is: (1) large, such that employees do not all know one another personally; (2) multinational, such that cultural affiliations and national allegiances are variegated among employees and units (subsidiaries) of the corporation; (3) complex, such that decision processes are not always perfectly clear, even for those most directly involved in the decisions; (4) communal, such that employees share a corporate culture, which includes language, values and beliefs; and (5) integrated, such that a single focus or desired business result drives corporate decisions and actions, and forms the context for all internal discussion, including ethical matters.

The decision processes of corporations can be described as: (1) empirical, such that demonstrable facts and objective data are the principal elements considered in and factored into corporate decisions; (2) quantitative, such that numeric measurements are applied to all significant variables, particularly profit and loss; (3) rational, such that logical analysis dominates the selection of preferred courses of action; and (4) consequentialist, such that the outcome of decisions and actions is the main concern and measure of success, as opposed to the intrinsic value of an action or object.

In the author's experience, the consequentialist nature of corporate reasoning makes corporations more amenable to teleological, as opposed to deontological, ethical propositions. Categorical imperatives based on intrinsic values, such as the dignity of human beings or the beauty and goodness of nature, are difficult for corporations to relate to as ethical principles, unless they have been expressed as the duly enacted laws of the state, which corporations generally perceive themselves to be ethically obligated to obey. However, it is often the punitive consequences of disobeying the law more than the ethical obligation to respect it that motivates corporate behaviour. One question, whose possible answers the various perspectives presented in this thesis may help clarify, is whether and how the ethical capacity of corporations, their potential to be moral agents, might evolve beyond these limitations.

## **Terminology**

Clarification is required as to the meaning of two terms constantly used in this thesis, "perspective" and "principle." Both terms are used in this thesis in a fairly general sense, but can be clearly differentiated from each other. The term "perspective" refers to

a particular point of view, a particular approach to regarding or analyzing a subject, or a particular way of organizing and inter-relating the various aspects of a subject. Ethical theories are examples of perspectives. There is a hierarchy of specific applications for the term perspective. Thus in the discussion of Christian perspectives, at the highest level of generality, there is a perspective which encompasses the essentials of the faith that Christians share. At the next level, there are the different perspectives of the Catholic, Lutheran, Calvinist and Anabaptist traditions. At another level of specificity there are the perspectives of different ethicists operating in a single Christian tradition.

The term “principle” is used in its most general sense to refer to a comprehensive proposition or general statement intended to guide decisions or actions, and in a more specific sense to refer to rules or guides for right action. Different perspectives generate different sets of principles, if not different in substance, then different in their inter-relationship. Within Anderson’s methodological framework, a high level operating principle might be said to be that all base points must be integrated into a decision or action for it to be considered truly ethical. At the next level of generality, there is a principle that asserts the essential necessity of each base point on its own as an element in ethical decisions and actions. For example, there is a principle that human rights exist and are an important ethical consideration. At the next level, there are the particular principles categorized under a base point, for example specific political, civil, economic, social and cultural rights. At a certain level of specificity, the term “principle” as used in this thesis becomes synonymous with the term “norm” as defined by Anderson (*supra*). This use of the term “principle” in this thesis thus differs from Anderson’s more narrow definition, in which “principles” are a subset of “norms”; specifically, “principles” are

norms that designate certain actions as intrinsically right or wrong within the category of obligations. Rather, as used in this thesis “norms” are a specific type of “principle.”

Certain other words used in this thesis, such as “view”, “position” and “concept” are used as more general and less precise terms. These terms encompass broadly the “perspectives” and/or “principles”, with reference usually to a particular tradition or to a particular ethicist.

The term “capacity” is used in this thesis primarily with reference to the process of corporate decision-making. Capacity may be defined as the combination of: (1) a circumscribed range of factors that corporations customarily consider and integrate into their decisions, and (2) a limited set of capabilities that participants in corporate decisions possess, with respect to understanding, prioritizing and relating various factors so as to produce preferred or optimal outcomes. Thus to expand the capacity of corporations for ethical decision-making is to admit certain ethical norms (which are conventionally excluded) into the range of factors that are to be considered in the corporate decision-making process, and to educate decision-makers with respect to the meaning and relative significance of those norms with respect to the corporation’s objectives and role in society.

## **Parameters**

An examination and clarification of ethical perspectives and principles and their relationship to corporations, especially one as expansive as the present work, requires a clear definition of parameters. It is necessary to identify questions and avenues of enquiry which lie outside the scope of this thesis.

Anderson's ethical methodology provides the framework used in this thesis to organize the discussion of the various ethical demands and expectations which secular and Christian ethicists impose on corporations. This thesis does not attempt to prioritize the relative importance of the various perspectives and principles considered under one base point with those considered under another. Nor does it attempt to prioritize, in terms of such qualities as significance, cogency or relevance, secular perspectives and principles against Christian perspectives and principles considered under the same base point. The systematic examination of ethical perspectives and principles grouped under a single base point may, however, facilitate a future effort to inter-relate and possibly to prioritize or rank them.

It is recognized that Anderson's ethical methodology is more than an instrument for organizing ethical concepts; it is fundamentally a theory as to what constitutes ethical decisions, actions and states of moral being. Anderson's methodology is attractive because it has the practical usefulness of forcing individuals and corporations to think explicitly about the implications of each and all of the base points in making decisions and taking actions. However, it is not the purpose of this thesis to demonstrate that Anderson's methodology must be adopted if corporations are to decide and act in an ethical manner. An analysis of the theoretical merits or deficiencies of Anderson's theory of ethical decision-making is beyond the scope of this thesis. The capacity of corporations for ethical decision-making will be discussed with reference to the corporate ability to accommodate or integrate specific ethical perspectives and principles in their decision-making processes, and not to the ability of corporations to adopt Anderson's methodology in its entirety, though the discussion may shed some light on this question.

For Anderson, decisions to be considered ethically sound should be holistic (comprehensive, congruent, and integrative) in their consideration of the ethical base points. This thesis does not attempt to demonstrate or prove that ethical decisions to be such must be holistic, *i.e.* that Anderson's methodology is the minimalist test with respect to the process (if not to the content) of ethical decision-making. The thesis does not attempt to define or formulate a minimalist test as such. It will be evident from the various ethical perspectives subjected to examination in this thesis that a number of different positions could be taken as to what might constitute a minimalist test, with some ethicists advocating a single principle, such as justice or love or the common good, as sufficient to qualify a decision as ethical (all other base points being either irrelevant or implicitly contained in, subsumed under, or derived from that one primary principle).

This thesis is, then, a project in applied ethics, not theoretical ethics. While various ethical theories and methods are represented in the perspectives and principles examined, the thesis does not address issues of theory or method as such. Reference may be made to ethical theories, such as self-interest or altruism as the fundamental driver, or to methods, such as the comprehensive, congruent and integrative application of ethical norms, but analysis or evaluation of such theories or methods is beyond the scope of the thesis.

More specifically, different theories will be presented in this thesis with respect to the capacity of a corporation to be a moral agent, to bear ethical responsibility for decisions and actions which is not ultimately attributable to individuals who work in and for the corporation. It is beyond the scope of this thesis to assess the relative merits of those theories as such. Commentary on the various theories of the corporation as a moral

agent will extend only so far as the author's assessment of how realistic and acceptable such theories seem on the basis of his experience in and understanding of corporations. It is also beyond the scope of this thesis to analyze theories of the corporation as a moral agent in order to differentiate the relative ethical responsibilities of corporations and their employees. The examination of perspectives and principles in this thesis will, however, provide a partial preparation for such an analysis and differentiation.

This thesis does not attempt to measure in a definitive manner the existing capacity of corporations for ethical decisions and actions, although observations will be made, based on the author's experience, on the dimension of the challenge corporations face integrating certain ethical perspectives and principles, particularly Christian, into their decision-making processes. Nor does the thesis attempt to assess definitively the feasibility of closing or narrowing the divide between Christian ethical perspectives and principles and corporate perceptions and practices, although this challenge will also be discussed on the basis of the author's experience and reflections. Nor does the thesis attempt to prescribe how Christians or corporations should make decisions or take action in a general or a specific manner.

The differentiation of secular and Christian ethical perspectives and principles, as presented in this thesis, is for the purpose of convenience and usefulness to corporations, and not for the purpose of demonstrating the isolation of the two spheres of ethical discourse. Some of the works referenced in Chapter Two have been written jointly by secular and Christian ethicists, but present perspectives that appear to the author to be essentially secular. The distinction of secular from Christian perspectives cannot and should not be overly rigorous. After all, The original formulation of Christian ethical

views was to some extent influenced by the secular ethical perspectives of the Greeks and Romans (particularly Plato, Aristotle and Cicero). Similarly, the secular ethics which re-emerged during the Enlightenment was influenced by the then long lineage of Christian ethics (particularly Luther and Calvin, but also Aquinas). Even today the churches differ in the extent to which their ethical perspectives and principles can be said to be strictly Christian, or a mixture of Christian and secular thinking. The Catholic tradition, with its strong emphasis on the accessibility of natural law through human reason, would appear to be relatively inclined to incorporate secular perspectives and principles insofar as they are congruent with its holistic worldview, while the Anabaptist tradition would appear more inclined to rely exclusively on scripture and theology as the basis for its ethical positions, with the Lutheran and Calvinist views somewhere in between. Moreover, in today's world the fact that one is Christian need not automatically imply that one's intellectual position, even one's ethical perspective, is essentially Christian, anymore than one's positions with respect, for example, to science, history, art or literature. In spite of these caveats, the differentiation of ethical perspectives and principles as either secular or Christian appears to be a useful and informative exercise, particularly from the point of view of understanding the corporation's reaction to those perspectives and principles.

Finally, it is beyond the scope of this thesis to consider the various interpretative histories of corporations. Some historical sociologists, notably Max Weber and R. H. Tawney, have attributed the emergence of the market economy and corporations to Protestant, particularly Calvinist, perspectives and principles, notably the pre-eminence accorded virtues such as prudence, frugality and self-discipline.<sup>14</sup> The reason for this parameter is that the focus of this thesis is on the relationship to corporations of Christian

ethical perspectives and principles, in terms of their theological grounding and substance, and not on the possible theological roots and historical evolution of the corporation. To have included an exploration of the latter subject within the scope of this thesis would have necessitated the examination and clarification of many perspectives that relate not to ethics as such but to the history and sociology of corporations, which from the author's observation of the literature is extensively explored terrain.

## **Summary**

In summary, the objective of this thesis is to examine and clarify in a systematic manner, by using Anderson's methodological framework, the ethical perspectives and principles that relate to corporations, first and somewhat briefly within the context of secular ethical discourse, and then, more extensively as the main work of this thesis, within the context of Christian ethical discourse. The purpose of this exercise is to shed light on the possible ethical responsibilities of corporations and the potential corporate capacity for ethical decision-making. The desired outcome of this work is that Christians and corporations will be able to perceive clearly a range of ethical perspectives and principles that might be applied to corporate decisions, actions and states of moral being. This thesis thus will clarify some of the options available for a corporation to respond to normative demands from Christian churches and ethicists; and it will clarify some of the options potentially available to Christians to move the corporation in the direction of their vision of possibilities. While the Christian perspectives and principles presented in this thesis are clearly normative, the thesis itself should be read as descriptive rather than prescriptive. The overall intent is to clarify what might be done (the options), as opposed to what could be done (the feasible) or what should be done (the normative).

**It is expected that this review of various Christian perspectives and principles related to the ethics of corporations, in addition to suggesting subjects requiring further research, will reveal areas of promise for finding common ground.**

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## Notes to Chapter One

- <sup>1</sup> For examples of public controversy, see Paul Knox, "Mammon vs. Morality: Doing Business and Doing Good", *Globe and Mail* (Toronto) 2 March 1996, D2, and Cathy Majtenyi, "Ethical Business: Two Sides Have Opposite Views of the Same Coin", *The Catholic Register* (Toronto) 18 March 1996, 10, which record a dialogue of the author with a Church representative about a mine development project in Venezuela; or Catherine Coumans, "Economic Progress Has Its Costs: Mine Disaster Could Have Been Prevented" and James Cooney, "Placer Dome: We Are Responsible – Company Says It Took Responsible Action in Rehabilitating Calancan Bay", *The Catholic Register* (Toronto) 28 April 1997, 16 – 17, which record the author's dialogue with a person representing the Church's perspective on an environmental issue in the Philippines.
- <sup>2</sup> For examples of such accusations, see "Placer Dome's Beads and Blankets", *Frank Magazine*, (Ottawa) 10 April 1996, 15, and "Corporate Ethics: Placer Dome's Mad Hatters", *Frank Magazine*, (Ottawa) 11 September 1996, 6, which attack the author as offering "endless reassurance to those who doubt his corporation's ethics."
- <sup>3</sup> Placer Dome's *Sustainability Policy* was approved by the Company's Board of Directors in February 1998, and is available in published form from Placer Dome Inc. (1055 Dunsmuir Street, B.C., Canada V7X 1P1 or on the Company's website: [www.placerdome.com](http://www.placerdome.com)
- <sup>4</sup> The *Environmental Charter, revised and reissued, 1998*, is published by the I.C.M.E. (294 Albert Street, Suite 506, Ottawa, Ont., Canada K1P 6E6) or available on the website: [www.icme.com](http://www.icme.com).
- <sup>5</sup> For records of the dialogue of the author with T.C.C.R., see the Annual Reports of T.C.C.R. for each year during the 1990s, especially the *1995-1996 Annual Report*, p. 8: "Members of the Task Force met with James Cooney, international and public affairs officer of Placer Dome Inc., to review the *BenchMarks* document from the perspective of a transnational mining company. Following that meeting copies of the *Bench Marks* were sent to the International Council on Metals and the Environment for review." *Bench Marks*, for which the full title is *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance, "Round Two Text"*, revised and released in 1998 is available from T.C.C.R. (129 St. Clair Ave. West, Toronto, Ont., Canada M4V 1N5).
- <sup>6</sup> The author's comparison of I.C.M.E.'s *Charter* and T.C.C.R.'s *Bench Marks* is appended as the annex to this thesis.
- <sup>7</sup> Anderson, Terence R., *Walking the Way: Christian Ethics as a Guide* (Toronto: The United Church Publishing House, 1993)
- <sup>8</sup> *ibid*, Chapter One, "Moral Norms and Standards: a Lamp unto Our Feet", 21-108.
- <sup>9</sup> *ibid*, Chapter Two, "Moral Character: Habits of the Heart", 109-148.
- <sup>10</sup> *ibid*, Chapter Three, "Worldview and Basic Convictions: Eyes to See, Ears to Hear", 149-186.
- <sup>11</sup> *ibid*, Chapter Four, "Situation and Context: Stand at the Crossroads and Look", 187-212.
- <sup>12</sup> *ibid*, Chapter Five, "Authoritative Sources: Where the Good Way Lies", 213-240.
- <sup>13</sup> *ibid*, Chapter Six, "The Art of Discerning the Way: an Undivided Heart", 241-274.

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<sup>14</sup> The seminal works with respect to the historical origins of corporations in Christian ethical principles are: Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Harper and Row, 1958), originally published in German in 1905; and R.H. Tawney, *Religion and the Rise of Capitalism* (New York: Harcourt, Brace and Co., 1926).

## **Chapter Two**

### **Secular Ethical Perspectives and Principles and Their Relationship to the Current Perceptions and Practices of Corporations**

Secular ethical perspectives are those which exclude reference to a divine or spiritual dimension in understanding the activities and responsibilities of the business corporation, and exclude scripture and religious tradition as an authoritative base for moral obligations, values, rights and virtues.

The secular literature on corporate ethics evinces a significant diversity of perspectives. First of all, there are a number of academic disciplines, or “points of departure”, at work in the various secular ethical discussions of corporate ethics, including:

Economics and “hard” business,

Organizational behaviour and “soft” business,

Business and managerial experience and cases,

Social and political sciences,

Legal studies, and

Philosophy and the humanities.<sup>1</sup>

Secondly, secular ethicists tend to ground their arguments on one or another of Anderson's base points, which may be regarded as their "points of entry." Secular ethical perspectives and principles and their relationship to corporations are classified in this chapter under: justice; freedom or liberty; trusteeship of nature (sustainable development); the common good (or utilitarianism); rights and duties; virtues and vices (the habits of individuals and of corporations or of the corporation's culture). Secular ethicists have articulated various understandings of the nature and role of the corporation and its global operating context, which will be considered under worldview. While these points of entry to ethical discourse are useful for organizing the various perspectives and principles, it will quickly be noticed that ethicists generally extend the discussion to touch on ethical principles in the other categories. Thus ethicists focussed primarily on justice will also discuss issues of freedom, rights, the common good, and so forth.

The diversity of secular ethical perspectives and principles and their possible relationships to corporations raises the question as to whether there is any common ground across the scholarly spectrum. Two scholars have described the lack of a stable theoretical base for business ethics thus:

The feeling one gets from the literature (texts, articles, books) is that of a theoretical "free-for-all" where eclecticism seems to dominate over the need for focus and the securing of a common foundation. The presentation of ethical theory in the literature of the field is almost unpredictable, although Kantian deontology and utilitarianism seem to be hard to ignore. Many authors also include such perspectives as egoism, virtue theory, theories of justice, theories of rights, universalism, ethical relationism, an ethic of caring, and so on. The theoretical foundations of business ethics, therefore, are not secure; the dominant interest in the field seems inclined toward building a diversity of perspectives, as opposed to identifying a common core of theory.<sup>2</sup>

This diversity of perspectives in the secular ethical literature is reflected in the variety of views about corporate roles and responsibilities that the author has observed in business management. Given the fact that even among experts in the field there is no commonly held “core understanding” of corporate ethics, it is not surprising that business people generally believe that reason and common sense, their personal insights and values, and the reward systems within which they operate are the essential inputs to any so-called ethical decision. Yet implicit in the various orientations of business people with respect to the ethical roles and responsibilities of their corporations can usually be found an acceptance or rejection of one ethical theory or another. Therefore, it is useful to review a variety of perspectives, recognizing that this exercise, consistent with the nature of the subject, is necessarily eclectic and unintegrated.

### **Secular Perspectives on Justice**

Most discussions of justice in the secular ethical literature can be categorized as focussing primarily either on issues of distribution or issues of procedure. Yet while distinct as subjects of enquiry and analysis, distributive justice and procedural justice are intimately related. A just distribution of the essential prerequisites for moral choice and action is in some respect a necessary precondition of procedural justice. On the other hand, just distribution, while it may be motivated by considerations of need or entitlement, cannot be achieved effectively without just procedures. Therefore, most secular ethicists while focussing on one aspect of justice will tend to at least allude to the other as well. The following perspectives on justice are examples of well-articulated expressions of both egalitarian and inegalitarian understandings of the subject.

A leading exponent of egalitarian distributive justice is the philosopher John Rawls, whose writings have inspired many secular ethicists.<sup>3</sup> Rawls focusses on social justice, which he defines as “the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social co-operation.” By major institutions, Rawls refers to the political constitution (which, for example, assigns powers and rights), the economic system (which, for example, structures production, property, markets and wealth creation), and social arrangements (which, for example, establish family and community relationships). For Rawls, other institutions are smaller systems within the major political, economic and social systems.<sup>4</sup>

Rawls develops his concept of justice by considering what principles rational human beings, deciding under “fair conditions”, would choose for assigning rights and duties and determining the division of social benefits. Rawls proposes that “fair conditions” for rational choice would eliminate biases related to social position, material possessions, personal abilities, psychological propensities and even conceptions of the good. Justice is rooted in those principles that rational individuals would together choose if they were to decide behind a hypothetical “veil of ignorance.” Isolated from the contingencies of social circumstance and the accidents of natural endowment, rational human beings would, in Rawls view, arrive at the following two fundamental principles: (1) basic rights and duties should be assigned equally to all humans (as rational moral agents); and (2) social and economic inequalities (for example, of wealth or power) are just only if they result in compensating benefits, particularly for the least advantaged members of society.<sup>5</sup>

For Rawls, justice as equality, grounded in fairness, excludes lessening the life prospects for some in order to increase advantages for others, even if the result is a greater net balance of satisfaction in society. Thus, for Rawls, the principles of justice rule out justifying institutions (including corporations) on the grounds that the hardships of some are offset by the greater good of the aggregate. Rather, in a well ordered society, according to Rawls, everyone is engaged in a co-operative effort for mutual advantage, which requires that benefits be divided among individuals in a manner that draws forth the willing co-operation of all, including those less well situated. It should be noted that, for Rawls, there is no injustice in greater benefits being earned by a few, provided that the lot of less fortunate individuals is also improved.<sup>6</sup>

Social co-operation based on justice, according to Rawls, has three specific attributes: (1) Co-operation is grounded in publicly recognized rules and procedures that everyone accepts and regards as properly regulating the conduct of all. (2) Co-operation is subject to “fair terms”, which allow all participants to benefit in an appropriate way, as assessed by a suitable bench mark of comparison. (3) Co-operation is inspired and sustained by each participant’s idea of rational advantage, or view of the good.<sup>7</sup>

Fair terms of co-operation are possible, according to Rawls, only where there is a fair distribution of the resources (primary goods) that are necessary for a person to make rational choices in life. Primary goods include basic rights and liberties (such as freedom of association, freedom of movement, and choice of occupation), positions of political and economic responsibility, income and wealth, and (most importantly for Rawls) the social basis of self-respect. The just distribution of primary goods, for Rawls, is objective, and not related to felt satisfaction, so that strong individual desires do not

constitute a just claim on primary goods. Rather, primary goods should be distributed as needed for persons to access (or to make choices from) the full range of conceptions of the good (individual personal pursuits), provided that the (public) principles of justice are respected. This distribution contrasts with that of utilitarianism, where the common good, with a strong respect for individual subjective preferences, dictates the allocation of primary goods. Society overall, or more specifically the national community, which for Rawls is the greatest extension of social co-operation for mutual advantage, has responsibility for maintaining the public principles of justice. Individuals (and corporations) are responsible for the ends they pursue; however, such responsibility is really possible only if they enjoy the primary goods required to allow and enable them to make truly free choices. Individuals (including corporations), therefore, are responsible for adjusting their personal conceptions of the good (the desired outcome of their efforts) to a resultant just distribution of primary goods (rights, freedoms, influence, income and self-respect).<sup>8</sup>

In much of his writing, Rawls does not distinguish between individuals and collectivities, though at one point he says that the term “person” applies not only to individual humans but also to “nations, provinces, business firms, churches, teams and so on.”<sup>9</sup> Rawls does, however, observe that the principles of justice apply differently to institutions and to individuals. He defines institutions as “public systems of rules”, which assign rights and duties, powers and immunities, and so forth, to offices and positions. Rawls lists “markets” and “systems of property” (and by implied extension “corporations”) among institutions so defined. The rules, which are the essence of institutions, prescribe or forbid certain kinds of action, and provide for rewards or

sanctions. Institutions can be said to be just (in a substantive sense) if their rules accord with the two fundamental principles of justice, and just (in a formal sense) if the authorities interpret the rules impartially and consistently (fairly) for all participants. Everyone who participates in an institution is assumed to know the rules, as are many outside the institution who observe or relate to it. The publicity of the rules establishes a common basis for mutual expectations and, in a well-ordered society (one effectively regulated by a shared conception of justice), a common understanding of what is just or unjust. Ideally, the rules of an institution guide its participants in pursuit of their predominant interests in ways that further socially desirable ends.<sup>10</sup>

It has been suggested by John Dalla Costa that the ideal freely chosen end of the corporation as moral agent is ethical and efficient commerce and exchange. The community is best served if business is the best it can be. One question that arises, to use the language of Rawls, is what primary goods are needed for the corporation to choose, pursue and achieve ethical and efficient commerce and exchange, and to co-operate with other moral agents in society is so doing.

Dalla Costa observes that the economy consumes resources (natural, human and moral), thereby inevitably affecting the distribution of primary goods and the relative capacity of other persons (individual or collective) to pursue their individual and mutual advantage. The corporation by its very activity is engaged with the community on more levels than merely the creation of wealth. It affects the ability of other moral agents to make free decisions in their best interest. The implication is that corporations are obligated to reduce the distributive imbalances, or impediments to free choice, which they may create. By removing resources from the global community, in Dalla Costa's

view, corporations are obligated to return contributions which further the social well-being of society as a whole or, as Rawls would say, to expand and equalize the allocation of primary goods.

In the words of Dalla Costa, justice “weaves all institutions and individuals into the larger fabric of community well-being.” For Dalla Costa, the symmetry of distributive justice does not appear to be blind equality. For Dalla Costa the commitment to progress, to the continuing implementation of justice, even if incremental, is central to the ethical stance. Imperfect solutions in an imperfect world are often all that can be achieved. Dalla Costa formulates his basic principle of justice thus: “Contribute to the formation of a community that you would want to entrust yourself to.” This principle incorporates distinct actions of ethical significance. “Contribute” means to participate, give, build and add on to. “Formation” is the achievement of progress and realization of an ideal or a potential. “Community” is the shared forum within which individuals make their choices. “Entrust” is the action of caring or expressing support for others.<sup>11</sup>

The ethicist Thomas Donaldson has considered how Rawls two principles of justice might be applied to those decisions of multinational corporations that distribute risk from industrialized to developing countries. Donaldson observes that conventional cost-benefit analysis, which calculates the increase in overall welfare to be produced by a given investment, effectively puts a price on the risk of loss of life or damage to health that may be associated with the investment. Because the existing conditions of health, education, employment and community well-being are so low in most developing countries, the relative benefit of improving socio-economic conditions higher than in industrialized countries; however, the relative cost of loss of life or damage to health of

individuals is commensurately lower. This fact biases the distribution of freedom from risks to life or health in favour of industrialized countries. Donaldson suggests that human life and health should be valued equally everywhere, and that freedom from risks to life and health should be equally distributed globally as a Rawlsian primary good. He notes, however, that Rawls limits the application of his two principles of justice to distributions within nations and not between nations, because nation states for Rawls are the largest possible systems of co-operation for mutual advantage with responsibility for distributing primary goods. Donaldson argues that it may be possible to shape Rawls' principles to fit the problem of international risk distribution, but failing that multinational corporations are at least obliged to apply the principle of fair distribution within a developing country, so that no sub-class of its citizens is disadvantaged in terms of risk for the greater benefit of the nation overall.<sup>12</sup>

Community well being is the basic reference point of Michael J. Sandel in his critique of Rawls' theory of justice. For Sandel to be human is to be an individual in community, with relationships, loyalties, allegiances, responsibilities and associations, which make the moral agent an encumbered self. This implies that "to some I owe more than justice requires or even permits, not by reason of agreements I have made but instead in virtue of those more or less enduring attachments and commitments which taken together define the person that I am." From this perspective, the primary ethical norm of the moral agent (individual or collective) is not distributive justice, as Rawls would contend, but rather the good of others as they relate to oneself, and ultimately the common good, by which Sandel means not the greatest aggregate satisfaction in society but the optimal well-being of each individual in the community.<sup>13</sup>

The ethicist Robert Nozick argues that the principles of justice should be based on actual history rather than on ideal end results. A distribution is just if it arises from just distributions in the past. A person is entitled to possessions if he acquired them in accord with the principles of justice in acquisition and justice in transfer. Violations of these two principles create unjust situations, which necessitate Nozick's third principle, that of justice in rectification. Nozick calls his perspective on justice based on history the "entitlement theory of justice."<sup>14</sup>

For Nozick just distributions are achieved through procedural justice, *i.e.* transactions which have themselves been just. Transactions in the economy, the exchange of goods and services, take the form of explicit or implicit contracts. Free choice for individuals (and by extension corporate persons) is essential for contracts to be valid. Hence, freedom is an essential element in procedural justice; and systems that coerce decisions are inherently unjust. Unequal distribution is justifiable and acceptable, as long as it is produced by just procedures, *i.e.* contracts based on free choice. From experience, however, free choice is bounded by various conditions, such as the circumstances, knowledge, understanding, interests and resources of the decision-maker, as well as by the interests and freedom of others. Free choice may also be bounded by certain natural rights possessed by all persons. The most significant boundary limiting free choice consists of historical (or precedent) constraints.

Decision-makers today cannot escape the consequences of past decision-makers. While the circumstance in which decisions may be made today are unequal among individuals, this inequality, if it is not the result of past injustices, constitutes, for Nozick, the just conditions of free choice. In Nozick's view, other constraints on free choice,

beyond natural and historical boundaries, cannot be ethically imposed, by governments or by other institutions.<sup>15</sup>

That implementing justice is in the self-interest of the corporation has been argued forcefully by Manuel Velasquez. He argues that justice is more profitable and more intrinsically valuable than injustice, even in corporations. Velasquez notes the results of research in psychological and sociology, which reveal three criteria of justice to which people respond: (1) proportionality, which says that rewards are just when they are proportional to each person's contribution; (2) equality, which says that rewards are just when all persons receive the same; and (3) need, which says rewards are just when allocated according to individual need. The research indicates that justice as proportionality correlates with competition among individuals or groups. Justice as equality correlates with solidarity and teamwork of individuals working co-operatively. Justice related to need correlates with a high level of interpersonal relationship and a shared goal of promoting each other's welfare.

Velasquez concludes that people desire distributive justice for itself and not merely for personal advantage, and that this desire motivates them to take steps to ensure that justice prevails, even if this means foregoing personal advantage. One can argue, therefore, that distributive justice is intrinsically valuable to employees, customers, communities and others to whom a corporation relates (stakeholders). Consequently, it is in the self-interest of a corporation to understand and act in accord with the priority that stakeholders attach to distributive justice, which implies acting in accord with certain objective norms of justice.

Velasquez also finds that research on procedural justice indicates that people respect and attribute intrinsic value to processes that they perceive as just. For example, dispute resolution processes where the parties are allowed to provide input into the process are perceived as more just than processes where such input is filtered or impeded. Moreover, the decision that emerges from procedures perceived as just are embraced and accepted as legitimate by the affected parties. The evidence, thus, supports the view that corporations that practice procedural justice are more effective, because such corporations receive support for their decisions, among employees and other stakeholders; command the respect, trust and commitment of current and prospective employees; and enjoy organizational cohesion and harmony that translate into a co-operative willingness to work together, to communicate and to share.<sup>16</sup>

Justice based on equality or need has been rejected by certain ethicists who give priority to freedom, particularly the free market. Irving Kristol, for example, has expressed scepticism: "The term 'social justice' was invented in order *not* to be compatible with capitalism." He argues that "social justice" has an irredeemably egalitarian and consequentially authoritarian thrust that is incompatible with the capitalistic socio-economic system, which is neither egalitarian nor authoritarian.

Kristol accepts equality before the law, but not economic equality and the other egalitarian extensions of "social justice." The equality of opportunity, so essential to competitive enterprise and the pursuit of self-advantage, is merely an absence of official (legal or political) constraints (not an equal distribution of primary goods). Capitalism rewards persons (individual and corporate) in terms of their contribution to the economy as defined and measured by the market place. Under capitalism, distributive justice is the

differential reward to persons based on their productive input to the economy (which may be enhanced by elements of chance). This is justice based on the norm of proportionality (but not strictly the same since chance may bias the distribution of rewards).

Kristol argues that “social justice”, insofar as it is a meaningful concept, applies not to corporations in the private sector but to governmental agencies in the public sector, where the responsibility to deal with social issues, such as need and inequality, resides. However, a liberal community exists on the premise that there is no authority able to know what everyone merits and to allocate it fairly; for if there were such an authority why would freedom be needed? Kristol maintains that if we want a society that aims for “social justice”, then we must have a consensus on values, with no disagreement as to what is good, bad, desirable or undesirable (in other words, a consensus on the primary goods). Kristol believes that such a consensus seems humanly unachievable.

Kristol concludes that we cannot have a liberal society, with all the freedoms that prevail in a liberal society, if we assume that “social justice” has a precise meaning on which society agrees and which it is the function of government to impose. To argue the case for “social justice” is to argue against the capitalist concept of justice, essentially a liberal society and liberal economy, in which decisions about rewards are made by the market, with some governmental intervention in support of those who are totally unable to compete for rewards in the marketplace. While Kristol frames his perspective in terms of justice as the primary base point, his argument verges on an ethical perspective based on liberty.<sup>17</sup>

From the author's experience in the corporate world, questions of justice as such do not occupy the attention of business people or enter formally and explicitly into corporate decision-making processes. Of the foregoing secular perspectives on justice, corporations would tend to find the libertarian view (as expressed by Kristol) relatively agreeable and undemanding. Justice based on precedent (as expressed by Nozick) also appeals to corporations since it seems relevant to the real world, as opposed to some ideal state of affairs, particularly in its accommodation of inequality, an essential characteristic of the free market. However, the principle of rectification may be troubling to corporations insofar as it justifies a redistribution of wealth on the basis of past injustices (as with aboriginal land claim settlements). The notion of justice as progressive rather than absolute (as expressed by Dalla Costa) might also appeal to corporations as being pragmatic and results oriented. Corporations may find the altruistic view that justice consists in attending to the well-being of others (as expressed by Sandel) to require a leap beyond the common corporate perception, on which market expectations are based, that individuals and corporations act essentially in their own self-interest. The egalitarian view of justice (as expressed by Rawls) would be the most difficult for corporations to accept, in that seems to be an idealistic concept based on hypothetical reasoning, which is hard to reconcile with the real world of affairs. With respect to the distribution of risks within a nation according to Rawlsian principles, as Donaldson advocates, corporations would find it difficult to define their responsibility *vis a vis* that of national governments for deciding what is a fair and acceptable risk distribution among citizens of a nation.

If distributive justice can be delivered by the free market, with governmental corrections only for egregious anomalies, the corporation is effectively relieved from

responsibility for deciding what is just, from identifying objective norms of justice and acting in accord with them. Corporations are relatively content with procedural concepts of justice (such as free and fair contracts) that support market transactions (production and exchange), whereby goods and services are conceived and delivered and wealth is generated and distributed. Market freedom is a primary good for corporations, as it allows and encourages corporate competition towards maximizing and accumulating wealth; it enables corporations to make optimal choices in their self-interest. To the extent that norms of distributive or procedural justice, as opposed to simple individual self-interest, might impose constraints on the production and distribution of goods and services, corporations would perceive unacceptable restrictions on their capacity for wealth maximization.

Nevertheless, to subject the free market in some manner to norms of distributive justice may be consistent with the best interest of the corporation over the longer term, as some enlightened corporations are beginning to realize. The challenge to the comfortable paradigm of an inherently just free market that currently creates concern in corporations is being posed not by capitalism's traditional theoretical adversaries but, as Velasquez has predicted, by many constituencies whose co-operation is key to corporate success (employees, communities, consumers and other stakeholders). Corporate self-interest increasingly requires a corporate understanding and response to public expectations and demands with respect to distributive and procedural justice.

The author's own company has attempted to address this issue in its *Sustainability Policy*, which commits the company to certain principles of distributive and procedural justice, though not articulated as such. Under the *Policy* the company commits to: (1)

“support a *fair distribution* of economic benefits from mining to local communities and the national economy”; and (2) “provide for the *effective involvement* of communities in decisions which affect them (and) *treat them as equals*.” The company’s decisions and actions are guided by the principles of the *Policy*, not as objective norms (supported by logic and fact) of fair distribution or of fair decision process, but as subjective norms of community and stakeholder consensus that decision processes and resultant distributions are fair. This approach implies that the decision-making process that communities and stakeholders consensually accept is in fact just, and produces a just distribution. Sharing decision-making with stakeholders, in this manner, requires corporations to move away from their consequentialist (or end result) orientation towards a procedural (or process) orientation, under the principle that “if the process is right, the result will be right.”

Implementing the “right process” will require corporations to pay attention to procedural justice. Yet as noted in the foregoing examination of various theories, procedural justice requires that the parties involved have the necessary freedom and competency to make good decisions. What resources (primary goods) do communities and stakeholders, as well as corporations, need for their engagements and transactions to qualify as just and fair procedures?<sup>18</sup> Still unanswered are questions as to what constitutes primary goods and whether they are universal or culture-bound. On the objective side, there are competing paradigms (or worldviews) within which “primary goods”, with their political, economic, social, cultural and ethical dimensions, can be defined, such as: (1) social, economic and environmental sustainability; or (2) state security, human security and socio-economic development; or (3) political-civil rights and economic-social-cultural rights. On the subjective side, no consensus exists as to the

nature of and need for primary goods, equivalent to that which business people have for several generations held about fair transactions in the free market. It appears that much work remains to be done for corporations to meet the challenge of understanding and implementing truly just procedures that lead to truly just distributions.

### **Secular Perspectives on Liberty**

As the review of secular ethical perspectives on justice has shown, liberty (or freedom) is a closely related ethical norm. For Rawls, freedom is a primary good which should be allocated equally through distributive justice. For Nozick, freedom is the essential element in procedural justice. Kristol opposes the egalitarian view of social justice, in favour of the freedom-based justice of capitalism. Ethical perspectives based on justice struggle with the issue of equality, while perspectives based on freedom regard equality as virtually a non-issue, except for the equality of freedom itself.

The most notable exponents of the libertarian perspective are Friedrich Hayek and Milton Friedman.<sup>19</sup> Hayek argues that notions of justice introduce an extraneous and irrelevant norm into the market system. More specifically, the application of the merit principle (an example of proportionality) only confuses those who work within the market and impairs the system's efficiency and effectiveness. Fundamentally, Hayek thinks the important issue is not merit but usefulness. The market rewards most those who achieve maximum utility (goods or outcomes) with a minimum of pain and sacrifice (merit). Rewards based on merit result in different allocations for the same service. Only the value of the result, as determined by the market, and not the value of the merit, should determine rewards. Fundamentally, Hayek views the imposition of constraints on the

market for reasons of just distribution to be inherently unjust. The ethical ideal is that market processes should function freely.<sup>20</sup>

Friedman emphasizes that freedom in the economy is intimately related to freedom in the political domain. However, while Friedman posits freedom as the ultimate norm in judging social arrangements, he refrains from defining freedom as a value in itself. Rather, freedom has an instrumental value related to generating efficiencies in the market and maximizing wealth creation and consequent well-being (optimal utility). Governmental regulation, which restricts economic freedom or political liberty, is unethical because it impedes market efficiency and wealth maximization. Likewise, constraints on the freedom of contract are unethical impediments to the market's thrust towards wealth maximization.<sup>21</sup>

For Friedman, ethical issues are properly the concern not of social systems such as the free market but of individuals in the marketplace:

In a society, freedom has nothing to say about what an individual does with his freedom; it is not an all-embracing ethic. Indeed, a major concern of the (classical) liberal is to leave the ethical problem for the individual to wrestle with. The "really" important ethical problems are those that face an individual in a free society – what he should do with his freedom.<sup>22</sup>

What then is the ethical responsibility of the corporation? Friedman states that it is to maximize profits (optimize utility), while conforming to the basic rules of the society, namely those embodied in law, contracts and "ethical custom." In Friedman's view, few trends can so thoroughly undermine the very foundation of a free society as the acceptance by corporate managers of a social responsibility other than to maximize profits for their shareholders.

Friedman understands the “ethical custom” that constrains market freedom to mean that business should be run without committing fraud, without intentional deception, in keeping with the standards of fair competition, and generally in keeping with societal values. This concession to custom would appear to open the libertarian perspective to a broad range of ethical norms, perhaps including wealth redistribution and environmental protection (assuming that those are values generally held by the society in which one does business). The ethical norms that constrain freedom in the marketplace, in Friedman’s view, therefore are subjective, rather than objective.<sup>23</sup>

Friedman defines the function of government, insofar as it can ethically impose boundaries on freedom of choice in the market, as being to protect the requisites for free markets and civil liberties. This has been interpreted as implying that governments should prevent private harm (such as to an individual’s interest in life, liberty, health, property, possessions, contracts, and reputation) or public harm (in the form of negative externalities, *i.e.* a corporation’s imposition of costs upon others). Beyond that, government should refrain from acting in any manner that might restrict the freedom of the market or impede the ability of business corporations to maximize their return on capital.

John Danley has analyzed and criticized Friedman’s ethical perspective on a number of grounds. Danley describes Friedman’s position with respect to the ethical responsibility of business corporations as a threefold argument based on promise, agency and role. Management have promised shareholders to maximize profit and should ethically keep their promise; management are agents of the principals (shareholders), and agents have an ethical responsibility to maximize the interests of the principal; and

management's role in the corporation is to maximize profits, which it is therefore their duty to discharge. However, Danley shows that these arguments are specious. First, there is no evidence of a "promissory" relationship between management and shareholders, and even if a promise could be demonstrated it could be questioned whether keeping it was the highest ethical norm, there being competing norms such as preserving life or possibly even enacting justice (comprehensively defined). Nor is it necessarily the case that corporate management are in fact an "agents" of shareholders (as opposed to being agents of the corporation itself); and even if it were so the ethical obligation to always maximize the interest of the principal, above any other ethical consideration, cannot be demonstrated. Moreover, while one may normally be obligated to perform the duties of the role that one has accepted under contract, other ethical obligations may override the duties of that role.

Danley also questions the libertarian perspective with respect to its one-sided emphasis on the production of wealth (and all the associated social goods), at the expense of any consideration of distribution. Friedman, himself, does not actually oppose government distribution of benefits to the most disadvantaged citizens, thereby maximizing utility in the social and political spheres, as long as such governmental actions do not infringe on market freedom. He supports, for example, a negative income tax (essentially a government subsidy) to citizens below the poverty line. However, under no circumstances should the responsibility for the distribution of goods and services, except through free market transactions, be imposed on corporations.

Another problem Danley notes with respect to the libertarian perspective is that it cannot be conclusively demonstrated that maximum freedom in the marketplace leads to

the greatest wealth creation. The concepts of net present value of capital and discounted returns on investments force management towards shorter time horizons for measuring wealth generated. According to the logic of capital, management will be inclined to generate short-term profits rather than long-term increases in wealth. In other words, the predictive ability and the interest of corporate management to make choices which do in fact maximize utility over the long term is weak. The free market may not in fact produce maximum wealth for society, continuous economic progress, but rather cycles of boom and bust, which are well known in capitalist economies. For this reason, arguments are frequently heard for more rather than less government regulation of economic transactions. The utilitarian basis for freedom as the primary ethical norm (the instrument most critical to the economic system for the maximization of wealth) will be further considered in the section on common good *infra*.<sup>24</sup>

Gerald Cavanaugh has provided a summary list of the “ethical inadequacies” of the libertarian perspective:

- Acquisitive materialism is encouraged by a system that provides a rationalization for self-interest and selfishness.
- Freedom and productivity are dominant values, with less attention paid to how this freedom and productivity will be used.
- Because of large organizations and the division of labour, individuals seldom feel a sense of human participation.
- Traditional unbounded faith in scientific, technological, and industrial progress is increasingly questioned.
- There is inequality in the distribution of income and wealth, domestically and internationally.
- Individual decisions based on self-interest increasingly fail to add up to an acceptable and humane policy for society as a whole.

- The cumbersome machinery of majority rule may not leave us sufficient time to solve the serious problems that face us.<sup>25</sup>

From the author's experience in the corporate world, the free market is highly esteemed by corporations, being the essential precondition for their existence, activity and success. However, the libertarian perspective on what corporations should do with their freedom, while traditionally attractive to corporations, actually appeals to a declining number of corporate managers for at least two reasons.

In the first place, as with distributive and procedural justice, society's perceptions, and particularly the views of employees, communities and others directly affected by a corporation's business decisions, are an important consideration in management's calculation of corporate self-interest. Given the reality of society's expectations of corporations, ever fewer corporate managers are willing to say that their role does not include some element social responsibility.

The challenge for corporate management is to decide how far beyond the narrow Friedmanite definition of the role of corporations in society they need to go, in order to satisfy key constituencies sufficiently to achieve the optimal self-interest of the corporation. A further question is how to address social issues (as corporations would refer to public concerns about distributive and procedural justice) without compromising or undermining their freedom of action in the economy. Fundamentally, corporations would prefer to exercise their freedom of decision by undertaking voluntary initiatives to address society's concerns, rather than to see their freedom curtailed by governmental initiatives to achieve similar objectives. However, corporations may hesitate before implementing voluntary initiatives out of a concern that they may prompt mandated

requirements. This concern reflects the fact that corporations and governments rarely have similar views as to the optimal degree of freedom of corporate activity.

Management thinking remains essentially pragmatic, willing to recognize social as well as economic objectives, but only in the context of considering how best to preserve and use freedom.

In the second place, the author has observed that there is a psychological alienation or compartmentalism implicit in the libertarian ethical perspective. Friedman admits that individuals must make ethical choices, which freedom itself as the primary ethical norm cannot dictate. Individuals, if not corporations in the marketplace, need to consider norms such as distributive and procedural justice, and all other ethical norms and values, in order to make valid moral choices. The corporate manager, however, in order to perform his role, as defined by Friedman, is required to exclude such ethical considerations so that his decisions serve only to maximize corporate profits. Does managing a corporation require that managers assume one ethical stance at work, and another (supposedly more holistic) one in their private lives?

For many years, managers have known that it is counterproductive, alienating of employees and other important constituencies, to be so unidimensional; and so they increasingly demonstrate a broader set of personal characteristics, interests and concerns. They present a more human face, such as encouraging the personal development and initiative of employees or as engaging stakeholders in consultations on decisions which may affect their interests. There is a feeling, however, among both those who work in and those who observe corporations that when difficult decisions arise, such as the need to retrench workers, the façade falls off, and corporate management's real priority reveals

itself to be consistent with Friedman's perspective. Friedman's dictum as to the appropriate role of the corporation clearly reduces every corporate practice, however enlightened it may seem, to the instrumental function of increasing shareholder wealth.

Overcoming this alienation, this psychological compartmentalization, this lack of personal integration, is a challenge facing corporate management today. The feeling is growing in corporations that one should not have to divide one's role as a moral agent between the corporation and one's private life. The challenge to management is to develop corporate strategies and cultures which will allow the individual to express himself or herself as a moral agent acting within and through the corporation. Such corporate strategies and cultures will be considered in the context of two other base points: trusteeship of nature and dispositions (virtues).

### **Secular Perspectives on the Trusteeship of Nature**

The progressive improvement of life on Earth in all its dimensions (economic, social and environmental) and the protection of the physical environment from damage constitute a perspective which, in secular ethical discourse, can be referred to as sustainable development. This rather new term has received currency not only in management literature and academic treatises but also in publications by governments, multilateral institutions and non-governmental organizations. While there is no universally accepted definition of sustainable development, a number of common threads are evident. The *Brundtland Report* stated:

Sustainable Development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs.<sup>26</sup>

Thomas Gladwin, James Kennelly and T-S Krause have identified certain ethical norms implicit in sustainable development. The process of change, of which persons (individual or corporate) are agents, should be accomplished in an inclusive, connected, equitable, prudent and secure manner. Sustainable development is spatially and temporally comprehensive in that it encompasses the entire globe and future generations. Within sustainable development all dimensions of life, economic, social and environmental, are regarded as connected and interdependent. There is a norm of fairness or equity that applies to intergenerational and interspecies relationships. There is a duty requiring risk evaluation and reasonable caution (which may relate to the virtue of prudence) not only in environmental, but also in social, economic and technological decisions and actions. Finally, the norm of security implies a duty of caring for and protecting all humans, fauna and flora and providing for safety from harmful disruptions or chronic threats.<sup>27</sup>

Herman Daly and John Cobb differentiate sustainable development from simple economic growth. Sustainable development is an on-going qualitative improvement of the human condition (partly consisting of wealth) achieved in dynamic equilibrium with a protected environment; whereas economic growth refers to the quantitative expansion only of humanly created capital, or wealth. One can detect a possible relationship of sustainable development utilitarianism, if one uses an extremely comprehensive definition of utility, embracing all aspects of human well-being (including nature itself). It would appear that one distinction between sustainable development and utilitarianism is that the latter focuses on the end result of the optimal well-being of human beings in

the aggregate, while the former focuses on the process of comprehensively caring for the Earth both spatially (the globe) and temporally (future generations).

Daly and Cobb also note that the principle that the Earth's resources should be used in a manner that respects the needs of future generations prompts a question as to how industries that extract non-renewable resources can conform to sustainable development. One possible answer is that the running down of natural capital (depletion of resources) is offset by the accumulation of humanly created capital. Maintaining total capital stocks by transforming natural resources into humanly created capital, Daly and Cobb call "weak" sustainability, in contrast with "strong" sustainability, which requires maintaining created and natural capital in balance. In weak sustainability accelerated extraction of non-renewable resources can be countenanced if there is a demonstrably complete conversion of natural capital to humanly created capital. However, in strong sustainability the anticipation of the future higher costs of maintaining comprehensive well-being, in view of the depleting stock of natural capital, inspires a more restrained extraction of natural resources. It should be noted that this is a global analysis, and the situation in certain geographical areas, such as a desperate need on the part of a particular population for humanly created capital, could translate into a preference for weak sustainability in those areas.<sup>28</sup>

John Elkington argues that according to the *Brundtland Report* sustainable development requires society to conform to three minimal conditions:

- Society's rates of use of renewable resources should not exceed their rates of regeneration.

- Society's rates of use of non-renewable resources should not exceed the rate at which sustainable renewable substitutes are developed.
- Society's rates of pollution emission should not exceed the assimilative capacity of the environment.<sup>29</sup>

Elkington describes the many implications of sustainable development for the roles and responsibilities of the corporation. In terms of accountability, corporations acting within the sustainable development framework are expected to report their annual results not just as a "financial bottom line", but as a "triple bottom line" (financial, environmental and social).

With respect to production processes and products, sustainable development would appear to impose the following norms:

- internalization of costs,
- global consistency of environmental standards,
- sustainable (efficient) consumption of materials and energy,
- stewardship (responsibility without ownership) of products throughout the life cycle.

Corporations acting in accord with sustainable development need to recognize that they are responsible not just to shareholders but to a broad range of stakeholders (persons whose interests are affected by decisions or actions of the corporation).

Engaging these stakeholders in decision-processes is essential if the corporation is going to accurately gauge its impact and direct its performance towards comprehensive human progress (economic, social and environmental). Stakeholder engagement processes are also essential for the corporation to achieve the right trade-offs between negative and positive results of its activities. Stakeholder relationships imply the right of potentially

affected persons to information about the corporate plans or activities that may affect them and the right to be consulted (in other words, the norms of procedural justice). Increasingly, stakeholder consent is becoming a condition of a corporation's permission to proceed with a project. One question raised by stakeholders involvement in corporate decisions is whether there is shared accountability for the results of shared decisions, or whether the corporation continues to bear full accountability for the results of decisions which are not exclusively its own.<sup>30</sup>

Two significant deficiencies of the stakeholder model of corporate accountability have been noted by Thomas Donaldson. First, there is no standard for assigning relative weights to the interests of different stakeholders and for designing appropriate trade-offs between competing interests. Whatever stakeholders agree to appears to be acceptable. Secondly, there is no explicit normative justification for the stakeholder model as the mechanism for making corporate decisions. Corporate management adopt the stakeholder model because it works, not because it is right, fair or just. Donaldson observes that these shortcomings leave the stakeholder model subject to the accusation that it is no more than an instrument for maximizing the wealth of shareholders, the unstated primary stakeholder.<sup>31</sup>

From the author's experience in the corporate world, sustainable development is gradually gaining acceptance by major corporations. The motivation is largely pragmatic, in that the sustainable development paradigm is increasingly used in government decision-making and espoused by various public constituencies of corporations. Sustainable development encourages corporations to take a comprehensive perspective on their business activities, and thus fosters holistic decisions that incorporate

the perspectives of many stakeholders. The principles guiding decisions within a sustainable development context are also increasingly explicit, such that corporations are beginning to adopt comprehensive codes of practice for economic, social and environmental activities. The principles which corporations articulate as sustainable development come close to expressing ethical norms, which generally however are implicit rather than explicit.

There are, however, weaknesses in the sustainable development perspective. First, it is virtually impossible to measure comprehensively the positive and negative impacts (economic, social and environmental) of corporate activity. From the author's experience in the mining industry, this challenge is particularly important and difficult in the extractive sector. In order to integrate mining, which extracts a depletable resource, into the sustainable development paradigm, it is necessary to postulate a theory that mining converts natural capital (resources in the ground) into economic and social capital, or in other words changes inert material into useable products and into surplus capital, which is reinvested in social and economic improvements for public benefit. The problem is that it is not possible to compare the value of minerals locked in the ground with the net improvement of human well-being produced by their extraction.

Consequently, mining companies are seeking to identify measurable factors that can serve as objective indicators of their net economic, social and environmental contribution to human society and state of the Earth. The development of a manageable set of reliable indicators, however, is problematic, and at present is the subject of a research agenda.

The second problem with sustainable development is that as a comprehensive vision, it inspires and accommodates different, sometimes conflicting, interpretations.

Some business people find the lack of a single clear definition of sustainable development to be an impediment to discourse. They find it nearly impossible to carry on a meaningful conversation when the terms being used mean different things to different participants in the conversation. Other business people recognize that sustainable development, as an umbrella concept that accommodates different perspectives, invites dialogue among people whose views may differ in some respects but converge in other respects, with a view to finding their common ground. However different the various perspectives purporting to be sustainable development, corporations are finding that they need to engage with a variety of organizations and institutions (in the public sector and in civil society) if they are to succeed in addressing the complex range of inter-related aspects of sustainable development. The challenge facing corporations is how to engage potential partners, which may in the past have had very negative views of corporate intentions and practices, and how to develop a consensual and mutually supportive approach towards achieving fundamentally shared objectives within the context of a diversity of sustainable development visions and objectives. One question remaining is how sustainable can alliances be between corporations and other institutions in society if those alliances are based on different understandings of economic, social and environmental priorities.

### **Secular Perspectives on the Common Good**

Within the secular philosophical domain of ethics, the norm of common good can generally be associated with “utilitarianism”, as originally articulated by Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873). In its simplest formulation, utilitarianism defines the objective of the free market (as of all political and social institutions) as being

to provide the “greatest happiness for the greatest number”, to maximize human well being, to achieve “optimal utility.” The words of John Stuart Mill provide the classical expression of the utilitarian perspective:

Actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness. By happiness is intended pleasure and the absence of pain; by unhappiness pain, and the privation of pleasure.

There is no known Epicurean theory of life which does not assign to the pleasures of the intellect, of the feelings and imagination, and of the moral sentiments, a much higher value as pleasures than to those of mere sensation....Utilitarian writers in general have placed the superiority of mental over bodily pleasures chiefly in the greater permanency, safety, uncostliness, etc., of the former – that is, in their circumstantial advantages rather than in their intrinsic nature.

The happiness which forms the utilitarian standard of what is right in conduct is not the agent’s own happiness, but that of all concerned. As between his own happiness and that of others, utilitarianism requires him to be as strictly impartial as a disinterested and benevolent observer.... Utility would enjoin, first, that laws and social arrangements should place the happiness...or interest, of every individual, as nearly as possible in harmony with the interest of the whole; and secondly, that education and opinion, which have so vast a power over human character, should so use that power as to establish in the mind of every individual an indissoluble association between his own happiness and the good of the whole; especially between his own happiness and the practice of such modes of conduct, negative and positive, as regard for the universal happiness prescribes.<sup>32</sup>

A five-step process for reaching decisions guided by the utilitarian ethical norm has been described by Danley. First, one must identify the relevant alternative actions to be considered. Secondly, one must determine the consequences for oneself and others associated with each alternative. Third, one must assign value to the consequences of each alternative. Fourthly, one needs to determine the net value (the common good for oneself and all others) associated with each alternative. Finally, one should choose the alternative that optimizes or maximizes the net value, *i.e.* produces the greatest common good.<sup>33</sup>

The economist and ethicist Amartya Sen has defined utilitarianism as the intersection of two theories, welfarism and consequentialism. Welfarism refers to the assignment of value to “states of affairs” by the assessment of human satisfaction or human well-being, which Sen describes as “people getting what they prefer.” Consequentialism refers to the choosing of actions by an assessment of their consequences, not for individual agents but for all collectively. Thus Sen defines utilitarianism as “welfarist consequentialism”, in which actions are chosen on the basis of consequences, and consequences are assessed on the basis of welfare.<sup>34</sup>

Various approaches have been taken by exponents of utilitarianism towards defining and assessing human welfare. The ethicist John C. Harsanyi defines utility in terms of people’s “true preferences” as opposed to their “manifest preferences.” Harsanyi argues that the actual preferences of people as manifested by their observed behaviour may include preferences that are based on erroneous factual beliefs, careless logical analysis, or strong emotions that influence rational choice. On the other hand, people’s true preferences are ones they would have if they had all the relevant factual information, always reasoned with the greatest care, and were in a state of mind conducive to rational choices.<sup>35</sup>

Sen, on the other hand, apparently rejects the notion that the social (common) good can be based on some measurement of human preferences. Rather he proposes that the social good should be defined in terms of the capabilities of persons to achieve “valuable functionings”, a term which includes the traditional utilitarian value of “being happy”, as well as such social or psychological values as “freedom of action” and “self-respect” along with more concrete values such as “being well-nourished.” In other

words, for Sen, it is necessary first to determine in a comprehensive manner what makes a good life for a human being, and on that basis then to define an idea of the social good.<sup>36</sup>

One practical as well as theoretical question that arises is who has responsibility for defining the social good. Traditional utilitarians, the classical liberals, have argued that the sum of individuals making choices in their personal own interests would collectively determine and produce the common good. According to classical liberals, such as Milton Friedman, economic freedom maximizes net utility, or in other words competitive capitalism in the free market under minimalist government produces “what is best for all.” Danley observes that this perspective encounters both practical and theoretical problems. In the first place, the ideal conditions for achieving optimal utility (such as perfect information) cannot as a practical matter be achieved in actual markets. Additionally, there are practical constraints on measuring and comparing the various utilities produced by different choices of acts or rules, thus limiting one’s capacity for rational decision. There is also an implication in the classical liberal position that government regulation beyond the ideal minimum lacks legitimacy or ethical standing, which produces the apparent absurdity that one is not bound by regulations that exceed the ideal. Finally, human well-being may include more than what actual human preferences, as expressed in the market, might indicate, and government action beyond that indicated by the minimalist state may be essential for the attainment of those other, non-economic, aspects of well-being.<sup>37</sup>

In opposition to the libertarian perspective, Sen has proposed that a “public agent” may be required to decide the best interest of society as a whole, in effect to define the

common good. In this context, Sen differentiates utilitarianism as a norm for personal morality as opposed to a norm for public choice. As an ethical norm for individuals, utilitarianism requires a person to decide how to act in accord with the norm of optimal utility. As an ethical norm for the general public as a collectivity, utilitarianism demands the articulation of general and explicable rules, which can only be done by a “public agent.” Sen notes that the notion of a public agent need not imply a single comprehensive decision-making centre for society, and that there may be a pluralism of public agents embodying different collective values and dictating different sets of rules. In fact, it may be that optimal utility does require and thus justifies pluralist and decentralized decision-making in society. However, Sen would appear to maintain that the common good, optimal utility, whatever the number of public agents, must still be determined collectively through public rules, and not by individuals acting according to personal preferences in a relatively rule-free context.<sup>38</sup>

The distinction between “act utilitarianism” and “rule utilitarianism” has been further emphasized by Harsanyi. In the former, a moral agent asks “what particular act would increase or decrease social utility”, while in the latter the moral agent asks “what particular ethical norm or rule would optimize social utility.” Harsanyi concludes that society benefits more from rule utilitarianism than from act utilitarianism, in that the former leads to choices that are comprehensive (affecting all moral agents subject to the rule) in their benefit or damage to the collective interest, while the latter leads only to particular contributions to or subtractions from society’s collective well-being. Harsanyi observes that rule utilitarianism acknowledges the importance of social institutions

(public agents), which establish a network of rights and obligations among different people in society.<sup>39</sup>

Some ethicists concerned primarily about the norm of justice have faulted the concept of utility for its seeming indifference to just distribution or just procedure. John Rawls, for example, has pointed out that in utilitarianism the correct distribution is that which yields maximum fulfilment, so that it does not matter how the sum of satisfactions is distributed among individuals, any more than how one individual distributes his satisfactions over time. Rawls perceives in utilitarianism the potential for an unacceptable trade-off of liberty for welfare. In his words, “the violation of the liberty of a few might...be made right by the greater good shared by many.” For Rawls a norm of justice based on equality (as discussed in the examination of justice *supra*) is superior to the norm of utility.<sup>40</sup>

The ethicist R.M. Hare has come to a different conclusion as to whether distributive justice is necessarily at odds with utility. Hare argues, first of all, that utility is based on giving equal weight, impartially, to the equal interests of everybody, or in other words utility is based on a form of distributive justice. Secondly, Hare argues that while utility itself is apparently indifferent as to distribution, there are utilitarian grounds for a fairly high degree of equality in the distribution of actual goods. The first is the diminishing marginal utility of all goods, so that approaches towards equality correlate with an increase in overall utility. The second is that inequalities tend to produce negative social consequences, from envy to conflict, whose disutility is evident.<sup>41</sup>

From the author's experience in the corporate world, the utilitarian model is implicit, if not explicit, in much of management's justification of corporate decisions and actions. For corporations, the market is always right, and individual preferences, which can be measured and fulfilled, are taken to be unassailable indicators of human well-being (utility). Acting in one's best interest, either as an individual or as a corporation, is assumed by management to be ethical behaviour; and such action seems to be undeniably productive, through the sum of the efforts of all, of the common good. For corporations, the only question that arises with respect to the norm of self-interest as the generator of maximal utility is the extent to which it is "enlightened", *i.e.* long-term and holistic as opposed to short-term and particularistic.

For most corporations, the principal actors in the market are investors and customers. For more enlightened corporations, other stakeholders (as referenced in the discussions of justice and of sustainable development *supra*) also have a role to play. Perhaps, the most reliably operative norm currently guiding corporate decisions is to decide and do what key actors want, to satisfy investors and customers first, and then other stakeholders. From a corporate perspective, this norm is demonstrably ethical insofar as the preferences of those actors collectively produce optimal utility, which for the corporation translates into maximal profit. The utilitarian model seems to free corporations from concerns as to what norms actually drive the preferences of key actors, or what conditions other than the maximal satisfaction of preferences might characterize the common good (net utility).

Corporations are actually comforted by the seemingly insuperable challenge confronting utilitarians of: (1) defining "happiness" or "human well-being", and (2)

measuring the aggregate utility of all people within an economy in a manner that can demonstrate that acting in a certain manner contributes more to the common good than acting in any other manner. While the difficulty of meeting this twofold challenge allows different ethicists to prescribe different norms for corporations in line with their personal evaluation of the consequences, or impact on society, of corporate behaviour, corporations feel free to consider any calculation of net value (optimal utility) based on ideal, as opposed to actual, preferences to be subjective and relativistic.

The notion that the common good might be defined by some superior authority, a public agent, such as the government, is repellent to corporations for several reasons. In the first place, the concept of a public agent charged with such broad responsibility for the common good conflicts with the notion of minimalist government, which seems to corporations to be essential for optimal efficiency and utility. Secondly, different public agents could conceivably prescribe different norms for corporations in line with different perceptions of the consequences, *i.e.* of the overall impact on society, of corporate behaviour. Thus one public agent's definition of utility might be the aggregate value of goods and services, while another's might include conditions of health, education and the arts in society, and still another's the quality of the natural environment, and so forth. From a corporate perspective, it is far better to rely on the variety of individual and organizational preferences based on (enlightened) self-interest to lead society towards the common good, than to subject all individuals and organizations to some rigid ideal imposed by a higher authority.

Overall, corporations, not surprisingly, are happy to emphasize the value of what they produce, their contribution to the common good, as justification for their corporate

activity. However, few corporations would attempt to evaluate their contribution to common good, which is just as well if, as utilitarians would seem to indicate, net utility cannot be measured. Companies that produce competing materials, such as metals and plastics, may argue whose products are more contributory to the common good, but it would seem to be of little avail without some calculus of the aggregate positive and negative impacts of the production and use of those materials. Yet while seemingly impossible to apply in any strict sense, utilitarianism, providing the greatest good for the greatest number, is actually the ethical norm which is most frequently adduced in defense of corporate decisions and actions.

### **Secular Perspectives on Rights**

Rights can be defined, according to John Danley, as one's claims on the actions of others. Rights can be defined as inherent or contractual. If rights are regarded as inherent or natural claims on the actions of others, which individuals possess because of some essential human quality, such as reason, then according to Danley, they would appear to be by nature egalitarian. For all humans would be deemed to possess the quality on which such rights are based. Inherent rights would also impose a universal duty to respect such rights, whether or not they are defined and protected in law.

On the other hand, Danley points out that rights can also be understood as originating in a social contract. Contractual rights may be defined by society's objectives, for example, maximum utility or well-being, or maximum freedom, or maximum distributive or procedural justice. Contractual rights are, therefore, instrumental and arbitrary. The duties one has to respect and support contractual rights

are likewise arbitrary, though such duties may be logically bound to the definition of the rights.

For Danley, rights do not prescribe ethical norms on the possessor of the rights (except insofar as certain obligations associated with the enjoyment of the rights are imposed under social contracts). Rather, specific rights impose specific ethical norms on others, namely the duty to respect (and perhaps to support) such rights. If one admits the existence of rights, then one incurs duties with respect to the rights of others. Thus it becomes incumbent on anyone, including corporations, to understand, so as to respect, the nature and extent of any and all rights.

According to Danley, there are two rights which corporations are logically compelled to recognize, the rights of property and association. Property rights are a corporation's claim on the public to respect all aspects of ownership (acquisition, development, exchange, and so forth). Association rights are a claim on the public to allow individuals to join together and agree on policies in support of profit maximization (and possibly other corporate interests). Obviously, the right of association is, for corporations, on a second tier after the right of property. For without a basic right allowing the maximization of profit, the accumulation of wealth, which the property right makes possible, there would be no impulse to form business corporations. Danley notes, however, that the right of association is fundamentally an individual human right, not a corporate right (unlike property). It is because individuals have the right to associate, that they are able to create corporations.

The question that arises then is what are the limits of the corporate, as opposed to the individual, right to associate. Obviously, the corporate right to associate (*e.g.* through partnerships, mergers and cartels) is much curtailed in law, for example by anti-trust regulations. This would indicate that the corporate right to associate is generally recognized as a contractual rather than an inherent right. On the other hand, the individual right of association is generally regarded as an inherent or natural right, even though the state may limit that right for various purposes, such as preventing conspiracies that would subvert the state.<sup>42</sup>

Corporations, obviously, stand to benefit not only from the rights of property and association, as already mentioned, but also from other rights, such as non-discriminatory treatment, physical security, free speech and expression, and participation in the political process. Larry May has examined the applicability of individual rights, particularly free speech, to collectivities, and has concluded that only a limited individual right can be extended to corporations.

The right of free speech, according to May, can be justified for individuals on the two grounds of consequence and autonomy. Free speech enables individuals to achieve their objectives, and it permits their self-actualization as rational beings. May argues that individual rights understandably take priority over corporate rights, so that corporate free speech might be limited by the greater right of the corporation's individual employees or other stakeholders or individuals. In other words, the corporation's right of free expression could not be used to repress the free speech rights of employees, or of any other individual. Also, the vast financial power of corporations would enable them to overwhelm individuals, particularly in the political arena. Thus restrictions are justifiably

imposed on political expression by corporations, such as would be unjustifiable for individuals.<sup>43</sup> One concludes from May's assertion of the priority of individual rights that analogous restrictions would be justifiable for other corporate rights, such as property, association and non-discriminatory treatment, wherever such collective rights conflict with individual rights.

Corporations, according to May, can appeal to a consequentialist justification of their right to free speech, in that their objective of profit maximization requires advertising. Moreover, other corporate objectives, such as sustainable development, or putative corporate responsibilities such as the promotion of rights, could conceivably justify a more comprehensive freedom of speech. It would seem difficult, however, to go beyond consequentialism and to justify corporate rights on the basis of autonomy, the way individual rights can be justified in view of the inherent dignity and intrinsic worth of human beings. Unless corporations can in some manner be defined as ontological persons (as will be discussed under Christian worldviews *infra*), there does not appear to be any possibility of a corporate analogy to the inherent dignity and intrinsic worth of individual human beings.

The effective realization of individual rights can be viewed as an essential element in holistic human progress. May notes that the implementation of the rights agenda is an important component of progressive social and economic development.<sup>44</sup> This suggests that corporations might justify playing a role in promoting rights on the basis of consequentialist logic. For it can be argued that the advancement of civil and political rights and of economic, social and cultural rights has the consequence of long-term profit maximization, both through the increased satisfaction of stakeholders and

through the strengthening of host societies and economies (ultimately markets). From this perspective, supporting the implementation of rights in areas where corporations operate is in their own long-term self-interest. Certainly, a correlation between the establishment of certain rights and sustainable economic and social progress, if it can be concretely demonstrated, would appear offer the prospect of developing an objective basis on which corporations might be persuaded to adopt rights as an ethical norm.

Thomas Donaldson notes that conventionally the corporate right to property is based on the individual right, as described by John Locke (1632-1704). Basically, Locke's argument is that a person owns his own body, and therefore the activity of his body (*i.e.* his labour), and by extension that which mixes with such activity, namely the products of his labour. This right is attributed to corporations as legal persons. However, Donaldson notes that as a matter of historical fact property rights originate in social contracts, or more specifically laws of the state, which are subject to renegotiation and evolution. The processes by which property may be acquired and exchanged, as well as the responsibilities of property ownership, are defined in man-made laws, which change over time.

For Donaldson, it is clear that property rights, grounded in laws of the state, not only impose obligations on others to respect one's ownership, but also impose obligations on property holders towards others. Donaldson notes that the evolving legal nature of property rights justifies, for example, the current obligation imposed on corporations to file environmental reports related to their property, a condition of property rights that did not exist several decades ago. Property ownership within this perspective is a conditional right (subject to the imposition of obligations by the state) rather than an absolute right.

Donaldson also indicates that property rights may be further bounded by other normative standards (such as procedural and distributive justice or liberty).<sup>45</sup>

All rights, according to Donaldson, must satisfy three criteria: (1) protect something of great importance; (2) be subject to substantial and recurrent threats; and (3) be fair and affordable with respect to the obligations or burdens imposed on others. The affordability test, for Donaldson, does not relate to the efficient use of funds (the priority assigned different expenditures), but to the absolute ability to bear the cost of honouring a fundamental duty. Thus, Donaldson asserts, corporations must be prepared to suffer some financial loss for the sake of respecting rights. Donaldson notes that the fairness test imposes in different burdens on different moral agents with respect to the duty to honour and promote rights. Specifically, governments bear a heavier burden than corporations. The burdens that rights impose on others are threefold: (1) to avoid depriving anyone of the enjoyment of his or her rights; (2) to help protect one from deprivation of his or her rights by others; and (3) to aid those deprived of rights. For Donaldson, the third duty applies only to governments, and not to corporations.<sup>46</sup>

Donaldson identifies ten fundamental rights, which he believes that corporations must respect as the first level of duty:

- freedom of physical movement
- ownership of property
- freedom from torture
- fair trial
- non-discriminatory treatment

- physical security
- freedom of speech and association
- minimal education
- political participation
- subsistence<sup>47</sup>

Since the Second World War, the United Nations and related institutions have engaged in repeated efforts to define rights, producing the *Universal Declaration of Human Rights* (1948), and two key covenants which were adopted in 1966 and came into force in 1976: the *International Covenant on Civil and Political Rights* and the *International Covenant on Economic, Social and Cultural Rights*. Subsequently, two conventions were adopted by the international community: *On the Elimination of All Forms of Discrimination against Women* and *On the Rights of the Child*. Other definitions of Rights were expressed in Conventions of the International Labour Organization, such as that *On the Rights of Indigenous and Tribal Peoples*.

The numerous rights proclaimed and adopted through Declarations, Covenants and Conventions of the United Nations are formally rights established by social contract, though preambles in the various documents on rights state that they are inherent and therefore universal. Moreover, the rights proclaimed by the United Nations are presented as inter-related, inter-dependent and indivisible, such that no hierarchy of rights (some “core” others not) is admissible. Some rights, however, are “absolute”, while others are “progressive.” The *Covenant on Civil and Political Rights* requires states to adopt legislation to give effect to such rights, *i.e.* states are immediately obligated to protect and promote those rights. However, the *Covenant on Economic, Social and Cultural Rights*

obligates states to take steps, to the maximum of available resources, towards the progressive achievement of those rights.<sup>48</sup>

It is important from the point of view of corporate ethics to note that Declarations, Covenants and Conventions of the United Nations define the duties of states to ensure enjoyment of rights, not of other moral agents (whether individual or corporate). The rights defined within the U.N. system relate principally to individuals rather than to collectivities (an exception being the Rights of Indigenous and Tribal Peoples).

Wesley Cragg has argued that since 1948, when the *Universal Declaration of Human Rights* assigned to governments the responsibility for human rights, corporations have operated under a “tacit social contract” which relieved them from responsibility for protecting and promoting rights. Cragg summarizes the foundation of the old social contract as: profit maximization + free market + rule of law = economic development. The implicit understanding has been that corporations are responsible for profit maximization within the context of the free market, while governments are responsible for maintaining free market structures and establishing the rule of law (which includes responsibility for human rights, as well as labour standards and environmental protection). Corporate social responsibility under the old social contract, according to Cragg, has been confined to a narrow range of reciprocal obligations between the corporation and its employees, customers, suppliers and investors, related to such matters as honesty in transactions, avoidance of conflict of interest, respecting company property, meeting contractual obligations, and obeying duly enacted laws.

Cragg maintains that the old social contract under which corporations have operated for fifty years is now obsolescent. This is because the growth in power of multinational corporations has outstripped the growth in regulatory and judicial capacity in many developing countries, and indeed states have voluntarily weakened their legal control of corporate activity in order to attract corporate investment. Thus in many developing countries, the essential governmental responsibility under the old social contract, the establishment of the rule of law, has become relatively inoperative. This void is being filled by the operative norms established by the corporations themselves, at best a form of voluntary self-regulation. Corporations have, as a consequence, come under considerable international pressure from civil society organizations, multilateral institutions and some governments to express and adhere to explicit norms that should guide their operations. Cragg argues that the promulgation of corporate codes of conduct by individual companies or industry associations (such as the ICME's *Charter* or TCCR's *Bench Marks*) is evidence that the old social contract is in the process of being replaced by a new social contract. It seems apparent that under the new social contract corporations will assume a share in the heretofore exclusively governmental responsibility for protecting and promoting human rights (and also, presumably, labour standards and environmental quality).<sup>49</sup>

From the author's experience in the corporate world, the right of property is regarded by corporations as unquestionably fundamental, indeed incontrovertible. This right is essential to the activity of the corporation, which is to produce items (which it owns) and exchange items (property rights to those items) by buying and selling in the marketplace. Moreover, the corporation or its shareholders owns (has property rights in)

the wealth which is created through this economic activity. Corporations would generally admit no natural constraint or boundary on their property rights except the property rights of others.

Although the right of property of individuals has been almost universally ascribed to corporations as an essential attribute, one should note that Locke's logic as to how property rights originate may not be generally applicable to corporations, unless one ascribes some sort of personhood to corporations. However, most corporations would not spend much mental energy questioning whether their right to property is natural or legal, as long as it is publicly recognized as absolute. Governments may have the power to expropriate property, but corporations would tend to question whether they have the right.

In spite of their unquestioning recognition of property rights, corporations often find other rights to be difficult to comprehend and assimilate, though as a matter of ethical custom (to use Friedman's terminology) they may respect a variety of rights in practice. The view common in corporations is that rights are largely arbitrary, defined through political processes, often culture-bound, and subject to varying interpretations and applications. There is much corporate experience of various groups invoking the language of rights (with its public and political appeal) to assert and advance various self-interests. Corporations are not themselves above this rhetorical stratagem, as the author has heard managers engaged in labour negotiations refer to "management's right to manage."

Overall, the ethical norm of respecting, protecting and promoting rights, without a very concrete, explicit and rational explanation of that duty, has weak appeal to corporate management. The general corporate view is that rights are easy to assert, but difficult to demonstrate apodictically, and as a practical matter difficult for corporations to promote. Rights, to be recognized as such by corporate management, would appear to need to be based on some more fundamental ethical norm, such as justice, or liberty, or sustainable development, or utilitarianism. In other words, the instrumentality of rights in producing positive consequences with respect to relations or outcomes needs to be made explicit and demonstrable.

What are the implications for corporations of the contract-based list of rights of individuals, and the related obligations imposed on states, as contained in the *Universal Declaration of Human Rights* and related *Covenants*? Does every such right impose a duty on corporations to respect, protect and promote that right? Or are corporations only subject to specific obligations stated in laws regarding rights enacted by states parties of the U.N. Declaration, Covenants, and Conventions? Or is there some minimalist list, such as proposed by Donaldson, which is demonstrably binding on corporations? Or, indeed, is the tacit social contract under which corporations have operated for more than fifty years being subtly renegotiated, as Cragg asserts, so as to establish corporate responsibility for protecting and promoting human rights, in view of the power which corporations possess, possibly superior to that of some states, to influence the rights agenda?

While it might be argued that corporations have a duty to respect rights that have been well-defined in international agreements, it is debatable whether corporations have a

duty to promote those rights beyond (the possibly deficient) protection afforded by states that, as members of the United Nations, formally subscribe to those rights. It is also questionable how far corporations should go, given the formal prerogatives of national sovereignty (irrespective of the ineffectiveness of some governments) to prevent the infringement or deprivation of the rights of others.

There might, however, be in some cases a pragmatic motivation for corporations to accept an ethical norm related to rights. Insofar as key constituencies of the corporation (investors, communities, governments, society overall) assign priority to issues of rights, corporations may need to respond to rights-related stakeholder demands and expectations. This pragmatic motivation may at least lead corporations to recognize and attempt to understand issues of rights. However, as already seen in the foregoing discussion of distributive and procedural justice and of sustainable development when considered as stakeholder issues, rights regarded from this perspective can be relegated to the category of subjective preferences. A corporation that recognizes rights only as the requirement of one or more key constituencies, or more bluntly in response to stakeholder pressures, may feel relieved of the need to accept or assert rights as an objective norm. Thus by understanding rights as subjective preferences or demands, well founded or not, which stakeholders assert and which must be accommodated through some process of negotiation, corporations are left free to manage issues of rights in whatever way best contributes to profit maximization, if that is their only real objective.

### **Secular Perspectives on Virtue**

The previously discussed base points all refer to ethical norms related to behaviour, rules for determining right action. The base point of virtue introduces

consideration of the character of the moral agent. Character, as defined by Anderson, refers to an enduring configuration of perspectives (points of view), feelings, intentions and persistent patterns of thought and action, which predispose the moral agent in the direction of certain ethical choices and decisions.<sup>50</sup>

Within the sphere of ethical discourse on virtue, there is ambiguity as to the meaning of corporate virtue. Is corporate virtue to be understood as an attribute shared by many individuals in the corporations, or as an attribute of a distinct communal entity? However corporations are understood, whether for example as aggregations of individuals, as communities, or as ontological moral agents (as will be discussed in the section on worldview *infra*), it is commonly accepted that different corporations project perceptibly different characters. Corporations appear to those who work in them and to outsiders to be more or less entrepreneurial, or bureaucratic, or creative, or highly focussed, or sensitive to stakeholders and the natural environment. Thus it appears reasonable to ascribe a variety of postures or stances to different corporations.

From the perspective of corporate ethics, then, virtues might be described as the operative habits of thought, feeling, relationship, and action that express the character, often referred to as the “culture”, of the corporation. From this perspective, the behaviour of the corporation is determined not so much by ethical norms that explicitly guide decisions and actions as by the virtues (or vices) which characterize the corporation. This is not to say that ethical norms (such as justice or the common good) are irrelevant, but rather that they influence behaviour, not directly through explicit reference, but implicitly through the virtues that incline or dispose a corporation to act in certain manner. In other words, justice, while clearly being a rule for guiding decisions

and actions, is also an operative habit, or virtue, of treating everyone fairly. Ethical norms undoubtedly play a role in inspiring and nurturing the formation of virtues; however, it should be noted that operative habits of corporations may be formed from other influences unrelated to ethical norms, such as the correlation with business success expressed through feedback mechanisms and reward systems.

A leading analyst of virtue, within a secular sphere of reference, Alasdair MacIntyre, has argued that virtue, properly defined, must meet three criteria: (1) be a quality necessary to achieve the good internal to a practice; (2) be a quality which contributes to the good of one's whole life; and (3) relate to the pursuit of a good for human beings, the conception of which can only be elaborated and possessed within an on-going social tradition. Thus MacIntyre identifies qualities which appear to be virtues (or vices), but which not meeting all three criteria cannot be classified as such. He offers, as an example, the qualities of ruthlessness and relentlessness, which may contribute to human survival and achievement in such a practice as exploring the wilderness, but when transposed to the practice of creating and sustaining the life of a family are totally counterproductive. "What seemed to be a virtue in one context seems to have become a vice in the other." Such qualities of ruthlessness and relentlessness are not, therefore, to MacIntyre to be considered as either virtues or vices, because they do not meet the criteria of contributing to the good of the whole human life.<sup>51</sup> It should be noted that competitiveness, which is popularly regarded as a corporate virtue, leading to the success and survival of the fittest, would likewise fail MacIntyre's threefold test.

For MacIntyre, truthfulness, justice and courage meet his criteria and can be genuinely classified as virtues. Virtues manifest themselves through *practices* which

have a certain continuity or history within society. MacIntyre is careful to differentiate *practices* from *institutions*, the latter being characteristically concerned with external goods, such as money, power or status, rather than internal goods, such as the virtues themselves. The relationship of virtue, practices and institutions is intimate, sometimes mutually supportive and sometimes conflictual:

No practices can survive for any length of time unsustained by institutions. Indeed so intimate is the relationship of practices to institutions – and consequently of the goods external to the goods internal to the practices in question – that institutions and practices characteristically form a single causal order in which the ideals and the creativity of the practice are always vulnerable to the acquisitiveness of the institution, in which the co-operative care for common goods of the practice is always vulnerable to the competitiveness of the institution. In this context the essential function of the virtues is clear. Without them, without justice, courage and truthfulness, practices could not resist the corrupting power of institutions.

The integrity of a practice causally requires the exercise of the virtues by at least some of the individuals who embody it in their activities; and conversely the corruption of institutions is always in part at least an effect of the vices.

The virtues are of course themselves at turn fostered by certain types of social institution and endangered by others....In any society which recognized only external goods competitiveness would be the dominant and even exclusive feature.

Virtues then stand in a different relationship to external and to internal goods. The possession of the virtues...is necessary to achieve the latter; yet the possession of the virtue may perfectly well hinder us in achieving external goods. I need to emphasize at this point that external goods genuinely are goods. Not only are they characteristic objects of human desire, whose allocation is what gives point to the virtues of justice and of generosity, but no one can despise them altogether without a certain hypocrisy. Yet notoriously the cultivation of truthfulness, justice and courage will often, the world being what it contingently is, bar us from being rich or famous or powerful. Thus although we may hope that we can not only achieve the standards of excellence and the internal goods of certain practices by possessing the virtues *and* become rich, famous and powerful, the virtues are always a potential stumbling block to this comfortable ambition. We should therefore expect that, if in a particular society the pursuit of external goods were to become dominant, the concept of the virtues might suffer first attrition and then perhaps something near total effacement, although simulacra might abound.<sup>52</sup>

MacIntyre, in fact, concludes that since the Enlightenment Western society has lost the concept of common good, which is one of the key criteria for virtue, and has embraced individualism and emotivism in a manner that makes virtue nearly impossible to practice. Western society has indeed become characterized by competitiveness for external goods, with little or no attention to internal goods.<sup>53</sup> MacIntyre observes that near the end of the Roman Empire monastic communities were established to encourage and facilitate the development of virtues in the members of the community. He suggests that the world today is again in need of an institutional environment that would support and promote individual and collective virtue. (Might corporations evolve into such institutions, secular monasteries, as it were?)

A crucial turning point in that earlier history occurred when men and women of good will turned aside from the task of shoring up the Roman *imperium* and ceased to identify the continuation of civility and moral community with the maintenance of that *imperium*. What they set themselves to achieve instead – often not recognizing fully what they were doing – was the construction of new forms of community within which the moral life could be sustained so that both morality and civility might survive the coming ages of barbarism and darkness. If my account of our moral condition is correct, we ought also to conclude that for some time now we too have reached that turning point. What matters at this stage is the construction of local forms of community within which civility and the intellectual and moral life can be sustained through the new dark ages which are already upon us. And if the tradition of the virtues was able to survive the horrors of the last dark ages, we are not entirely without grounds for hope. This time, however, the barbarians are not waiting beyond the frontiers; they have already been governing us for quite sometime. And it is our lack of consciousness of this that constitutes part of our predicament. We are waiting not for a Godot, but for another – doubtless very different – St. Benedict.<sup>54</sup>

Dennis P. McCann and M.L. Brownsberger, have responded to MacIntyre's analysis of virtue insofar as it relates to corporate management. They argue that it is not necessarily the case that corporations are characterized solely by acquisitiveness and corporate management by an exclusive concern with external (non-virtuous) goods. They

refer to Peter Drucker's definition of management as "the dynamic, life-giving element in every business", whose functions are to transform human and material resources, organize productive activities, and achieve economic results. Thus defined, management may claim to have some concern for internal goods (virtues). "For creating a new form of association for mutual economic betterment, rather than merely for maximizing profits, suggests that managing such relationships not only might have its own characteristic form of moral excellence, but also that as such it would qualify as a social practice within institutions focussed upon a society's economic development" (the common good).

McCann and Brownsberger also agree with Drucker's argument that integrity of character is key to managerial success, and is manifested by vision and moral responsibility. McCann and Brownsberger define the role of managers as "serving their fellow employees by helping them to become participants in a co-operative endeavour whose scope would have remained beyond the capacity of any of them, considered as individuals." For McCann and Brownsberger, the profit motive, viewed by MacIntyre as the vice of acquisitiveness, is not the core principle ideally at work in corporate management's practice (except in cases where individual managers succumb to the vice), but is a peripheral tool for measuring performance and distributing to shareholders their entitlements from the enterprise.<sup>55</sup>

William F. May has argued that corporate virtue can be found in such individual qualities as industry, honesty and integrity, but more importantly in "co-operative" dispositions that enable the members of large, complex organizations to work together. May recognizes that MacIntyre deprecates these qualities as "process virtues", which

enable the corporation to pursue any goal whatsoever, including goals that may be immoral, as opposed to “substance” virtues which relate to shared substantive goals which are inherently good. Therefore, May argues that business managers require another virtue, which he calls “public spiritedness”, or the “art of acting in concert with others for the common good.” May believes that corporate power and the role the corporation plays in society impose a responsibility for acting for the common good, in contrast with Friedman’s assertion that the sole responsibility of business is to maximize wealth for shareholders. The virtues of prudence (anticipative leadership) and courage (assessing risks in acting) are essential qualities for corporate public spiritedness.<sup>56</sup>

David Murray has offered a broad definition of corporate virtue (for which he proposes as synonyms: “values”, “ideals” and “principles”, commonly used in corporate parlance) as: “a sustained and deeply held preference for a mode of acting, being or achieving.” He suggests that a typical corporate statement such as: “We are committed to providing superior service to our customers” implies several virtues, or operative habits, such as competitiveness, caring and promise-keeping.<sup>57</sup> Clearly, Murray would describe certain attributes as virtues, which MacIntyre would dismiss as such.

Patrick MacLagan has examined the interaction of employee virtues or vices with managerial patterns (or operative habits) of influence and control. He questions the compartmentalism of ethical stance whereby employees must put aside their concerns about society overall in order to focus exclusively on the objectives of the corporation, as being a threat to personal integrity. There is a tension felt by corporate management between maintaining control over decisions and outcomes and respecting (perhaps even nurturing) employees’ moral integrity and development. Management has two options

for relieving this tension: either excluding personnel from decision-making or integrating their views into decisions through some sort of participative arrangement. Corporations can be characterized, therefore, by the extent to which they are inclusive in management style, emphasizing virtues of trust, sensitivity, mutual respect, and a collaborative orientation, or by contrast hierarchical in decision and communication processes, emphasizing virtues of efficiency, rationality, control of information and outcomes, and clear accountability for decisions.<sup>58</sup>

Understandably, the virtues of the hierarchical corporation will appear as weaknesses, if not vices, to the participative corporation, and vice versa. Each type of corporation will detect management manipulation in the other's decision processes, either subtly through participative arrangements or explicitly through command-control systems. This dichotomy reveals differing perspectives on corporate virtue. The virtues of the participative corporation appear to be determined by the virtues of individual employees and managers, who to some extent are able to integrate their holistic stances as moral agents into corporate decisions. On the other hand, the virtues of the hierarchical corporation appear to be determined by the objectives of the organization, rather than of the individual employees or managers, who may need to bracket certain aspects of their individual moral character in order to work effectively in the corporation.

Gradually, the traditional hierarchical organization, characterized by command-control systems of decision and action, is being replaced by the participative corporation. Murray has noted several reasons for this trend:

- **Business benefit** – A greater social cohesion in the organization through shared values (corporate virtues) correlates with competitive advantage and higher profitability.
- **Doing the right thing** – Employees and other stakeholders, as well as the legal justice system, demand integrity from the corporation, which requires ethical conduct in every person acting in the corporation's interest.
- **Changing societal attitudes** – People in Western countries increasingly want to live their lives in consistent “wholes” rather than in compartments.
- **Changing patterns of work** – A growing number of “knowledge workers” are bringing into the workplace their educated perspectives on many issues.
- **Positive encouragement** – Motivating employees towards improvement and achievement is done more effectively through affirmation and empowerment than through negative prohibitions.<sup>59</sup>

Willis Harman and John Hormann have noted even more fundamental reasons for the evolution of corporate culture away from the traditional model:

- **Economic rationality, and related virtues, are not an adequate guide to decision-making.** Sound decisions require a whole-system view, an assumption of the integration of all aspects of life on Earth, including the spiritual dimension of human beings. Rational analysis needs to be supplemented by intuitive insight and the consensus of many human perspectives. Partners, not adversaries, are key to corporate progress.
- **Humans ultimately seek meaning, not comfort; creative work, not inactivity.** The traditional model of the corporation is based on the faulty assumption that individuals will seek to avoid work as unpleasant and burdensome, and engage in work only for material rewards, ultimately consumption and leisure. Human material wants are largely learned (acquired operative habits), and material craving is a misguided search for meaning. Creative work is necessary for psychological and spiritual growth.<sup>60</sup>

Harman and Hormann suggest that the moral posture or stance (the virtues) of the traditional corporation can be contrasted with the emerging participative model in terms of goal-setting, leadership style, shared attitudes, and individual habits of behaviour.<sup>61</sup>

Together, these categories may cover the spectrum of corporate virtues, or operative

habits. It is useful to observe the differences in the two corporate cultures, and some of the explicit or implicit contrasting virtues:

	<b>Traditional Corporation</b>	<b>Participative Corporation</b>
<b>Goal Setting</b>	Return to Shareholders	Satisfaction of Stakeholders
	Near-term Profit	Long-term Growth and Success
	Focus on Outcomes	Focus on Process
	Knowledge and Intentionality	Questioning and Listening
	Linear/logical, analyzing	Creative, Synthesizing
	Analysis	Intuition
<b>Leadership</b>	Control and Motivate	Inspire and Empower
	Hierarchical, bureaucratic	Collegial, flexible
	Focus on organizational needs	Focus on Stakeholder needs
	Power of status, money, Information	Power of awareness, network, Insight
	Competitive – secretive	Competitive – co-operative
	Alignment of edict	Alignment by shared vision
	Deferred accountability	Shared accountability
	Dealing with conditions	Understanding context
<b>Attitudes</b>	Solving problems	Creating opportunities
	Progress by increments	Progress by leaps
	Blame for failure	Learning from failure
	Technology/capital oriented	People/knowledge oriented
	Emphasis on the “right” way	Learning, exploring, open

	Knowing the right answer	Asking the right question
	Self-advancement	Team-advancement
	Having	Sharing
Individual	Loyal to organization	Loyal to common good
	Security conscious	Trusting and comfortable
	Feelings restrained	Feelings expressed
	Compartmentalized	Integrated

Harman and Hormann observe that the structures of traditional and participative corporations differ, reflecting the different habits of thoughts and action within the two different corporate culture:

Rigid hierarchy	Organic structure
Status	Function
Vertical	Horizontal
Centralized management	Decentralized management
Tight controls	Local autonomy

From the author's experience in the corporate world, there is a reality to corporate culture. Certain shared habits of thought and action, prevail and are significant determinants of corporate decisions, as well as of individual decisions within the corporation. In the worst situations, these corporate habits may indeed be, in the words of MacIntyre, dominated by competitiveness for external goods, with little or no attention to internal goods. However, it is apparent that an increasing number of corporations are

attempting to modify their culture in the expectation of achieving higher corporate performance. This exercise pays attention to interior dispositions, such as one's concern for the welfare and success of one's fellow employees, which are regarded as contributors to corporate cohesiveness and ultimate success. Flatter organizations, decentralized management, cross-functional teams, intensified internal dialogue, competency evaluations and training programs, intended to create new habits of trust, accountability and communication in all employees, are all being implemented to accelerate this corporate cultural evolution.

However, cultural evolution is not an easy process, and many employees and managers are being stretched, having one hand, foot and brain lobe in each of the two diverging cultures. Few corporations, if any, have transformed themselves completely into the new model, for to do so might place them beyond the understanding of traditional investors, the comfort-zone of longer-term employees and the responsiveness of the market. Moreover, many decisions have been made and actions taking in a corporation's history in the context of the old model, which might have been done differently in the context of the new model. Corporations are understandably reluctant to revisit those past decisions and actions, if that is what cultural evolution implies. Thus current society and corporate history both inspire the evolution of corporate culture, the development of more effective operative habits, or virtues, and prevent such change from occurring too rapidly. Considerable corporate evolution must occur before corporations might truly claim to be institutions that promote and facilitate the development of important virtues in all their employees.

## **Secular Worldviews: The Role of the Corporation as Moral Agent**

The most fundamental question, which in this chapter has really surfaced only in the discussion of corporate culture and virtue, is “what exactly is a corporation?” In what manner can we refer to a corporation as a moral agent? Conceptually, possibilities with respect to the nature of the corporation range from a relatively loose assemblage of individuals associated with a legal fiction and collection of assets, to a contractual entity which has a reality and ethical role beyond that of the individuals who work in and for it, to some sort of ontological entity which has the characteristics of a community. Clearly, one can posit a spectrum of possibilities as to the relative coherence, autonomy and responsibility of corporations as moral agents. At one end of the spectrum is the view that corporations are essentially aggregates of individual moral agents, engaged in joint efforts, for which they adopt certain decision-making procedures. At the other extreme is the view that corporations are moral agents of equivalent status with individual human beings.

Obviously, this definitional issue has implications for the nature and extent of any attribution of obligations, values, rights and virtues to the corporation, as opposed to individuals who work in it, and for the roles, responsibilities and relationships of the corporation within its global context (whether most narrowly defined as the economy or most broadly as the biosphere).

As noted in the discussion of justice (*supra*), Rawls defines institutions, within which category one might include corporations, as public systems of rules. He distinguishes between the institution as an abstract object and the institution as a concrete

object in time and place. Each of these two concepts of institution has distinct implications for the notions of ethical decision-making and ethical action.

An institution may be thought of in two ways: first as an abstract object, that is as a possible form of conduct expressed by a system of rules; and second, as the realization in the thought and conduct of certain persons at a certain time and place of the actions specified by these rules. There is an ambiguity, then, as to which is just or unjust, the institution as realized or the institution as an abstract object. It seems best to say that it is the institution as realized and effectively and impartially administered which is just or unjust. The institution as abstract object is just or unjust in the sense that any realization of it would be just or unjust.<sup>62</sup>

The issues involved in going beyond Rawls' definition of a corporation as a public system of rules, towards assigning moral agency to a corporation as one would to a human person have been succinctly summarized by Donaldson:

What is the moral status of a corporation? Is it, as the legal metaphor suggests, an "invisible" person? Or does it more closely resemble an impersonal machine, geared to generate rules, procedures and profits? If corporations are moral agents as are persons, then we must demand that they assume the burdens of morality just as people do, and that they develop something akin to consciences.... If they are not moral agents at all, but resemble complicated machines, they must be directly controlled to prevent injury to society. And this direct control will likely come from the only force sufficiently powerful to control corporations, the government.<sup>63</sup>

According to Donaldson, If ethical conduct is to be expected from corporations in a manner that is not simply determined through government regulation, the moral agency of corporations needs to be demonstrated. The obvious differences between corporations and humans (such as absence of sentiment, limited liability and unlimited longevity) preclude juristic personhood from automatically implying moral agency.

Donaldson argues that the apparent intentionality of corporate behaviour is not sufficient to ascribe moral agency to corporations. Intentionality is an essential condition of human moral agency; but rules, policies, power structures and decision processes

which result in corporate actions are also analogous to the inner logic and functioning of computers, which are not moral agents. Nor does the fact that corporations enjoy certain rights, such as to own property or to conclude contracts, necessarily imply moral agency, since unlike humans corporations have no apparent inherent right to rights (given that there are many human rights corporations do not enjoy, such as to worship or to vote). Corporations are only bestowed with rights through laws.

For a corporation to be a moral agent, according to Donaldson, it must have the capacity to decide and to act on the basis of ethical norms. Therefore, if a corporation is required, by definition, to act exclusively to achieve a specified goal (such as profit maximization), it cannot be considered a moral agent. (This view contains the irony that it is the corporation as defined in the Friedmanite libertarian perspective that invites the greatest degree of government regulation.)

Donaldson notes that there are models of the corporation other than the profit – maximizer, which have potential for moral agency. For example, the rational agent model describes corporate decision-making as a unified process (of management) which incorporates all of the corporation's values, much as human moral agents make choices on the basis of an integration of all of their values. The organizational process model describes explicit or tacit organizational rules, principles and expectations, which may incorporate ethical norms, which guide decentralized decision-making groups in the corporation.

Donaldson proposes that some corporations may be moral agents, and others not. The test is whether the corporation has capacity to use ethical norms in decision-making,

and whether it can decide not only specific acts but also its own structure of policies and values. In other words, corporations must enjoy a freedom of choice in their decisions, must have reasons for their actions, not simply causes, and must have a process for demonstrating moral accountability. Donaldson suggests that corporations that fail the moral agency test also lose their right to rights. On the other hand, corporations that enjoy rights clearly incur obligations and duties, both direct (as stipulated in contractual relations) and indirect (as required by the rights of all stakeholders).<sup>64</sup>

The concept of the corporation that seems to appeal most to Donaldson is the social contract model. He proposes, as a thought experiment, that individuals, living in a state of nature, in which everyone produces without the benefit of the co-operative efforts of others, collectively agree to contract certain rights and duties to “productive organizations”, in which individuals will combine their labour to produce goods or services. The result is a set of reciprocal obligations between the productive organization and society. Donaldson observes that the hypothetical contractors in the state of nature will demand that the obligations of a productive organization should extend not only to consumers and employees but also to all those affected by the organization’s activities. The hypothetical contractors will also demand, according to Donaldson, that corporate activities remain within the confines of justice and human rights. Donaldson concludes that the social contract model of the corporation implies three culture-neutral obligations: (1) to enhance the long-term welfare of employees and consumers in any society where it operates; (2) to minimize drawbacks potentially associated with productive organizations, such as pollution, resource depletion, reduction of personal accountability, or misuse of

political power; and (3) to refrain from violating minimum standards of justice and human rights.<sup>65</sup>

Cragg agrees with Donaldson that the corporation is best understood as the expression of a social contract. For Cragg this social contract serves primarily to differentiate the responsibilities of corporations and governments. Cragg analyzes the current social contract in its historical context and concludes that it is obsolescent and in need of renegotiation. According to Cragg, the essentials of the new social contract are gradually becoming visible in the form of corporate codes of conduct, some of which are being explicitly negotiated with representatives of civil society.<sup>66</sup>

The concept of corporations as an aggregation of individuals, who alone possess moral agency, has been described by Larry May. Moral agency, according to May, is possible only for individual humans who choose and act as whole persons. Decisions and actions by a corporation are only possible by means of the decisions and actions of its constituent members, by means of individual moral agents. Corporations, according to May, are no more than “vicarious agents”, or agents acting on behalf of the individuals who are members of the corporation. May describes corporate vicarious agency as “event agency” (*i.e.* a process through which actions occur), as opposed to the ontologically stronger “object agency” (*i.e.* an entity in itself which acts). Moreover, rights of the corporation can be understood as being no more than the rights of individuals (the owners) in aggregate. While May tends towards denying corporations status as effective moral agents, he notes that the moral agency of the individuals involved in a corporation is constrained by corporate charters, regulations and decision procedures. Moreover, limited liability endows the corporation with a characteristic not

held by individual moral agents. May personally endorses this weak (vicarious) form of corporate moral agency.

Another model of the corporation as moral agent is that of “community.” Kuhn and Shriver observe that corporations manifest communal values (such as a sense of belonging, a shared understanding of organizational context, common rituals, and even particular ways that their members communicate with one another). The communal sense is evident in the loss felt by employees who are dismissed or retired, the recognition that the corporation is more than a source of income and individual achievement, and that the experience of community with associates, their friendship and support, is a significant non-economic value of work.

Kuhn and Shriver believe that modern society and the capitalist economic system have evolved too far in the direction of individualism, denying one of the strongest forces of nature, the human urge to form collaborative arrangements.<sup>67</sup> Kuhn and Shriver appear to suggest that corporations have the potential to be communities, with the moral agency that implies. It should be noted that May, though refraining from describing corporations as communities, makes an interesting observation with respect to the historical limitations of individual moral agency. He notes that during much of human history, the primary moral agent was the group. Moral responsibility was understood as the response that the members of one group owed to another group for the harm done by one of its members upon a member of the other group. “Personal responsibility only made sense after the question of group responsibility had been answered.”<sup>68</sup> While May is more inclined to assign ethical responsibility to individuals, with adjustments to recognize the impact of corporations on individuals, he introduces the possibility that

some communities (particularly highly integrated ones) might be considered moral agents with claims superior to those of individual members. May would probably disagree with Kuhn and Shriver as to whether corporations, as they exist today, can truly attain the status of communities.

Peter French has argued forcefully in support of the reality of corporate moral agency, as being different from but equal to human moral agency. The actions of corporations are described by French as “redescriptions” of the actions of humans, and corporate internal decision structures provide the license for such redescriptions. In other words, corporations are permitted by virtue of their formal ways of making decisions to “redescribe” the original actions of individuals as corporate actions based on corporate intentions. On the other hand, corporations cannot generally redescribe corporate decisions and actions to be those of individuals in the corporation. The things that corporations do cannot be reduced to actions of individual employees or managers, such as manufacturing products from many inputs (labour, materials, energy, intelligence, etc.), setting the price of goods and services, or entering joint-ventures and various associations with other companies. Corporations are highly analogous to individual moral agents, in that they act with intentionality, have rights and duties recognized under law, carry on non-legal relationships with other corporations and individuals, and go through a life cycle from birth to death. The ontological reality of corporations is evident further from the fact that people enter and leave as employees or managers without the essential character of the corporation (its guiding principles, corporate culture and ethical norms) changing.<sup>69</sup>

French argues that the long-term needs of society and the obligation of humans to respond to those needs can only be met if corporations are assigned status as moral agents. The care for future generations, a moral imperative within sustainable development, cannot be achieved except by entrusting responsibility to corporate-like entities, whose existence spans generations. Inter-generational equity necessitates the existence of moral agents that last through a number of generations. French summarizes his view of the necessity of corporate moral agency, and its putative superiority to individual moral agency, thus:

Atomistic individualists cheat themselves out of participation in meaningful long-range responsibility relationships. Their purposes in living must be drastically limited and no doubt account for their typical cynicism about almost everything over the long haul. It is no wonder that they put what hope they have in invisible hands. The springs, forests, and waterways of our planet cannot long withstand the treatment they have received from both corporate and natural persons. Environmental protection is essential to the prosperity of those who will live in the future, but only corporate entities can be sensibly assigned responsibility for that protection, and individual humans participate in the task as they achieve their individual identities in their corporate associations.<sup>70</sup>

From the author's experience in the corporate world, each of the above described models of the corporation as moral agent is to some extent plausible, though each has certain problems.

If, as Donaldson proposes, corporations exist in a variety of organizational models, some of which pass his test of moral agency, then acting ethically and achieving moral outcomes is a mixed responsibility of governmental regulation and corporate initiative. The problem is that the failure of all corporations to be moral agents encourages governmental regulation, which in essence must treat all corporations equally, thus over-regulating corporations that are effective moral agents (with fully active ethical

norms). The apparent solution is to move all corporations in the direction becoming moral agents, thereby strengthening corporate initiative and reducing the need for government regulation. This is very much the direction of corporate cultural change described in the discussion of virtue. Voluntary self-regulation, which is derided by those who distrust corporations and espouse more extensive government regulation, would appear to be the key to corporations becoming effective moral agents. Moreover, voluntary self-regulation may be indicative of the emergence of a new social contract, as described by Cragg.

The problem with defining corporations, as May does, as vicarious moral agents, whose ethical behaviour results from norms that apply not to corporations as such but to the individuals involved (owners, managers and employees), is that the ethical norms of individuals as well as their discernment are affected by their membership in corporations (as well as other associations). There is necessarily some modifying effect on individual ethical responsibility in the process of collective decision-making. What is needed, therefore, are ethical norms that are meaningful for individual moral agents operating in a corporate context. The evolution of corporate culture in the direction of encouraging the individual moral integrity of managers and employees and inculcating virtues consistent with the participative model of the corporation would appear to be relevant to this worldview. On the other hand, the traditional model of the corporation, as well as the Friedmanite libertarian world view in which the corporation is strictly a profit maximizer, would appear to severely restrict the moral agency of individual employees and managers (once again ironic given the libertarian emphasis on individual freedom and autonomy).

If one accepts Kuhn's and Shriver's definition of a corporation as a community characterized by distinctive commonly held corporate virtues, then corporations are responsible for holding to account individual employees or managers who act inconsistently with the corporate culture, thus threatening or damaging the well-being of the corporate community. The community model accords with the perceptions of the corporation by outsiders, as being highly integrated in terms of the alignment and identification of individual employees and managers with corporate objectives. However, it is difficult for those outside a corporation to perceive it as a community in the same way they view an extended family or a village. Within the community model, individuals who work in and for the corporation may act as moral agents in their relationships with each other, but they would regard the corporation as being the principal moral agent in making corporate decisions and taking corporate actions. The problem faced by the corporation as community is that it functions in a world that is biased towards individualism. The extent to which individuals working in a corporation truly experience a sense of community varies immensely among corporations, as individual values often tend to overrule corporate communal values. Nevertheless, the evolution of the corporation in the direction of the participative model appears to be the transformation of corporations into communities. The challenge is to decide and develop the most appropriate ethical culture and moral virtues for corporations to truly become effective communities.

The world view implied in the corporate moral agency perspective of French is: corporations not only demonstrably are but must be moral agents if the world is to deal ethically with the immense economic, social and environmental challenges both of the

present and the future. The problem is how to make corporations effective moral agents in dealing holistically with the complex challenges of sustainable development. The solution appears to lie, both in strengthening the corporate internal decision structures with the appropriate ethical norms, and in increasing the corporate capacity to enter into effective relationships with other moral agents (individual and collective), *i.e.* with stakeholders, to achieve a shared understanding, joint decisions, and collaborative implementation of the sustainable development agenda.

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## Notes to Chapter Two

<sup>1</sup> For a discussion of the diversity of literature on corporate ethics, see La Rue Tone Hosmer, "5 Years, 20 Issues, 141 Articles, and What?", *Business Ethics Quarterly*, 6, no. 3 (July 1996): 330-332.

<sup>2</sup> F. Neil Brody and Craig P. Dunn, "Business Meta-Ethics: an Analysis of Two Theories", *Business Ethics Quarterly*, 5, no. 3 (July 1995): 385.

<sup>3</sup> The ethical perspectives of John Rawls were originally presented in two works: *A Theory of Justice* (Cambridge: Harvard University Press, 1971) and *Political Liberalism* (New York, Columbia University Press, 1993)

<sup>4</sup> John Rawls, *A Theory of Justice*, rev. ed. (Cambridge: Harvard University Press, 1999), 6.

<sup>5</sup> *ibid.*, 11-13.

<sup>6</sup> *ibid.*

<sup>7</sup> John Rawls, *Political Liberalism* (New York: Columbia University Press, 1996), 16.

<sup>8</sup> Rawls, *Theory of Justice*, *op. cit.*, 54-55, 78-81, 445; *Political Liberalism*, *op. cit.*, 178-189.

<sup>9</sup> John Rawls, "Justice as Fairness", *Philosophical Review* (1955): 164-194, reprinted in W. Sellars and J. Hospers, ed., *Readings in Ethical Theory* (Englewood Cliffs, N.J.: Prentice Hall, 1970), 579; quoted in Larry May, *The Morality of Groups* (Notre Dame, Ind.: Notre Dame Press, 1987), 2, 180.

<sup>10</sup> Rawls, *Theory of Justice*, *op. cit.*, 47-49

<sup>11</sup> John Dalla Costa, *Ethical Imperative: Why Moral Leadership Is Good Business* (Toronto: Harper Collins, 1998), 166-169.

<sup>12</sup> Thomas Donaldson, *The Ethics of International Business* (New York: Oxford University Press, 1989), 113-117.

<sup>13</sup> Doug Sturm, "Toward a New Social Covenant: From Commodity to Commonwealth", in *Christianity and Capitalism: Perspectives on Religion, Liberalism and the Economy*, ed. Bruce Grelle and David Krueger (Chicago: Center for the Scientific Study of Religion, 1986), 95, which cites Michael Sandel, *Liberalism and the Limits of Justice* (Cambridge: Cambridge University Press, 1982), 179.

<sup>14</sup> Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books, 1974), 150-152.

<sup>15</sup> James W. Kuhn and Donald W. Shriver, Jr., *Beyond Success: Corporations and Their Critics in the 1990s* (New York: Oxford University Press, 1991), 251-260. Note that Shriver is a Christian ethicist, but the perspective presented here is essentially secular.

<sup>16</sup> Manuel Velasquez, "Why Ethics Matters: A Defense of Ethics in Business Organizations", *Business Ethics Quarterly*, 6, no. 2 (April 1996): 201-222.

<sup>17</sup> Irving Kristol, "A Capitalist Conception of Justice", in *Ethics, Free Enterprise and Public Policy*, ed. Richard T. De George and Joseph A. Pichler (New York: Oxford University Press, 1978), 57-69.

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- <sup>18</sup> For a discussion of these principles of justice applied to stakeholder relations, see Wesley Cragg, David Pearson and James Cooney, "Ethics, Surface Mining and the Environment", *Resources Policy*, 21, no. 4 (December 1995): 229-235; also in Alex Wellington, Alan Greenbalm and Wesley Cragg, *Canadian Issues in Applied Environmental Ethics* (Peterborough: Broadview Press, 1997), 92-100.
- <sup>19</sup> The fullest analysis of freedom as the primary base point for corporate ethics by Hayek is: *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960); and by Friedman is *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962).
- <sup>20</sup> Kuhn and Shriver, *op. cit.*, 179-180.
- <sup>21</sup> Except where otherwise indicated, this discussion of Friedman is generally based on: John R. Danley, *The Role of the Modern Corporation in a Free Society* (Notre Dame: University of Notre Dame Press, 1994), 80-85.
- <sup>22</sup> Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, Phoenix Books, 1962), quoted in Kuhn, *op. cit.*, 172.
- <sup>23</sup> Frederick Bruce Bird, *The Muted Conscience: Moral Silence and the Practice of Ethics in Business* (Westport, Ct.: Quorum Books, 1996), 103.
- <sup>24</sup> Danley, *op. cit.*, pp. 85-105; Kuhn, *op. cit.*, 176-187.
- <sup>25</sup> Gerald F. Cavanagh, *American Business Values in Transition* (Englewood Cliffs, N.J.: Prentice Hall, 1984), quoted in Danley, *op. cit.*, 159-160.
- <sup>26</sup> World Commission on Environment and Development, *Our Common Future* (Oxford: Oxford University Press, 1987), 9.
- <sup>27</sup> Thomas N. Gladwin, James J. Kennelly, and Tara-Shelomith Krause, "Shifting Paradigms for Sustainable Development: Implications for Management Theory and Research," *Academy of Management Review*, 20, no. 4, (1995), 878.
- <sup>28</sup> Herman E. Daly and John B. Cobb, *For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future*, 2d ed. (Boston: Beacon Press, 1994), 71-76, 197-198. Note that Cobb is a Christian ethicist, but the perspective presented here is essentially secular.
- <sup>29</sup> John Elkington, *Cannibals with Forks: The Triple Bottom Line of 21<sup>st</sup> Century Business* (Oxford: Capstone Publishing Limited, 1997), 55-56.
- <sup>30</sup> *ibid.*, 306-338.
- <sup>31</sup> Donaldson, *The Ethics of International Business*, *op. cit.*, 44-47.
- <sup>32</sup> John Stuart Mill, *Utilitarianism*, in *Utilitarianism, Liberty, Representative Government* (London: Dent Everyman's Library, 1964), 6, 10, 16.
- <sup>33</sup> Danley, *op. cit.*, 303.
- <sup>34</sup> Amartya Sen and Bernard Williams, eds., *Utilitarianism and Beyond* (Cambridge: Cambridge University Press, 1982), 3-4.
- <sup>35</sup> John C. Harsanyi, "Morality and the Theory of Rational Behaviour", in *ibid.*, 55.

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- <sup>36</sup> Robert Sugden, "Welfare, Resources and Capabilities: A Review of *Inequality Reexamined* by Amartya Sen" in *Human Well-Being and Economic Goals*, ed. Frank Ackerman et al. (Washington, D.C.: Island Press, 1997), 249-250.
- <sup>37</sup> Danley, *op. cit.*, 80-86, 104-129, 268-269.
- <sup>38</sup> Sen and Williams, *op. cit.*, 2-3.
- <sup>39</sup> Harsanyi, *op. cit.*, 59-60.
- <sup>40</sup> Rawls, *A Theory of Justice*, *op. cit.*, 23.
- <sup>41</sup> R.M. Hare, "Ethical Theory and Utilitarianism", in Sen and Williams, *op. cit.*, 26-27.
- <sup>42</sup> For a general discussion of the theory of rights and social contracts, see Danley, *op. cit.*, 41-74.
- <sup>43</sup> Larry May, *The Morality of Groups: Collective Responsibility, Group-Based Harm and Corporate Rights* (Notre Dame: University of Notre Dame Press, 1987), 144-155.
- <sup>44</sup> *ibid.*, 153-170.
- <sup>45</sup> Thomas Donaldson, *Corporations and Morality*, (Englewood Cliffs, N.J.: Prentice-Hall, 1982), 78-90.
- <sup>46</sup> Donaldson, *The Ethics of International Business*, *op. cit.*, 73-77.
- <sup>47</sup> *ibid.*, 85-86.
- <sup>48</sup> Julia Hausermann, *A Human Rights Approach to Development* (London: Rights and Humanity, 1998), 23-30.
- <sup>49</sup> Wesley Cragg, "Human Rights and Business Ethics: Fashioning a New Social Contract" (paper presented at the 12<sup>th</sup> EBEN Annual Conference, Amsterdam, 1-3 September 1999). Available at [wcragg@bus.yorku.ca](mailto:wcragg@bus.yorku.ca).
- <sup>50</sup> Anderson, *op. cit.*, 111-119.
- <sup>51</sup> Alasdair MacIntyre, *After Virtue: A Study in Moral Theory*, second edition (Notre Dame: University of Notre Dame Press, 1984), 273, 275.
- <sup>52</sup> *ibid.*, 194-196.
- <sup>53</sup> *ibid.*, 227 *et passim*.
- <sup>54</sup> *ibid.*, 263.
- <sup>55</sup> Dennis P. McCann and M.L. Brownsberger, "Management as a Social Practice: Rethinking Business Ethics after MacIntyre," *Annual of the Society of Christian Ethics* (1990): 223-245, quoted in *On Moral Business*, ed. Max L. Stackhouse et al. (Grand Rapids: William Eerdmans, 1995), 508-513.
- <sup>56</sup> William F. May, "The Virtues of the Business Leader," *Proceedings of the Second National Consultation on Corporate Ethics*, 13-15 May 1987, ed. David A. Krueger (Chicago: Center for Ethics and Corporate Policy, 1987), quoted in *On Moral Business*, *op. cit.*, 692-700.
- <sup>57</sup> David Murray, *Ethics in Organizations* (London: Kogan Page, 1997), 44-45.

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- <sup>58</sup> Patrick MacLagan, *Management and Morality: A Developmental Perspective* (London: Sage Publications, 1998), 69-85.
- <sup>59</sup> Murray, *op. cit.*, 48-49.
- <sup>60</sup> Willis Harman and John Hormann, *Creative Work: The Constructive Role of Business in a Transforming Society* (Indianapolis: Knowledge Systems, 1990), 117-119.
- <sup>61</sup> *ibid.*, 120-121.
- <sup>62</sup> Rawls, *Theory of Justice*, *op. cit.*, 48.
- <sup>63</sup> Donaldson, *Corporations and Morality*, *op. cit.*, 18.
- <sup>64</sup> *ibid.*, 20 – 35.
- <sup>65</sup> Donaldson, *Ethics of International Business*, *op. cit.*, 47-55.
- <sup>66</sup> Cragg, *op. cit.*, 12 – 14.
- <sup>67</sup> Kuhn and Shriver, *op. cit.*, 94-95, 210-211.
- <sup>68</sup> Larry May, *op. cit.*, 181.
- <sup>69</sup> Peter A. French, "Terre Gaste", in *The Corporation, Ethics and the Environment*, ed. W. Michael Hoffman *et al.* (Westport, Connecticut: Quorum Books, 1990), 3-10; also for a critique of French, see Larry May, *op. cit.*, 21-24, 67-69, 121-124.
- <sup>70</sup> French, *op. cit.*, 9.

### **Chapter Three**

## **Christian Ethical Perspectives and Principles and Their Relationship to the Current Perceptions and Practices of Corporations**

Christian ethical perspectives are those which refer explicitly or implicitly to the divine actions of creating, redeeming and sustaining mankind pre-eminently, and the whole world generally. Divine revelation is a major source of the Christian understanding of God's relationship to humanity (individual and collective) and of the hierarchy and relationship of different ethical norms. Christian ethical perspectives are guided by the authority of sacred scripture and Christian tradition, as reflected in the writings of the Church Fathers and great theologians, by the pronouncements of Church councils, synods and other assemblies, and (for Catholics particularly) by the official teaching (the *Magisterium*) of the Church (in such form as conciliar pronouncements and papal encyclicals).

Christian perspectives on corporate ethics, despite the supposedly integrated coherence of the original inspiration, manifest a significant variety. First of all, there are a number of theological "points of entry" to Christian perspectives on the ethics of the market economy and business corporations. Some of the theological entry points are:

Creation and God's relationship to humanity and to nature

Christology and the meaning of redemption for man and all of creation

Love or *agape* and its relation to the Law and justice

Grace and the transformation of individuals, culture and nature

Ecclesiology and the role of the Church in society

Natural Law and the respective roles of reason and revelation

Differences among Christian perspectives on the ethics of the market economy and the role of corporations may also be grounded in certain distinctions between traditional Catholic and Protestant approaches to social ethics, and within Protestantism distinctions among the Lutheran, Calvinist, and Anabaptist traditions.

Within Catholicism ethical discourse, or moral theology, has traditionally been closely related to canon law and to the sacrament of penance, with a focus on establishing principles relevant for guiding moral conduct and for judging the seriousness of sinful actions. Moreover, Catholic moral theology has depended heavily on Platonism (primarily through Augustine) and Aristotelianism (primarily through Aquinas), with an abiding view that the moral order is generally accessible through reason, in the form of natural law. Catholic ethical analysis has thus tended to remain relatively independent of scriptural studies or theology (whether dogmatic, ecclesiastical or spiritual).<sup>1</sup> The review of Catholic ethical perspectives will consider the views of Aquinas (*Summa Theologiae*), the papal encyclicals and various modern theologians. Augustine is a source for both Catholic and Protestant perspectives, and so will be considered in the introduction of each the major sections.

Within Protestantism, ethical discourse has traditionally been closely integrated with doctrine, and often based on scripture as the source of revealed moral law. In the Lutheran tradition, there are two contexts (“Two Kingdoms”) for the moral life: the “ethics of justification” in which the moral agent, acting freely but induced by grace and faith, receives forgiveness and righteousness so as to meet ethical obligations as revealed

in scripture, with a sense of gratitude, freedom and love; and the ethics of “civil responsibility” in which a moral agent is obliged to act in a manner appropriate to one’s station in life (magistrate, father, businessman, etc.), using reason to determine issues of justice, social duty and the common good.<sup>2</sup> In the Reformed tradition, the moral law in its entirety is revealed in scripture and the Christian community has as part of its vocation the promotion and construction of a Christian order in society.<sup>3</sup> In the Anabaptist tradition, the moral law is grounded in love and absolute obedience to Christ as lord of a spiritual kingdom, requiring the rejection of natural law and civil authority, except insofar as they are based on explicit scriptural grounds, the result being a Christian community that is distinctive and separate, not only in its faith but in its rules of conduct.<sup>4</sup> Anglicanism incorporated some elements of the Lutheran perspective but generally remained sympathetic to the natural law tradition of Catholicism, and particularly to Platonic philosophical approaches to ethics.<sup>5</sup> A further bifurcation in Protestant ethical analysis occurred with the Enlightenment, which split liberals from conservatives, with the former tending to favour Kantian deontological approaches.<sup>6</sup>

The nature of the business corporation, as a moral collectivity, has only recently in the history of Christian ethics attracted formal analysis. In some respects, however, Benedictine monasteries from the sixth century on may claim an ancestral relationship to modern corporations. Lewis Mumford and Arnold Toynbee have noted that the monks believed that through their life together, consisting of work, prayer and recreation, they grew closer to God, not only as individuals but as a collectivity, and that in order to have ample time for prayer, labour saving devices were invented, tasks were standardized and thrift was practised, resulting in a significant accumulation of wealth.<sup>7</sup> Certainly, the

individual and collective purposes of monasteries are different from those of business corporations, but there may be similarities in the mechanism of institutional survival (growth and profit) and the reality of the collectivity as a moral agent.

The corporation, as it has evolved in recent centuries, however, is more often ascribed to Protestant rather than Catholic influence. The emergence of modern capitalism is indebted to Luther's doctrine of the Two Kingdoms and Calvin's teaching on vocation. Luther taught that doing one's duty in the world, respecting the dictates of reason, was a way to serve God and give thanks for justification. Calvin stressed the importance of successful human endeavour towards organizing the world to the glory of God, the action of saving grace at work in the world, material success being a sign of God's favour and a promise of salvation. Together, these teachings of Luther and Calvin inspired industriousness, frugality and the taking of risks to accrue wealth.<sup>8</sup> There is in Calvinism even a suggestion of the sanctification of the capitalist system. (It is ironic that the reformers, having rejected justification by works, should have inspired the view that successful work is evidence of justification.)

While the modern corporation may to some extent have Christian roots, both Catholic and Protestant, it exists in the contemporary world as an essentially secular institution. This reality has invited a variety of theological perspectives on the ethics of capitalism and the corporation, ranging from positive views of corporate contributions to the on-going work of creation to negative views of corporate impacts on the morality (and spirituality) of individuals and communities.

The implications of the evident diversity of Christian ethical perspectives have been summarized by J. Philip Wogaman:

There is so often an irritating imprecision in Christian ethics for people who prefer their ethics, like their mathematics, in exact categories. And such people are right, of course, insofar as Christian ethicists proceed eclectically, applying inconsistent values and principles to suit derived outcomes on particular questions. Christian ethics cannot be unsystematic in the sense of containing fundamental inconsistencies without risking rejection by orderly minds . . .

A part of the answer to the problem of Christian ethics is to recognize that the treasure house of scripture and theological tradition presents us with variable “entry points” into different kinds of ethical problems . . . . Some particular theological symbols or doctrines may be more relevant to specific problems of being and doing than others are . . . . All entry points, if authentic presentations of theological truth, are expressions of the same deep realities.<sup>9</sup>

In keeping with Wogaman’s characterization of Christian ethical analysis, the following review of different Christian perspectives on corporate ethics, within categories derived from Anderson’s base points, will necessarily be incomplete and eclectic. The objective is to give a sense of the variety of perspectives on the market economy and business corporations, which may legitimately claim to be theologically grounded in Christianity, within the four main streams of Catholicism, Lutheranism, Calvinism, and Anabaptism. The discussions of justice and freedom will be more extensive than the discussion under the other categories, as a number of theological reference points will be introduced which form the context of Christian perspectives and principles not only on justice and freedom but on rights and the common good as well.

### **Christian Perspectives on Justice**

In introducing the base point of justice from a Christian perspective, Anderson points out that this ethical norm is rooted in the First and Second Commandments of Jesus: to love God totally and to love one’s neighbour as oneself. In Anderson’s words:

“Love without justice is sentimentality.”<sup>10</sup> However, love cannot be equated with justice, as other principles are at work in a comprehensive understanding of love. Yet it is possible to define justice so broadly, in terms of a social ideal or vision, that it comes close to embracing virtually all aspects of love of neighbour.<sup>11</sup>

Christian ethical perspectives and principles, whether Catholic or Protestant, find roots in Augustine, whose views will be given first consideration in the examination of perspectives and principles within each of the categories derived from Anderson’s base points. For Augustine justice in society, which is essential for communal well being, flows from the Fountain of Justice, which is God (*City of God*, I, 21). Augustine deals most explicitly with social justice in his discussion of Cicero’s *De Republica* in (*City of God* XIX, 21). For Augustine justice refers to the right relationship between man and God, between persons in society, and within an individual between reason and human passions. Justice implies the right of individuals and communities to right treatment, for “where there is not true justice there can be no right . . . (and) that which is done by right is justly done, and what is unjustly done cannot be done by right.” Thus Augustine rejects the assertion of some, that justice refers to “that right . . . which is useful to the stronger party.” Augustine appears to hold the view that without justice there can be no true community (or “weal of the people”): “Where there is not true justice there can be no assemblage of men associated by a common acknowledgement of right (the definition of a community) . . . but only some promiscuous multitude unworthy of the name of people (or community).”

Justice, for Augustine, gives everyone his due, including God. “Is he who keeps back a piece of ground from the purchaser, and gives it to a man who has no right to it,

unjust, while he who keeps back himself from the God who made him, and serves wicked spirits, is just?" Augustine agrees with Cicero that servitude in the civil order under certain conditions may be advantageous to those who experience it and therefore just, in the same manner that an individual's servitude to God is just, or the servitude of an individual's passions to reason is just. "When a man does not serve God, what justice can we ascribe to him, since in this case his soul cannot exercise a just control over his body, nor his reason over his vices."<sup>12</sup> The perspective of Augustine contains the seeds of later Catholic teaching that justice is both an operative norm guiding human moral agents in relating to each other and to God, and a virtue qualifying one's being or one's moral character.

### ***Catholic Views of Justice***

The ethical perspective of Thomas Aquinas is the inspiration and source for most of modern Catholic social ethics. Therefore, an examination of the views expressed in Aquinas' *Summa Theologiae* will commence the discussion of Catholic perspectives and principles related to justice, as well as each subsequent ethical category.

Aquinas deals most extensively with justice in the *Summa Theologiae*, in the section on virtues (S.T. II-II, 57 and 58) and in the section on the divine attributes (S.T.I, 21).<sup>13</sup> Aquinas identifies justice with the natural law, or the divine order of creation; and he defines natural law within a hierarchy of laws. At the highest level is divine or eternal law, which equates with the Wisdom of God and is the exemplar (or prototype) of all other forms of law. At the next level is natural law, or that part of the divine law that can be ascertained through human reason. Since natural law is based upon human reason, all humans are under obligation to it whether or not they understand its roots in divine law.

Next comes human law (positive law), or the enacted law of particular jurisdictions, which must accord with the principles of natural law or it cannot bind the conscience of rational men. Finally, there is Church law, which consists of two parts: the law of the Old Testament, including the Decalogue and the precepts that arose from it, which are a mix of expressions of natural law (morally binding on all) and ceremonial law (binding on those in the community of faith); and the new Law of Christ, including the obligatory precepts of Love, Faith and Hope (binding on all Christians) and the counsels of perfection (the Beatitudes), which include poverty, chastity and obedience (binding on those called to a more rigorous obedience of the Gospel).<sup>14</sup>

The sort of justice which reflects and expresses the natural law for all creation is distributive justice (or at a higher level general justice), which needs to be distinguished from commutative justice (particular justice), which governs human transactions (exchanges):

There are two kinds of justice. The one consists in mutual giving and receiving, as in buying and selling, and other kinds of intercourse and exchange. This the Philosopher (Aristotle, *Nichomachean Ethics*, V, 4) calls commutative justice, that which directs exchange and the intercourse of business. This does not belong to God.... The other consists in distribution, and is called distributive justice; whereby a ruler or a steward gives to each what his rank deserves. As then the proper order displayed in ruling a family or any kind of multitude evinces justice of this kind in the ruler, so the order of the universe, which is seen in both effects of nature and effects of will, shows forth the justice of God. (S.T. I, 21, a1).

For Aquinas, then, justice carries the meanings of: (1) rendering to each one his right (S.T. II-II, 58, a1); and (2) acting in proper order and proportion (S.T. I, 22, a4). Moreover, Aquinas states that “justice by its name implies equality, it denotes essentially one relative to another, for a thing is equal not to itself but to another.” (S.T. II-II, 58, a2). The equality asserted here, however, does not appear to be equality of treatment, which

might contradict giving to each his due or acting in proper order and proportion, but rather to be an equality of right to justice itself. Because individuals differ in their roles in society, strict equality does not accord with order and proportion in distributive justice:

In distributive justice something is given to a private individual, insofar as what belongs to the whole is due to the part, and in a quantity that is proportionate to the importance of the position of that part in respect of the whole. Consequently, in distributive justice a person receives all the more of the common goods, accordingly as he holds a more prominent position in the community. This prominence in an aristocratic community is gauged according to virtue, in an oligarchy according to wealth, in a democracy according to liberty and in various ways according to various forms of community. Hence in distributive justice the mean is observed not according to equality between thing and thing but according to proportion between things and persons (S.T. II-II, 58, a2).

Aquinas holds, therefore, that justice consists fundamentally in the rights of individuals being mutually recognized and treated commensurately. He defines two types of rights: (1) natural rights which are based on an equality deriving from nature (creation), and (2) positive rights which are based on an equality, or proportionality, derived from common consent or agreement (S.T. II-II, 57, a2).

With respect to commutative justice, individuals as moral agents have a right to an equality of standards of reciprocity, to equal treatment in human exchanges. For justice to be obtained in commercial transactions, it is necessary to maintain equality and balance between the worth of a commodity or service and its price.

Whatever is established for the common advantage should not be more of a burden to one party than to another, and consequently all contracts between them should observe equality of a thing and thing. Again the equality of a thing that comes into human use is measured by the price given for it, for which purpose money was invented.... Therefore if either the price exceed the quantity of the thing's worth, or conversely the thing exceed the price, there is no longer the equality of justice. (S.T. II-II, 77, a1)

In addition to distributive and commutative justice, Aquinas uses the concept of “legal” justice, which scholars today equate with the current expression “social” justice.<sup>15</sup> “Just as charity . . . directs the acts of all the virtues to the Divine good . . . legal justice establishes the twofold moral basis for directing wealth towards the poor “out of one’s surplus,” which is not optional but mandated:

As love of our neighbour is a matter of precept, whatever is a necessary condition to the love of our neighbour is a matter of precept also. Now the love of our neighbour requires that not only should we be our neighbour’s well wishers, but also his well doers.... We ought to succour his needs: this is done by almsgiving. Therefore almsgiving is a matter of precept.... Now right reason demands that we should take into consideration something on the part of the giver, and something on the part of the recipient. On the part of the giver, it must be noted that he should give of his surplus.... On the part of the recipient it is a requisite that he be in need, else there would be no reason for giving him alms; yet since it is not possible for one individual to relieve the needs of all, we are not bound to relieve all who are in need, but only those who could not be succoured if we did not succour them. (S.T. II-II, 32, a5)

Justice is intimately related to love. For Aquinas, justice is an ethical norm (or virtue) of the natural order, accessible by reason. Love, along with Faith and Hope, is a virtue of the supernatural order, granted by the grace of God. The act of loving, according to Aquinas, is the first movement of the will, and thus the origin of all other acts. Love moves one towards the other. Love establishes an attachment, or spiritual union, between one person and another for the other’s own sake. Love relates a person to God, to other people and to oneself. Since justice is the norm (or virtue) which, for Aquinas, is essentially concerned with regulating relationships between persons in society, justice conforms in a special manner to love. All ethical norms, or virtues, however, are according to Aquinas enlivened and energized by love, and indeed are in practice acts of love. Justice without love cannot truly be alive. (S.T. I-II, 25 – 28 and 62)<sup>16</sup>

With respect to the relationship of the community of believing Christians (the Church) to secular society, a subject that would much absorb and divide Protestants during the Reformation, Aquinas offers this perspective (having rejected that existing Christian communities should ever fall subject to non-Christian values):

We may speak of dominion or authority, as already in force: and here we must observe that dominion and authority are institutions of human law, while the distinction between faithful and unbelievers arise from the divine law. Now the divine law, which is the law of grace, does not do away with human law, which is the law of natural reason. Therefore the distinction between faithful and unbelievers, considered in itself, does not do away with dominion and authority of unbelievers over the faithful.

Nevertheless, the right of dominion or authority can be justly done away with by the sentence or ordination of the Church who has the authority of God: since unbelievers in virtue of their unbelief deserve to forfeit their power over the faithful. (S.T., II, I, 10, a10)

These, then, are some of the general principles related to justice in the Catholic tradition which form the basis for current Catholic perspectives on the ethics of the market economy and corporations. The world in which Augustine and Aquinas enunciated their principles was, of course, very different from contemporary society: largely lacking democratic institutions, without counterparts to modern multinational business corporations (except perhaps monasteries), hierarchical in social organization as well as in thinking, and more oriented towards moral agency within a communal context, where an individual's rights and responsibilities are socially determined and constrained. Moreover, Aquinas carefully integrates and balances all aspects of ethics (love, justice, natural law, rights, the common good, and so forth), so that the application of his thinking to a particular set of issues (such as the ethics of corporations) discourages the selection of a single ethical norm as pre-eminent. Nevertheless, in the twentieth century, justice has emerged as perhaps the dominant base point in Catholic theological ethics.

Fundamentally, both Augustine and Aquinas project the view that ethical principles in the social order, notably the principles of justice, while God-given and expressed in scripture, apply universally and not just to Christians. Moreover, justice and other ethical norms are accessible through reason, not just through faith. This universalism remains a central feature of Catholic pronouncements on social ethics, and in particular on justice in the economic arena.

Modern Catholic perspectives on justice (and other ethical norms) in relation to the economy and the activity of corporations are authoritatively presented pre-eminently in the social encyclicals, beginning with the 1891 encyclical *Rerum Novarum* (Pope Leo XIII) to the 1991 encyclical *Centesimus Annus* (Pope John Paul II), and in other episcopal documents, such as the 1983 statement of the Canadian Bishops, *Ethical Reflections on the Economic Crisis*, and the 1985 statement of the U.S. Catholic Bishops, *Economic Justice for All*. These primary sources of Catholic social teaching on economic justice have been subjected to varying interpretations by Catholic theologians, with somewhat socialist or communitarian perspectives being represented by theologians such as Gregory Baum,<sup>17</sup> and somewhat capitalistic or libertarian perspectives being represented by theologians such as Michael Novak.<sup>18</sup>

The first official applications of traditional Catholic theory on justice, and other ethical norms, to issues of the modern economy, Pope Leo XIII's 1891 encyclical *Rerum Novarum*, was concerned primarily with the rights of labour in capitalist and (then theoretical) socialist economies. The encyclical applies Thomistic principles of justice, and other ethical norms, to questions of work, wages, property, and the organization of society in general, particularly human inequality. In the words of the encyclical:

It is surely undeniable that, when a man engages in remunerative labour, the impelling reason and motive of his work is to obtain property, and thereafter to hold it as his very own.

Socialists, therefore, by endeavouring to transfer the possession of individuals to the community at large, strike at the interests of every wage-earner, since they would deprive him of the liberty of disposing of his wages, and thereby of all hope and possibility of increasing his stock and of bettering his condition in life. What is of far greater moment, however, is the fact that the remedy they propose is manifestly against justice.

Is it just that the fruits of a man's own sweat and labour should be possessed and enjoyed by anyone else? As effects follow their cause, so is it just and right that the results of labour should belong to those who have bestowed their labour.

The practice of all ages has consecrated the principle of private ownership as being pre-eminently in conformity with human nature, and as conducing in the most unmistakable manner to the peace and tranquillity of human existence. The same principle is confirmed and enforced by the civil laws-- laws which, so long as they are just, derive from the law of nature their binding force. The authority of the divine law adds its sanction (Deuteronomy 5:21).

The first and most fundamental principle, therefore, if one would undertake to alleviate the condition of the masses, must be the inviolability of private property.

There naturally exist among mankind manifold differences of the most important kind; people differ in capacity, skill, health, strength; and unequal fortune is a necessary result of unequal condition. Such inequality is far from being disadvantageous either to individuals or to the community. Social and public life can only be maintained by means of various kinds of capacity for business and the playing of many parts.<sup>19</sup>

Justice, in this early Catholic perspective on the twentieth century, thus respects the acquisition and ownership of property through honest toil, accepts incentives in the economy to encourage human endeavour, rejects an egalitarian distribution of goods which does not respect just individual claims, and accommodates social inequality as long as it is for the common good. It is important to note, that while *Rerum Novarum* articulates the rights of workers, its main concern, true to Catholic tradition, is with obligations (the requisites of justice) on the parts of workers and employers. Workers are obligated to perform work they agree to, not to injure the property of employers, and not

to use violence to attain their objectives. Employers are obligated not only to pay fair wages, but to give time off for religious duties, to allow trade unions, to assign work commensurate with employees' skills and capabilities, and so forth. Justice governs the actions of the rich as well as the poor. Indeed the encyclical is strongly critical of the abuses of capitalism: "The hiring of labour and the conduct of trade are concentrated in the hands of the comparatively few . . . (and) a small number of very rich men have been able to lay upon the teeming masses of the labouring poor a yoke little better than that of slavery itself." (R.N. 5)<sup>20</sup>

In 1931, Pope Pius XI issued the encyclical *Quadragesimo Anno* (on the fortieth anniversary of *Rerum Novarum*), which is notable for its reaffirmation of natural law as the basis for all forms of justice in society, its clarification of the individual and social uses of property and the obligations of property owners, its refinement of the concept of social justice, and its introduction of the principle of subsidiarity, as a rule for the just relationship of government to other institutions in society.

For though economic science and moral discipline are guided each by its own principles in its own sphere, it is false that the two orders are so distinct and alien that the former in no way depends on the latter. The so-called laws of economics, derived from the nature of earthly goods and from the qualities of the human body and soul, determine what aims are unattainable or attainable in economic matters, and what means are thereby necessary; while reason itself clearly deduces from the nature of things and from the individual and social character of man, what is the end and object of the whole economic order assigned by God the Creator.

For it is the moral law alone which commands us to seek in all our conduct our supreme and final end.... If this law be faithfully obeyed the result will be that particular economic aims, whether of society as a body or of individuals, will be intimately linked with the universal teleological order, and as a consequence we shall be led by progressive stages to the final end of all, God Himself, our highest and lasting good.<sup>21</sup>

The doctrine of natural law, with the moral certainty it implies and its universal applicability, continued to underlie the ethical prescriptions, if not to be reiterated, in discussions of justice in the social encyclicals of the successors of Pius XI.<sup>22</sup>

The encyclical *Quadragesimo Anno* reaffirms the relationship of property to justice, articulated in *Rerum Novarum*, but adds perspectives on the social uses or property in contrast with its individual uses, and expounds on the obligations of property owners in contrast with their entitlements.

There is therefore a double danger to be avoided. On the one hand, if the social and public aspect of ownership be denied or minimized, the logical consequence is "individualism," as it is called; on the other hand, the rejection or diminution of its private and individual character necessarily leads to some form of "collectivism."

The right of property must be distinguished from its use. It belongs to what is called commutative justice, faithfully to respect the possessions of others, not encroaching on the rights of another and thus exceeding the rights of ownership. The putting of one's own possessions to proper use, however, does not fall under this form of justice, but under certain other virtues, and therefore it is a duty not enforced by courts of justice.

Provided that the natural law and divine law be observed, the public authority, in view of the common good, may specify more accurately what is licit and what is illicit for property owners in the use of their possessions.... The right of ownership, like other elements of social life, is not absolutely rigid.

Not every kind of distribution of wealth and property amongst men is such that it can at all, and still less can adequately, attain the end intended by God. Wealth, therefore, which is constantly being augmented by social and economic progress, must be so distributed amongst the various individuals and classes of society, that the common good of all.... be thereby promoted.... By these principles of *social justice*, one class is forbidden to exclude the other from a share in the profits.... Each class, then, must receive its due share, and the distribution of created goods must be brought into conformity with the demands of the common good and social justice.<sup>23</sup>

The term "social justice," first used in official Catholic statements on social issues in *Quadragesimo Anno*, is intended to designate the objective norm of all social and

economic activities, relations and institutions. The concept of common good is closely related to the principle of social justice. Also, for the first time in an official Catholic document, the obligations of social justice were extended to the whole world, particularly to the impoverished lands outside Europe and North America.

The immense number of property-less wage-earners on the one hand, and the super-abundant riches of the fortunate few on the other, is an unanswerable argument that the earthly goods so abundantly produced in this age of industrialism are far from rightly distributed and equitably shared among the various classes of men.

This accumulation of power, the characteristic note of the modern economic order, is a natural result of limitless free competition which permits the survival of those only who are the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience.

Free competition, and still more economic domination, must be kept within just and definite limits, and must be brought under the effective control of the public authority, in matters pertaining to the latter's competence. The public institutions of the nations must be such as to make the whole human society conform to the common good, *i.e.* to the standard of *social justice*. If this is done, the economic system, that most important branch of social life, will of necessity be restored to sanity and right order.<sup>24</sup>

In this perspective, social justice is a norm of action (an obligation), rather than a norm of being (a virtue). It is the principle that determines the right ordering of society, the role of institutions, and even the structures of constitutions. Without social justice, distributive justice is impossible, and commutative injustice is rampant. While the injustice of socialism is reiterated, the injustice of unbridled capitalism ("limitless free competition") is expressed as becoming a major concern. Social justice requires the establishment of institutions that will achieve the common good and facilitate the practice of both commutative and distributive justice.

However, social justice does not necessarily imply that the state must intervene in the economy as the sole institution able to effect the right ordering of society. The encyclical introduces the principle of “subsidiarity,” which states essentially that the state should not intervene when smaller organizations or institutions can achieve the objective.

Just as it is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish, so, too, it is an injustice, a grave evil and a disturbance of right order for a larger and higher organization to arrogate to itself functions which can be performed efficiently by smaller and lower bodies.... Of its very nature the true aim of all social activity should be to help individual members of the social body, but never to destroy or absorb them.<sup>25</sup>

The principle of subsidiarity is firmly rooted in traditional Catholic perspectives on the organic nature of society, individuals in families, communities and voluntary associations, where they primarily actualize themselves as moral agents. Once enunciated, the principle was reiterated in subsequent encyclicals, notably by John XXIII in *Mater et Magistra* (1961) and *Pacem in Terris* (1963), by Paul VI in *Populorum Progressio* (1963) and *Octogesimo Adveniens* (1971), and John Paul II in *Sollicitudo Rei Socialis* (1987).<sup>26</sup> Some Catholic theologians with neo-liberal economic preferences have invoked the principle of subsidiarity as the basis for advocating minimalist government roles in the economy.<sup>27</sup> Other Catholic theologians have argued that subsidiarity does not in every case sanctify voluntary associations over state institutions, but rather encourages government to implement programs required for the common good that are beyond the capacity of individuals or groups of citizens.<sup>28</sup>

The relationship between love and justice was given a modern reiteration by Pope Pius XI in *Quadragesimo Anno*, with a reference to “binding men together”, as an

anticipation of the later enunciation of the norm of human solidarity. The encyclical also warns against excessive free competition for its divisive effects on society.

Just as the unity of human society cannot be built upon class warfare, so the proper ordering of economic affairs cannot be left to free competition alone. From this source have proceeded in the past all the errors of the “individualistic” school. This school, ignorant or forgetful of the social and moral aspects of economic matters, teaches that the state should refrain in theory and practice from interfering therein, because these possess in free competition and open markets a principle of self-direction better able to control them than any created intellect. Free competition, however, though within certain limits just and productive of good results, cannot be the ruling principle of the economic world....

It is, therefore very necessary that economic affairs be once more subjected to and governed by a true and effective guiding principle.... to wit social justice and social charity.

How completely deceived are those inconsiderate reformers, who zealous only for commutative justice proudly disdain the help of charity. Clearly, charity cannot take the place of justice unfairly withheld, but even though a state of things be pictured in which every man receives at last all that is his due, a wide field will nevertheless remain open for charity. For justice alone, even though most faithfully observed, can remove indeed the cause of social strife, but can never bring about the union of hearts and minds. Yet this union, binding men together, is the main principle of stability in all institutions... which aim at establishing social peace and promoting mutual aid.<sup>29</sup>

The 1961 encyclical of Pope John XXIII, *Mater et Magistra*, further elaborated on the theme of social and distributive justice, particularly with reference to the poverty of the developing world. The notion of justice is extended to apply not only to wealth distribution but also to conditions of work, especially the participation of workers in decisions of their companies. The vision of the corporation as a “true community” is enunciated. The lack of attention to the social function of corporations, the development of individuals who work in them, risks making the corporation essentially unjust, irrespective of its apparent compliance with the norm of justice in other respects.

The remuneration of work is not something that can be left to the laws of the marketplace; nor should it be a decision left to the will of the more powerful. It must be determined in accordance with justice and equity; which means that workers must be paid a wage that allows them to live a truly human life and to fulfill their family obligations in a worthy manner. Other factors too enter into the assessment of a just wage: namely, the effective contribution which each individual makes to the economic effort, the financial state of the company for which he works, the requirements of the general good of the particular country – having regard especially to the repercussions on the overall employment of the working force in the country as a whole – and finally the requirements of the common good of the universal family of nations of every kind, both large and small. (M.M. 71)

The economic prosperity of a nation is not so much its total assets in terms of wealth and property, as the equitable division and distribution of this wealth. (M.M. 74)

Justice is to be observed not only in the distribution of wealth, but also in regard to the conditions in which men are engaged in producing this wealth. Every man has, of his very nature, a need to express himself in his work and thereby to perfect his own being. (M.M. 82)

If the whole structure and organization of an economic system is such as to compromise human dignity, to lessen a man's sense of responsibility or rob him of opportunity for exercising personal initiative, then such a system...is altogether unjust – no matter how much wealth it produces, or how justly and equitably such wealth is distributed. (M.M. 83)

Employees are justified in wishing to participate in the activity of the industrial concern for which they work.... Every effort must be made to ensure that the enterprise is indeed a true human community, concerned about the needs, the activities and the standing of each of its members. (M.M. 91) <sup>30</sup>

*Mater et Magistra* introduces another ethical norm related to justice, that of “socialization.” The encyclical proposes that human beings experience a natural inclination to voluntarily enter into association in order to attain objectives which each of them desires, but which exceed the capacity of single individuals (M.M. 60). Socialization makes it possible for the individual to exercise and satisfy many personal rights, especially those in the economic and social spheres (M.M. 61). The norm of socialization might be described as an effort to find a middle ground between expansive

government, taking on ever more social and economic responsibilities for a citizenry which increasingly consists only of individuals, with the consequent erosion of personal initiative, and a minimalist government, which so refrains from intervening in social and economic matters that it exposes the weaker members of society to peril. Obviously, socialization is related to subsidiarity; but rather than a negative injunction against government expansion, it is a positive encouragement of the formation within nation states of numerous groups, associations and institutions with economic, social, cultural and political objectives. Socialization is a call for a strengthened and increasingly pluralistic civil society.<sup>31</sup>

The principal statement on social issues produced by the Second Vatican Council was *Gaudium et Spes*, or the *Pastoral Constitution on the Church in the Modern World*. In the discussion of social justice, this document advocates the principle of equality in the distribution of the earth's economic and social benefits:

While there are just differences between people, their equal dignity as persons demands that we strive for fairer and more human conditions. Excessive economic and social disparity between individuals and peoples of the human race is a source of scandal and militates against social justice, equity, human dignity as well as social and international peace.<sup>32</sup>

The thrust of Catholic social justice since Vatican II has been in the direction of a more egalitarian approach to distribution, particularly with reference to developing countries. If one theme can be detected, it is a criticism of the ethical deficiencies common in capitalism and the increasing exhortation to greater social justice and human solidarity in free enterprise systems.

The theme of human solidarity was sounded by Pope Paul VI in his encyclical

*Populorum Progressio* (1963):

Each man is a member of society. He is part of the whole of mankind.... We have inherited from past generations, and we have benefited from the work of our contemporaries: for this reason we have obligations towards all, and we cannot refuse to instruct ourselves or those who will come after us to enlarge the human family. The reality of human solidarity, which is a benefit to us, also imposes a duty. (P.P. 17)

The same duty of solidarity that rests on individuals exists also for nations: "Advanced nations have a very heavy obligation to help the developing peoples." It is necessary to put this teaching of the Council (Vatican II, *Gaudium et Spes*) into effect. (P.P. 48) <sup>33</sup>

Pope John Paul II extended the concept of solidarity to be a "preferential option for the poor" in his encyclical *Sollicitudo Rei Socialis* (1987). This encyclical further extends the Church's questioning of the role of private property.

The exercise of solidarity within each society is valid when its members recognize one another as persons. Those who are more influential, because they have a greater share of goods and common services should feel responsible for the weaker and be ready to share with them all they possess. Those who are weaker, for their part, in the same spirit of solidarity, should not adopt a purely passive attitude or one that is destructive of the social fabric, but while claiming their legitimate rights, should do what they can for the good of all. (S.R.S. 39.1)

By virtue of her evangelical duty the Church feels called to take her stand beside the poor, to discern the justice of their requests, and to help satisfy them, without losing sight of the good of groups in the context of the common good. (S.R.S. 39.2)

The same criterion is applied by analogy in international relationships. Interdependence must be transformed into solidarity, based upon the principle that the goods of creation are meant for all. (S.R.S. 39.3)

*Solidarity* is undoubtedly a Christian virtue. In what has been said before it has been possible to identify many points of contact between *solidarity* and *charity*, which is the distinguishing mark of Christ's disciples. (S.R.S. 40.2)

The option or love or preference for the poor. This is an option, or a special form of primacy in the exercise of Christian charity, to which the whole tradition of the Church bears witness.... It applies equally to our social responsibilities and hence

to our manner of living, and to the logical decisions to be made concerning the ownership and use of goods. (S.R.S. 42.2)

The goods of this world are originally meant for all. The right to private property is valid and necessary, but it does not nullify the value of this principle. Private property in fact is under a “social mortgage,” which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods. (S.R.S. 42.5)<sup>34</sup>

A concrete application of the Catholic perspective on justice to issues of a modern industrial economy is the pastoral letter of the U.S. Bishops, *Economic Justice for All* (1986). This letter, which is extensively based on scriptural references (unlike most Catholic official pronouncements on social justice), prescribes fundamental principles of economic justice:

Every economic decision and institution must be judged in light of whether it protects or undermines the dignity of the human person.... The economy should serve people, not the other way around.

Human dignity can be realised and protected only in community.... The obligation to “love our neighbour” has an individual dimension, but it also requires a broader social commitment to the common good.

All people have a right to participate in the economic life of society.... Such participation has a special significance in our tradition because we believe that it is a means by which we join in carrying forward God’s creative activity.

All members of society have a special obligation to the poor and vulnerable.... The justice of a society is tested by its treatment of the poor.<sup>35</sup>

Pope John Paul II, in his 1991 encyclical *Centesimus Annus* (The Hundredth Anniversary of *Rerum Novarum*), went farther than all previous official Catholic statements in questioning the justice of the free market. The free enterprise system and the market economy have their limits. There is one form of capitalism that accords with the norm of justice, and another that does not.

There are collective and qualitative needs which cannot be satisfied by market mechanisms. These are important human needs which escape its logic.... Certainly the mechanisms of the market offer secure advantages: they help to utilize resources better; they promote the exchange of products; above all they give central place to the person's desires and preferences, which, in a contract, meet the desires and preferences of another person. Nevertheless, these mechanisms carry the risk of an idolatry of the market, an idolatry which ignores the existence of goods which by their nature are not and cannot be mere commodities. (C.A. 40.2)

Is this the model which ought to be proposed to countries of the Third World which are searching for the path to true economic and civil progress? (C.A. 42.1)

If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, *as well as free human creativity* in the economic sector, then the answer is certainly in the affirmative.... But if by "capitalism" is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality and sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative. (C.A. 42.2)<sup>36</sup>

The coherence of Catholic teaching on justice is impressive. Nevertheless, as noted theologians have interpreted the official teaching in varying ways. Some emphasize the preferential option for the poor and the role of government in correcting economic injustice, especially the abuses of multinational corporations, while downplaying Church statements on private property or subsidiarity. Others emphasize the value of the free enterprise economy as an arena for co-creation, and the betterment of humans through the distributive justice of the market, while stressing the importance of private property and subsidiarity.<sup>37</sup>

The two fundamentally opposed views of the morality of the free market and business corporations have been described by Manuel Velasquez:

The first is the view of Christians like... certain liberation theologians, who see the profit motive as necessarily corruptive and the modern corporation as a

demonic institution created by a morally evil capitalism. In this view, the corporation necessarily spawns selfishness by its reliance on profit. It corrupts by concentrating immense power in the hands of a few. It oppresses by keeping large masses in abject poverty. It is uncontrollable because it incorporates a bureaucratic, multinational structure that escapes both individual and national controls.

On the other side are Christians... who see the giant corporation as holy and redemptive, the embodiment of God's saving grace. Michael Novak, for example, regularly, explicitly and fully conscious of what he is doing, equates the American corporation to the incarnation: it is the fulfilment of the messianic promises...God's own incarnate presence. George Gilder argues that corporate motives necessarily and always embody love of neighbour; the businessman devotes his entire life to pleasing others; he is a man driven by altruism.<sup>38</sup>

Velasquez points out that these two perspectives are typical of historic reactions of Christianity to dominant social institutions. For example, Tertullian perceived the institutions of the Roman Empire to be unalterably evil and corrupt, while Eusebius viewed the same Empire as salvific and holy. Clearly the highly balanced tension in the traditional and currently official Catholic view invites interpreters to attempt a resolution towards one pole or the other.

### ***Protestant Views of Justice***

The various perspectives on justice in the Protestant tradition are grounded in the views of the leading reformers (Luther, Calvin and the Anabaptists) with respect to revelation and reason, faith and works, and divine and natural law. The general orientation of the reformers was that human beings were "justified" (made just or righteous) by the free gift of God of salvific grace, rather than through their "works" (moral acts) in accord with norms of justice. Human beings act morally by being just (righteous) as a consequence of faith, not by apprehending the norms of justice through reason. Justice thus is a virtue bestowed by grace received through faith. For the reformers, the divine law as revealed in the Old and New Testaments contains, explicitly

or implicitly, the whole of the natural law, which therefore can be accessed wholly by faith, and need not for the Christian be ascertained by reason, though reason can discern much, though not all, of the natural law.

A major question facing the reformers was how the Christian, motivated by faith and guided by revelation, should relate to the world of politics and economics, with its secular norms of moral agency. Generally speaking, the Lutheran response to this question was to differentiate the “Two Kingdoms” of Christian and secular society, and the two vocations of person and office, the former subject to revealed norms of moral agency acquired through faith, and the latter subject to natural law accessed through reason, with the Christian as moral agent being subject to both. The Calvinist response was to discern within the vocation of the Christian an obligation to bring the secular world, its norms and institutions, into conformity with the moral norms revealed in scripture. The Anabaptist response was to separate communities of Christians, wholly subject to revealed norms of moral agency, as much as possible from the secular world, to which they then serve as moral exemplars.

The Lutheran perspective on justice is rooted in a twofold understanding of what makes human acts “good.” On an ethical plane, human actions may be considered good if they are done in response to God’s command, or in other words in conformity with the dictates of divinely ordained natural law. On a metaethical plane human actions are good, despite their inevitable imperfections, because of the divine act of justification.<sup>39</sup> In Luther’s words in the “Treatise on Christian Liberty”:

For as works do not make man a believer, so also they do not make him righteous (just). But as faith makes a man a believer and righteous, so faith also does good

works. Since, then, works justify no one, and a man must be righteous before he does a good work, it is very evident that it is faith above which, because of the pure mercy of God through Christ and in His Word, worthily and sufficiently justifies and saves the person, and a Christian man has no need of any work or of any law in order to be saved, since through faith he is free from every law.<sup>40</sup>

Lest it be thought, that faith and its consequent righteousness are sufficient, so that the Christian is under no obligation to act in accord with the norm of justice, Luther makes it clear that good works in the world are expected to flow naturally from the righteousness of the Christian moral agent. Only, faith comes first, and so transcends and justifies all actions that distinctions in the ethical quality of different sorts of actions by the Christian moral agent fade into insignificance. Luther expressed this idea clearly in the “Treatise on Good Works”:

Therefore, when some people say, as they do, that when we preach faith alone good works are forbidden, it is as if I were to say to a such man, “If you had health, you would have the full use of all your limbs, but without health the works of all your limbs are nothing,” and from this he wanted to infer that I had forbidden the works of his limbs. Whereas on the contrary I meant that the health must first be there to work all the works of all his limbs. In the same way, faith must be the master-workman and captain of all the works, or they are nothing at all.

In this faith all works become equal, and one work is like the other; all distinction of works fall away, whether they be great, small, long, short, many or few. For the works are acceptable not for their own sake but because of faith, which is always the same and lives and works in each and every work without distinction.<sup>41</sup>

In Luther’s view, justice flows naturally through the acts of the Christian. If the world consisted only of Christians, Christian love would be a sufficient guide to moral action; indeed love would be the only ethical norm. However, many people are not Christians, for which reason laws and norms of justice based on natural law as discerned by human reason are required. This distinction between the world of the Christian and

the world of the non-Christian leads Luther to articulate his vision of the “Two Kingdoms” (in “Temporal Authority: To What Extent It Should Be Obeyed”):

If all the world were composed of real Christians, that is true believers, there would be no need for or benefits from prince, king, lord, sword or law. They would serve no purpose, since Christians have in their heart the Holy Spirit, who both teaches and makes them to do injustice to no one, to love everyone, and to suffer injustice and even death willingly and cheerfully at the hands of anyone. Where there is nothing but the unadulterated doing of right and bearing of wrong, there is no need for any suit, litigation, court, judge, penalty, law or sword... because the righteous man of his own accord does all and more than the law demands. But the unrighteous do nothing that the law demands; therefore, they need the law to instruct, constrain, and compel them to do good.... All who are not Christian belong to the kingdom of the world and are under the law.... For this reason God has ordained two governments, the spiritual, by which the Holy Spirit produces Christians and righteous people under Christ; and the temporal, which restrains the un-Christian and wicked so that... they are obliged to keep still and to maintain an outward peace.<sup>42</sup>

One modern Lutheran scholar has succinctly summarized the key points of Luther's Two Kingdoms: God rules the spiritual realm and the secular realm by different means (gospel and law) and for different ends (piety and peace), but He is Lord of both Kingdoms. Christians live simultaneously in the Kingdom of God, insofar as they are righteous, and in the Kingdom of the world, insofar as they are sinful. Both Kingdoms should “co-exist in harmonious interaction and co-ordination as complementary expressions” of God's action of creation (Kingdom of the world) and redemption (Kingdom of God).<sup>43</sup> Christians should not espouse a rigorous dualism between the Two Kingdoms, but should permeate all of society with personal love, social justice and the exercise of their Christian ethical responsibility.<sup>44</sup>

Within the secular realm, moral agents are subject to the natural law, known through conscience, as Luther makes clear (in “Trade and Usury”) in treating an issue of commutative justice:

Among themselves the merchants have a common rule which is their chief maxim and the bases of all their sharp practices, where they say: "I may sell my goods as dear as I can." They think this is their right.... What else does it mean but this: I care nothing about my neighbour, so long as I have my profit and satisfy my greeds, of what concern is it to me if it injures my neighbour in ten ways at once? There you see how shamelessly this maxim flies squarely in the face not only of Christian love but also of natural law. How can there be anything good then in trade? How can it be without sin when such injustice is the chief maxim and rule of the whole business?

The rule ought to be, not, "I may sell my wares as dear as I can or will," but, "I may sell my wares as dear as I ought, or as is right and fair."... Because your selling is an act performed toward your neighbour, it should rather be governed by law and conscience that you do it without harm and injury to him, your concern being directed more towards doing him no injury than toward gaining profit for yourself.<sup>45</sup>

For Luther the natural law is written in human hearts, and contains the ethical norms of the Old Testament, particularly the Decalogue, and of the New Testament, particularly the Golden Rule, but also the Sermon on the Mount. (In this last respect, Luther differs from the Catholic perspective, in which the Beatitudes are "counsels of perfection" revealed by Christ, rather than part of natural law.) Luther does not differentiate between the divine spiritual law of nature and the human secular law of nature. Nor does Luther make a distinction between distributive justice, commutative justice and social justice. For Luther, natural law is an undifferentiated unity, and there is no special natural law for Christians. The natural law, for Luther, is rooted in the law of love, which is similar to the law of reason insofar as love equates with reciprocity, which is essential to the preservation of peace and order in the world. Rational insight enables human moral agents to understand and compels them to follow this law of reciprocity, which can be done (and often is) without any real motive of love, or at least without the love of Christ. Nevertheless, in spite of the fact that the natural law is accessible by

reason, Luther advocates that the natural law be preached on the basis of scripture, since preaching reaches human heart, where the law is inscribed and can be reawakened.<sup>46</sup>

Luther differentiates the ethical responsibilities of the Christian as an individual from those of the Christian as an official in the secular realm. The Christian as an individual is governed by an ethic of love, while the Christian acting as an official must be guided by considerations of justice. Thus the Christian judge who as an individual may feel forgiving toward an offender must as an official hand down the sentence required by law. By delivering such a sentence, the judge promotes civil order and justice, which are divinely ordained means of preserving and protecting human society. Christians are required to perform the duties of their offices, their stations in life. Those Christians active in the secular realm will have greater difficulty achieving the ethical perfection that might be attainable by other Christians who do not assume official positions in the world of economics and politics. The Christian in the world remains subject to both the spiritual government of the Word and the secular government of the world, all the while seeking for opportunities and ways of implementing in the latter ethical objectives inspired by the former.<sup>47</sup>

Justice as a norm governing decisions and actions in the secular realm should, according to Luther, be tempered with equity (balance), mercy and love. Luther frequently states that “the strictest law is the greatest injustice.” The law must “leave room for love,” since love is the highest authority, which transcends both natural and positive law. Whoever administers justice should consider whether strict application of the law would help or injure the one affected. Luther believes that this is not just a

Christian principle, but rather a principle of natural law that applies to all administration of justice in the secular realm.<sup>48</sup>

Social justice, the right ordering of institutions and relationships in the extended community, particularly the state, while not explicitly analyzed by Luther, appears to consist more in maintaining existing structures and designated responsibilities in society, as divinely ordained, than in challenging and changing them to achieve better order and harmony. Thus Luther generally advises submission to unjust laws or the administrative injustice of office-holders, rather than resistance. He regards rebellion against political authority as an encroachment on God's juridical authority, which alone is responsible for punishing unjust officials for their injustice.<sup>49</sup> This somewhat controversial opinion was stated in "Against the Robbing and Murdering Hordes of Peasants", written during the Peasants War of 1525, and later in "Whether Soldiers, Too, Can Be Saved", the source of the following:

The peasants who rebelled claimed that the lords would not allow the gospel to be preached and that they robbed the poor people and, therefore, the lords had to be overthrown. I answered this by saying that although the lords did wrong in this, it would not therefore be just or right to do wrong in return, that is to be disobedient and destroy God's ordinance which is not ours to do. On the contrary, we ought to suffer wrong, and if a prince or lord will not to tolerate the gospel, then we ought to go into another realm where the gospel is preached – as Christ says in Matthew 10:23, "When they persecute you in one town, flee to the next."<sup>50</sup>

For Luther, the regulation of society, for moulding it in accord with natural law and in response to Christian ideals, is the responsibility of government. It is the duty of government to ensure that in harmony with natural and Christian law the different classes are maintained in suitable ways of living, that social ills are remedied, and that economic progress is achieved. Where the good of society is concerned, the prerogatives of

government considerably surpass those of the individual, as only governments can change the political and economic structure and its compulsory characteristics, establish monopolies and comprehensive industrial structures, and gain an increase of property and profit in excess of immediate or proportionate need. Individuals are obliged to live within their own class, according to its social standards, under the protection of government. For Luther, it is contrary to divine as well as natural law for individuals to break through existing institutions on one's own free initiative or to agitate and disturb social structures in order to improve one's manner of life or social position.<sup>51</sup>

Calvinism shares many basic theological perspectives with Lutheranism, such as justification by faith, the primacy of the law of love, and the essential unity of the divine and natural law, but it offers a different perspective on questions of justice and the role of the Christian in secular society.

For Calvin, the certainty of justification (election) which the Christian possesses enables him or her to render personal service under divine lordship. The glorification of God through a life of action in the world is the real test of Christian righteousness. In conflict and in labour, the Christian engages in the task of sanctifying the world. He or she seeks to shape the world into an expression of divine justice by engaging wholeheartedly in a life of service to society, a life of unceasing labour. Throughout such worldly endeavours, the Christian remains certain that being justified he or she will not get lost in the life of the world, but will always remain interiorly reserved, even ascetic. Ultimately, however, responsibility for changing the world, though borne by each individual Christian, is pre-eminently borne by the community of believers, the Church.<sup>52</sup>

The “vocation” of the Christian was, for Calvin, the key determinant of one’s role in the world. From the social and economic perspective, the concept of vocation had extraordinary impact, since it raised the ordinary work of one’s profession and the energy and devotion with which work was done to the level of a religious duty. Moreover, all human vocations are ordered and oriented towards achieving the reality of the “holy community”, which as a collectivity is able and entitled to change the world as no individual can. Indeed, advancement and success in one’s secular sphere of activity has generally been seen within Calvinism as the sign of God’s approval of an individual’s response to his calling.<sup>53</sup>

For Calvin, the administration of justice by individuals acting in their various secular vocations is guided by their understanding of the law, as revealed in scripture. Here Calvin appears to differ from Luther. For Luther used two senses of the law, the divine precepts revealed in scripture which inspire a spiritual and personal response, and the civil precepts of society, based on reason but also contained in scripture, which prohibit injustice. Calvin, on the other hand, saw three uses of the law: the divine precepts that inspire a spiritual response; prohibitions against wrong-doing (negative civil function); and guidance for the decisions and actions of believers (positive civil function). For Luther, the Christian in the world must struggle to reconcile the law to which he is personally and spiritually subject with the law to which he is subject by virtue of his secular office. For Calvin, the Christian in the world, being subject to the law in all three senses, is positively guided in his secular decisions and actions by the precepts of Christ, while the non-Christian is only subject to the prohibitions. Also unlike Luther, Calvin excludes the Sermon on the Mount, with its counsels to perfection, from the law,

which consists essentially of the Decalogue and the Golden Rule. Calvin's view on the role of law in implementing justice in society created almost as much controversy as the Two Kingdoms theory of Lutheranism; for it subjected Calvinist ethics to criticism of being an ethic of law rather than an ethic of love.<sup>54</sup>

Calvin appears to apply the term "justice" primarily to the second use of the law, the negative prescriptions, while using the term "judgement" for the third use of the law, the positive prescriptions, as indicated in the following passage from the "Commentary on Genesis":

If we would make a distinction, justice is the name given to the rectitude and humanity which we activate with our brethren when we endeavour to do good to all, and when we abstain from all wrong, fraud and violence. But judgement is to stretch forth the hand to the miserable and the oppressed, to vindicate righteous causes, and to guard the weak from being unjustly injured.

When these two words (judgement and justice) are joined together, they denote perfect government; that is, that God defends his faithful people, aids the miserable and delivers them when unjustly oppressed; and also that he restrains the wicked and does not allow them to injure the innocent at their pleasure. These then are the things which the scripture everywhere means by the two words, judgement and justice.<sup>55</sup>

For Calvin, the reign of Christ and the government of the secular state need not be in conflict. Comparing the different types of government (monarchy, aristocracy and democracy), he concludes that their advantages and relative utility are virtually equal. However, in view of their relative dysfunctions, Calvin selects aristocratic democracy as the preferred model, based on scripture:

I shall by no means deny that either aristocracy or a mixture of aristocracy and democracy far excels all others; and that indeed not of itself, but because it very rarely happens that kings regulate themselves so that their will is never at variance with justice and rectitude.... The vice or imperfection of men therefore renders it safer and more tolerable for the government to be in the hands of many, that they

may afford each other mutual assistance and admonition, and that if anyone arrogate to himself more than is right, the many may act as censors and masters to restrain his ambition. This has always been proved by experience, and the Lord confirmed it by his authority when he established a government of this kind among the people of Israel, with a view to preserve them in the most desirable condition until he exhibited in David a type in Christ.<sup>56</sup>

The Anabaptist (for our purposes Mennonite) perspective on justice and the role of the Christian in the world differed markedly in its original form from Lutheranism and Calvinism. The Anabaptists desired to form “holy communities,” in conformity with the dictates of the Sermon on the Mount. These communities of Christians were to live in detachment from the state, from all official positions, from law, force, oaths, and from war, violence and capital punishment; in quiet endurance of injustice and suffering; through mutual care and support, especially for the poor; and with strict control over Church members through congregational discipline. They accepted the natural law, but in general held that it was impossible to implement in this world, the realm of Satan.<sup>57</sup>

Although the Anabaptists agreed with Luther and Calvin that justice is grounded in the will of God and is reflected in nature (through the natural law), they rejected justice as a norm for Christian ethics, regarding love alone as the only Christian ethical norm. Justice is essential to the right ordering of secular society, which those living in the world are obliged to pursue; but Christians are called to create holy communities governed by love. Inspired by the Sermon on the Mount, the Anabaptists saw the struggle for justice, with its restraints on love and its impositions of power, as a compromise. It has been noted that while Anabaptists did not explicitly espouse justice as an ethical norm for Christians, the practice in their communities was to conform to norms of distributive and commutative justice. The implicit theology behind this fact is that love expresses itself in human relations in the form of justice.<sup>58</sup>

Grounded in these traditional Lutheran, Calvinist and Anabaptist perspectives on love, justice, the natural law and the Christian view of secular society, modern statements by Protestant churches and theologians have explored the relation of justice to society and the economy. The passage of time has modernized the terminology, but not obscured the original grounding.

A modern Lutheran perspective is captured in a 1980 statement of the Lutheran Church in America, entitled *Economic Justice: Stewardship of Creation in Human Community*. This statement reflects the traditional Lutheran tension between the Two Kingdoms. The secular world has its own norms, which are, however, ultimately derived from divine love, which the Christian is encouraged and expected to uphold. It is evidently quite difficult to implement justice fully in the secular world, given human sinfulness, however highly motivated the Christian may be to make such an effort in response to God's love.

Justice may be described as distributive love. It is what God does when many neighbours must be served with limited resources. Justice is the form of God's creating and preserving love as that love is mediated by reason and power through persons and structures in community life. Injustice dehumanizes life and prevents full participation in co-humanity. Justice is viewed simply as that which people need to be human.

God mandates the doing of justice (Micah 6:8). The specific content of that justice, however, is not directly revealed but is discovered as life is lived amid claim and counter-claim. The discernment of justice involves every aspect of the human being. It is a task of reason... It is intuitive... It is political... It is moral, involving the fundamental human capacity to know what enhances and what destroys the being and dignity of the person.

Social justice refers to those institutional and legal arrangements which promote justice for all the members of society.

Because human beings, both individually and collectively, are self-centred, self-serving, and self-justifying, their defining and doing of justice are inevitably

tainted by the rationalization of special interest. This sinful rationalization often leads to such errors as the pitting of benevolence against justice and the confusion of justice with righteousness.

Social justice should not be pitted against personal benevolence (often called charity) or corporate benevolence (often called philanthropy); but neither should benevolence be substituted for justice.

Economic justice denotes this fair apportioning of resources and products, of opportunities and responsibilities, of burdens and benefits among the members of a community. It includes the provision for basic human need, fair compensation for work done, and the opportunity for the full utilization of personal gifts in productive living.

Economic justice includes the elements of equity, accessibility, accountability, and efficiency.<sup>59</sup>

A mainline Protestant perspective, largely Calvinist in its antecedents, is expressed in the 1987 statement of the United Church of Christ, *Christian Faith and Economic Life*. This document declares that modern corporations have developed beyond the capacity of any community to discipline or constrain them, so that it is tempting, within the freedom of covenanted structures of accountability, for them to become irresponsible. Consistent with the Calvinist perspective, the norms of justice are based on Biblical injunctions, and not the dictates of reason; and the program of implementing Christian principles in the economic world is presented as mandated and achievable. In the words of the statement:

Christian faith summons the Christian community to show concern for the economic dimensions of life.... As the Bible attests, God's love and commitment to the world are not confined to the spiritual realm, the Church, or matters relating to worship. "For the Lord is a God of Justice" (Isa. 30:18). Scripture abounds in passages dealing with such aspects of economic life as wealth, poverty, justice, hunger, access to livelihood, and distribution of goods. It does so because economic matters relate to God's covenantal care and relationship with humanity....

The Biblical vision of an economically just society can be stated in... interrelated principles. These provide both a standard against which to measure contemporary

economic systems and a goal inspiring the faith community in its efforts to bring a more just order into being.

In light of the parable of the great judgement, a just economic system fulfils the basic material needs of all members of the human community and enhances the life opportunities of the poor, the weak and groups at the margin of society.... It is contrary to a Biblical perspective on economics to make productivity an idol.... For the prophets, fair distribution of resources and fulfilment of covenantal relationships with all members of the community had a higher priority than economic efficiency...

A just economic system is inclusive, involving all people in responsible, participatory, and economically rewarding activity.... It was the discovery of the Old Testament covenant tradition by Calvinists thinkers that paved the way for the emergence of democratic theory.... Economic democracy envisages an economic system in which all people participate and through which all are nurtured. It assumes basic economic rights and the exercise of those rights through widespread social participation.

A just economic system builds and enhances human communities wherein people can live with dignity and well being.

A just economic system respects the human rights of its members and enhances the level of freedom in society.

A just and viable economic system is based on a responsible and equitable use of the earth's resources.

The emergence of the corporation as one of the most powerful, pervasive and effective institutions in the modern world underscores the need to address the relationship between corporations and the political and social order.... The Christian principles of economic justice... offer the basis for beginning to reconsider corporate roles, ownership patterns, and modes of operation in relation to the wider society... to assure the preservation of pluralism and the productivity of the corporation while promoting greater responsibility and accountability to the community....<sup>60</sup>

A modern Mennonite statement on social issues reflects the Anabaptist gradual acceptance of the need to address justice formally. In the statement adopted by a General Conference of the Mennonite Church entitled *Justice and the Christian Witness* (1983), justice is considered in the context of Biblical faith and a covenant people. This statement legitimizes justice as a goal of the Christian working in the world. It makes a

strong connection between justice and peace, and suggests that Christian love is for the sake of justice. It is obvious, however, that while the statement supports a Mennonite engagement with the world, it is deeply suspicious of the institutions thereof. There is also a strong suspicion of other values, which society may esteem above justice, which should be the supreme value.

Missions and service experiences in many different ethnic, economic, political and social situations have moved us to a deeper realization of the extent of injustice and greater compassion for its victims. Scriptural studies on justice have taken on new meaning with our increased involvement in the fabric of global society and growing awareness of how injustice infects even our own institutions, communities and families.

Biblical justice is about the relationships God intends for all creation. God is just and God acts to create justice/righteousness.

Justice in the Bible is more than equal rights or giving appropriate due to each. Concern for reconciliation with God, the wholeness of the shalom community, and loving service to the victims of injustice are all integral elements of Biblical justice.

Important guidelines are: Test the goals and functions of work related organizations by their commitment to justice...Be accountable to the covenant community, but celebrate the variety of ways committed persons can work in the world...Exercise a sensitive conscience, ready to differ and/or withdraw as necessary and to contribute positively to decisions.

Economic, social and political institutions are potentially expressions of God's intention for human cooperation and sharing. Yet these structures have often become corrupted to serve personal and group desires rather than the larger society, and narrow self-interest rather than the good of all God's creation.

Even in their rebellion, however, the powers and structures operate under the providential sovereignty of God. In spite of their fallenness, God can use them to exercise an ordering function, as in Romans 13:1-4, where the sword of the state serves to protect good and punish evil.

We can expect our convictions and actions to be challenged by people who elevate some value or relationship other than our commitment to seek first the Kingdom of God and his justice (Mt. 6:33). Values often placed above justice/righteousness include family and ethnic group customs, national

patriotism, or devotion to an economic system, whether capitalism, socialism, or communism.<sup>61</sup>

Among leading Protestant theologians during the twentieth century, Reinhold Niebuhr, may be cited as an example of the Lutheran perspective, even reflecting Luther's theme of the Two Kingdoms in the title of one of his 1933 works in social ethics, *Moral Man And Immoral Society*. Niebuhr draws a distinction between individual and social ethics, with the former requiring unselfishness as the ideal and the latter requiring justice. While these two stances interrelate and inform each other, they cannot be fully harmonised. It is better to admit a moral dualism than to attempt to harmonise individual and social ethics.

A realistic analysis of the problems of human society reveals a constant and seemingly irreconcilable conflict between the needs of society and the imperatives of a sensitive conscience.... One focus is on the inner life of the individual, and the other on the necessities of man's social life. From the perspective of society the highest moral ideal is justice. From the perspective of the individual the highest ideal is unselfishness. Society must strive for justice even if it is forced to use means, such as self-assertion, resistance, coercion and perhaps resentment, which cannot gain the sanction of the most sensitive moral spirit. The individual must strive to realise his life by finding himself in something greater than himself.

These two moral perspectives are not mutually exclusive and the contradiction between them is not absolute. But neither are they easily harmonised.... The most perfect justice cannot be established if the moral imagination of the individual does not seek to comprehend the needs and interests of his fellows. Nor can any non-rational instrument of justice be used without great peril to society, if it is not brought under moral goodwill.

It would therefore seem better to accept a frank dualism in morality than to attempt a harmony between the two methods.... Such dualism... would make a distinction between the moral judgements applied to the self and to others; and it would distinguish what we expect of individuals and of groups.... Only the actions of the self can be viewed from the internal perspective; and from that viewpoint all egoism must be morally disapproved.... The moral obtuseness of human collectives makes a morality of pure disinterestedness impossible. There is not enough imagination in any social group to render it amenable to the influence of pure love....

The selfishness of human communities must be regarded as an inevitability. Where it is inordinate it can be checked only by competing assertions of interest; and these can be effective only if coercive methods are added to moral and rational persuasion.... The spirit of love may preserve a certain degree of appreciation for the common weaknesses and common aspirations which bind men together above the areas of social conflict. But again it cannot prevent the conflict.... To some degree the conflict between the present individual morality and an adequate political policy must therefore remain.<sup>62</sup>

Niebuhr also wrestled with the relationship between love and justice. Niebuhr offered guidance for Christians acting in the secular realm, recognising that human beings may progress towards ever fuller attainments of justice, but that the best human efforts to arrive at justice through the use of reason will fall short of perfection because of the human failing (sin) of self-love.

Any religious faith which merely discovers the law of love but does not also make men aware of the other law, that of self-love, is a sentimental perversion of Christianity.

It is from the standpoint of both of these laws, from the recognition of the validity of one and the reality of the other, that Christianity must make its contribution to the organization of man's common life, whether in economic or in political terms. From the standpoint of the law of love every scheme and structure of justice will be recognised to be tentative and provisional. Not merely the positive law of particular communities but also the notions of justice, from the standpoint of which positive law is criticized, are touched by interest and passion.

Standards of justice may be said to be (1) expressions of the law of love... and (2) a practical compromise between the law of love and the law of self-love.... A Christian contribution to standards of justice in economic and political life must... be found in strengthening both the inclination to seek the neighbour's good and the concrete awareness that we are not inclined to do this.

Thus a genuine Christian contribution to the ideological conflict in democratic society must serve to mitigate, rather than aggravate, the severity of the conflict; for it will prevent men from heedlessly seeking their own interest in the name of justice and from recklessly denominating value preferences, other than their own, as evil.<sup>63</sup>

The Protestant theologian John C. Bennett, in a 1953 essay, examined the relationship from a Christian perspective of distributive justice and equality, in which the necessity of inequality, but not its absolute justice, is conceded:

Justice in distribution must always be under the criticism of the principle of equality. The efforts to achieve absolute equality of income, however, would involve a degree and of regimentation that would destroy many forms of personal freedom. It would also deprive economic institutions of the incentives which are essential for efficiency. Even if a society were made up entirely and committed Christians, they should recognize that they are not immune to the temptation to slackness, to the temptation to neglect work which is uncongenial. In any existing society the pressure of necessity and the pull of some economic advantage are, within limits, desirable if the economic system is to be adequately productive. But these considerations do not remove the claims of equality.... The burden of proof should be on every form of inequality. The defence of particular forms of inequality by their beneficiaries is an almost universal expression of the sin of man that Christian teaching emphasizes.

The relation between Christian love and the economic motives of the Christian is a perennial problem with which Christians have struggled from the beginning. If some degree of inequality is good for the productivity of economic institutions, where may the line be drawn?

Christian distrust of all wealth is never far away from any honest reflection on these problems.<sup>64</sup>

### ***Corporate Reactions to Christian Views of Justice***

The Christian perspectives on justice discussed above can be understood in four categories:

- (1) justice as a norm for human moral agency which has its source in the being and agency of God;
- (2) justice as a norm of being, a virtue of the moral agent who has been justified by God through faith;

(3) justice as a norm for human relationships that either stands in contrast with or is encompassed by a standard of love for neighbour; and

(4) justice as the norm for ordering and distributing social and economic benefits and burdens in society (social justice).<sup>65</sup>

As secular institutions, corporations have difficulty relating to the first three categories of justice. Corporations have problem with norms of justice that are based on or closely integrated with normative prescriptions of love. One immediately evident distinction between individual humans and corporations as moral agents is their ability to love. The emotional and subjectively experiential quality of love would appear to conflict with the empirical and logical qualities of corporate decision-making processes. As collective moral agents in secular society, corporations are limited to accessing that part of the natural law (distributive, commutative and social justice) which is apprehensible through reason alone.

One question is whether corporations are essentially confined to Luther's and Calvin's second use of the law, negative civil prescriptions, or "to do no harm"; or whether on the basis of reason alone they can access at least partially Calvin's third use, positive civil prescriptions, and "promote human well-being." From the author's experience, some corporations, those that strongly embrace "corporate social responsibility" or "sustainable development" are moving in the direction of a more comprehensive understanding of justice, at least in teleological (or consequentialist) terms, if not in deontological terms. In other words, some corporations are beginning to realize, through empirical and analytical processes, that a more comprehensive adherence

to the norms of justice will reduce social and political risk and create a better world in which to do business. Particularly, some corporations are exploring stakeholder capitalism, a more democratic approach to corporate decision-making, which seems consistent with Calvin's observation that democratic systems have lower risk (in terms of injustice). Corporations will, however, have a perennial difficulty in reconciling the norm of profitability with the norms of justice (the obverse, perhaps, of the Christian difficulty is reconciling the norm of love with the norm of justice).

The Christian view of the limitations of a morality motivated by self-interest (in Niebuhr's terms "self-love") should attract some corporate interest. For as seen in the examination of secular ethical perspectives and principles, enlightened self-interest is the pre-eminent motivator for corporations to explore, accept and apply ethical norms. Within the Christian perspective, however, it is love, or one's interest in the well-being of others more than of oneself, which alone enables the moral agent to operate on a Christian ethical plane. That is not to deny the reality of self-love or self-interest, but only its insufficiency as a base for Christian ethics. Realistically, as Niebuhr noted, Christians operating in the secular world cannot displace self-interest as a motivator, but only balance it with the interest of the other, or love. This view introduces the conceptual possibility that corporations, as collective moral agents might, might integrate their self-interest with at least some degree of other interest. Corporations that adhere to stakeholder engagement processes in their decision-making practices (even if motivated by enlightened self-interest to do so) may be in a position to effect compromises between self-interest and the interest of others. However, few if any corporations would feel

intellectually comfortable in asserting that the interest of others by itself essentially constitutes the norm of justice at work in their decision making processes.

While uncomfortable with justice as a purely ethical norm, corporations tend to put high value on justice as expressed in positive law, the duly enacted legislation and regulations of the jurisdictions within which they operate. As creatures of the secular realm, themselves created through duly enacted laws, corporations are extremely reluctant to challenge laws on the basis of higher principles of justice. In this respect, corporations are comfortable denizens of Luther's secular realm, and somewhat less comfortable in the Christianizing world of Calvin (which is ironic, given the extent to which Calvinist ethical injunctions, notably self-restraint and the energetic discharge of the duties of one's secular vocation, appear to have propelled the emergence of free enterprise, the market economy, and corporations themselves). Corporations today would be particularly pleased to hear Luther enjoin against efforts to change (the divinely ordained) structure of the economy, and its institutions, through pressure tactics.

With respect to some of the particular expressions of Catholic perspectives on social justice, corporations would be made nervous by Catholic views that the free use and exchange of property is limited by social priorities and notions of justice derived from the natural and divine laws. Corporations might be expected to embrace *subsidiarity*, as a prescription for less government control. However, the current decentralizing mode of many states is making government decisions which affect corporations more complex, since decision-making authority is rarely devolved wholly to subsidiary units, resulting in overlapping and sometimes conflicting decision processes.

*Solidarity* is a concept which corporations have generally experienced only in their antagonists: labour unions, non-governmental organizations and so forth. However, some corporations are exploring ways of creating greater solidarity between managers and employees, through shared visions and values, and may be close to extending the concept to other stakeholders, such as communities in the vicinity of their operations. The great advance, if it ever occurs, will be to create solidarity with a broad range of institutions and communities that share concerns about poverty alleviation and sustainable social and economic progress, particularly in the poorer regions of the world.

*Socialization*, which most corporations would identify with the proliferation of non-governmental organizations, would for some corporations have a negative connotation, especially as they would prefer decision-making authority to be retained by government and not diffused through society. However, some corporations are coming to realize that strengthened institutions of civil society help diminish social and political instability, and thus reduce business risk, by allowing greater public influence on government policy through more democratic decision processes.

In summary, there are a few points of convergence between the various Christian perspectives on justice and current corporate perceptions and practices, but there are also significant differences and divergences. Considerable reflection and self-education would appear to be required of corporations if they are to more fully comprehend, and possibly apply, Christian perspectives and principles related to justice.

## **Christian Perspectives on Freedom**

Freedom of choice is a necessary condition of ethical action. Without some degree of freedom, the moral agent cannot be held accountable for his acts, and to the extent that freedom is diminished, so also is accountability. Anderson states that a common formulation of the norm of freedom (or liberty) is that autonomous (self-directed) decisions and actions should not be constrained by others. The norm of freedom, according to Anderson, has a Christian theological basis quite different from the secular (Enlightenment) concern about the rational autonomy of the individual. "From a Christian perspective, true human freedom comes only from right relationship with God, made possible through Jesus Christ. It is the freedom from the power of sin and death, freedom to spontaneously serve God in Christ."<sup>66</sup>

A distinction can be made between negative freedom (or the freedom of indifference) and positive freedom (or the freedom for excellence). Negative freedom consists in the power of the individual to opt for a "yes" or a "no," to choose between what reason dictates and its contrary, between what the law prescribes and its contrary. The implication is that the human will is fundamentally indifferent regarding contrary choices. Thus by willing alone, without constraint, the moral agent actualizes his autonomy. Negative freedom is how this ethical norm is generally understood and applied in modern secular society.

However, an ancient tradition, rooted in the Greek philosophers and the Church Fathers, teaches that freedom is the innate conformity, and one's recognition and acceptance thereof, of the human will and reason combined with the justice, love, wisdom, goodness and absolute freedom of God. Such freedom is not characterised by

an indifference of the will, but rather by the spontaneous, irresistible attraction of the whole human being, will and intellect, towards all that is good and true. This positive sort of freedom liberates the soul to find its natural destiny and resting point in God.

The negative and positive conceptions of freedom have different implications for the Christian with respect to various ethical norms. In the context of negative freedom, the law is an external restraint in tension with the unconstrained power of decision of the autonomous individual. In the context of positive freedom, the law is a welcome aid to self-actualization, which through an individual's attraction to what is true and good, and through the virtues of justice and love, is progressively interiorized. Negative freedom locks the individual in self-assertion, while positive freedom propels the individual towards collaboration with others in pursuit of the common good. Negative freedom makes each human act an independent, isolated choice, while positive freedom integrates actions of the self and others with a view to their final end.<sup>67</sup>

Absence of constraints, physical, legal or moral, is the common understanding of freedom in contemporary ethical discourse. Positive freedom receives little notice in recent Christian discourse on social ethics, although it was strongly present in the views both of the scholastic theologians and of the early reformers. This examination of Christian perspectives on freedom will primarily consider the negative aspect, as that which is more relevant to current ethical discourse on the economy and corporations. Always, however, the twofold Christian perspective on freedom, the positive as well the negative aspect, should be borne in mind as context.

Augustine asserts that freedom is man's natural state and distinguishes between physical and spiritual freedom, considering the latter to be far more important, and attributing the absence of either to sin:

This is prescribed by the order of nature: it is thus that God has created man.... He did not intend that His rational creature, who was made in His image, should have dominion over anything but the irrational creation – not man over man, but man over the beasts.... For it is with justice, we believe, that the condition of slavery is the result of sin.... For even where we wage a just war, our adversary must be sinning; and every victory, even though gained by wicked men, is a result of the first judgement of God, who humbles the vanquished either for the sake of removing or punishing their sins.... There are many wicked masters who have religious men as their slaves, and who are yet themselves in bondage.... It is a happier thing to be a slave of a man than of lust.... When men are subject to one another in a peaceful order, the lowly position does as much good to the servant as the proud position does harm to the master. By nature, as God first created us, no one is the slave of either man or of sin. This servitude is, however, penal, and is appointed by that law which enjoins preservation of the natural order. (*City of God*, XIX, 15) <sup>68</sup>

Augustine's view that freedom has not only a socio-political dimension but also a more important spiritual dimension will consistently characterize subsequent Christian perspectives on this norm.

### ***Catholic Views of Freedom***

Aquinas regards human freedom (as well as communal property) as ordained by natural law, with its absence being the result of human action. For Aquinas spiritual freedom is quite evidently more important than physical or political freedom, and the greatest freedom is freedom from sin:

The possession of all things in common and universal freedom are said to be of the natural law, because, to wit, the distinction of possessions and slavery were not brought in by nature, but devised by human reason, for the benefit of human life. (S.T., I-II, 94, a3)

The subjection whereby one man is bound to another regards the body, not the soul which retains its liberty. Now in this state of life we are freed by the grace of Christ from defects of the soul, but not from defects of the body. (S.T., II-II, 104, a6)

Since man, by his natural reason, is inclined to justice, while sin is contrary to natural reason, it follows that freedom from sin is true freedom which is united to the servitude of justice, since they both incline man to that which is becoming to him. In like manner true servitude is servitude to sin, which is connected with freedom from justice, because man is thereby hindered from attaining that which is proper to him. (S.T., II-II, 183, a4)

Man is said to have lost free will by falling into sin, not as to natural liberty, which is freedom from coercion, but as regards freedom from fault and unhappiness. (S.T., I, 83, a2)

Modern Catholic teaching on freedom commences with the 1888 encyclical of Pope Leo XIII *Libertas Praestantissimum (On Human Liberty)*. This encyclical places human freedom within the context of natural and human laws as well as the divinely ordained authority of the state, and warns against unbridled liberty. Liberty is not the absence of laws, but the presence of just laws.

The highest duty is to respect authority, and obediently to submit to just law; and by this the members of a community are effectively protected from the wrongdoing of evil men. Lawful power is from God, and whoever resists authority resists the ordinance of God.... Whereas law is enacted contrary to reason, or to the eternal law, or to some ordinance of God, obedience is unlawful, lest, while obeying man, we become disobedient to God. Thus, an effectual barrier being opposed to tyranny, the authority in the state will not have all its own way, but the interests and rights of all will be safe-guarded – the rights of individuals, of domestic society, and of all members of the commonwealth; all being free to live according to law and right reason; and in this as we have shown, true liberty really consists.<sup>69</sup>

The encyclical warns particularly of the hazards to morality of the freedoms of religion (liberty of worship), of speech and of the press. The separation of Church and state is deemed contrary to human well being.

Justice... forbids, and reason itself forbids, the state to be Godless; or to adopt a line of action which would end in Godlessness – namely, to treat the various religions... alike, and to bestow upon them promiscuously equal rights and privileges.... For public authority exists for the welfare of those whom it governs, and although its proximate end is to lead men to the prosperity found in this life, yet in so doing, it ought not to diminish, but rather to increase man's capability of attaining to the supreme good in which his everlasting happiness consists: which never can be attained if religion be disregarded.

If unbridled licence of speech and of writing be granted to all, nothing will remain sacred and inviolate; even the highest and truest mandates of nature.... Thus truth being gradually obsessed by darkness, pernicious and manifold error, as too often happens, will easily prevail.... In regard, however, to all matters of opinion which God leaves to man's free discussion, full liberty of thought and of speech is naturally within the right of everyone.<sup>70</sup>

The 1891 encyclical *Rerum Novarum* asserted that the state must support the freedom of individuals, families and voluntary associations (including business corporations), with always, however, a view towards the overall well-being of the community. With reference to business ethics, the state must respect the freedom of individuals to form associations, such as trade unions and business corporations.

We have said the state must not absorb the individual or the family; both should be allowed free and untrammelled action so far as is consistent with the common good and the interests of others. Rulers should, nevertheless, anxiously safeguard the community and all its members: the community, because the conservation thereof is so emphatically the business of the supreme power that the safety of the commonwealth is not only the first law, but it is a government's whole reason of existence; and the members, because both philosophy and the Gospel concur in laying down that the object of the state should be... the benefit of those over whom (the ruler) is placed.

The foremost duty, therefore, of the rulers of the state should be to make sure that the laws and institutions, the general character and administration of the commonwealth, shall be such as of themselves to realize public well-being and private prosperity. This is the proper scope of wise statesmanship and is the work of the heads of the state.

Societies which are formed in the bosom of the state are styled private, and rightly so, since their immediate purpose is the private advantage of the associates. "Now a society," says St. Thomas again, "is one which is formed for the purpose of carrying out private objects; as when two or three enter into partnership with the

view of trading in common.”... To enter into a “society” of this kind is the natural right of man.<sup>71</sup>

In the encyclical *Mater et Magistra*, Pope John XXIII asserted that freedom and autonomy are natural attributes of human beings, though legal restrictions in the secular domain constrain human actions to some extent. The encyclical articulated the intimate relationship between political freedom and the right of property (which will be further considered in the examination of Christian perspectives on rights *infra*).

This growth in the social life of man is not a product of natural forces working, as it were, by blind impulse. It is... the creation of men who are free and autonomous by nature – though they must, of course, recognize and, in a sense, obey the laws of economic development and social progress, and cannot altogether escape from the pressure of environment. (M. M. 63)

History and experience testify that in those political regimes which do not recognize the rights of private ownership of goods, productive included, the exercise of freedom in almost every other direction is suppressed or stifled. This suggests, surely, that the exercise of freedom finds its guarantee and incentive in the right of ownership. (M.M. 109)<sup>72</sup>

In *Pacem in Terris*, Pope John XXIII articulated the relationship of freedom to human dignity, and criticized social systems that attempt to advance human welfare at the cost of human freedom. While freedom is important in the social, economic and political domains, its ultimate importance lies in the spiritual domain.

Man’s personal dignity requires... that he enjoy freedom and be able to make up his own mind when he acts... Each man should act on his own initiative, conviction and sense of responsibility, not under the constant pressure of external coercion or enticement. There is nothing human about a society that is welded together by force. Far from encouraging, as it should, the attainment of man’s progress and perfection, it is merely an obstacle to his freedom. (P.T. 34)

Human society thrives on freedom, namely on the use of means that are consistent with the dignity of individual members, who being endowed with reason, assume responsibility for their own actions. (P.T. 35)

We must think of human society as being primarily a spiritual reality. (P.T. 36)

The order which prevails in human society is wholly incorporeal in nature. Its foundation is truth, and it must be brought into effect by justice. It needs to be animated and perfected by men's love for one another, and while preserving freedom intact, it must make for an equilibrium in society, which is increasingly more human in character. (P.T. 37)

Such an order – universal, absolute and immutable in its principles – finds its source in the true, personal, and transcendent God. (P. T. 38) <sup>73</sup>

In the encyclical *Veritatis Splendor*, Pope John Paul II restated the Catholic teaching on the relationship of human freedom to divine law. The encyclical appears to repudiate a human freedom to choose from among ethical norms. Rather, freedom must be subject to reason in discerning natural law and receiving divine law. This view of freedom reflects the concept of positive freedom, so little attended to in modern times. The Pope also seems in this encyclical to reject an extreme version of the theory of the Two Kingdoms, one ethical system for the secular world arrived at by reason, and another ethical system for the human spiritual dimension.

Man is certainly free, inasmuch as he can understand and accept God's commands. And he possesses an extremely far-reaching freedom... but his freedom is not unlimited... for it is called to accept the moral law given by God. In fact human freedom finds its authentic and complete fulfilment precisely in the acceptance of that law. (V.S. 35.2)

God's law does not reduce, much less do away with, human freedom; rather, it protects and promotes that freedom. In contrast, however, some present-day cultural tendencies have given rise to several currents of thought in ethics which center upon an alleged conflict between freedom and the law. These doctrines would grant to individuals or social groups the right to determine what is good or evil. Human freedom would thus be able to "create values" and would enjoy primacy over truth, to the point that truth itself would be considered a creation of freedom. Freedom would thus lay claim to a *moral autonomy* which would actually amount to an absolute sovereignty. (V.S. 35.3)

Certain moral theologians have introduced a sharp distinction, contrary to Catholic doctrine, between an ethical order, which would be human in origin and of value for this world alone, and an order of salvation, for which only certain intentions and interior attitudes regarding God and neighbour would be significant. This has led to an actual denial that there exists, in divine revelation,

a specific and determined moral content, universally valid and permanent.... No one can fail to see that such an interpretation of the autonomy of human reason involves positions incompatible with Catholic teaching. (V.S. 37.1, 37.2) <sup>74</sup>

In *Centesimus Annus*, Pope John Paul II made an explicit connection between freedom and the modern business economy, linking the right to freedom with its obligations, always in the context that economic freedom is only one aspect of human freedom. The state is obligated to control the market for the sake of society's greater good, the full realisation of all aspect of human freedom.

The modern business economy has positive aspects. Its basis is human freedom exercised in the economic field, just as it is exercised in many other fields. Economic activity is indeed but one sector of a great variety of human activities, and like every other sector, it includes the right to freedom, as well as the duty of making responsible use of freedom. (C.A. 32.4)

In spite of the great changes which have taken place in the more advanced societies, the human inadequacies of capitalism and the resulting domination of things over people are far from disappearing. (C.A. 33.2)

The free market is the most efficient instrument for utilizing resources and effectively responding to needs. But this is true only for those needs which are "solvent," insofar as they are endowed with purchasing power, and for those resources that are "marketable," insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place in the market. (C.A. 34.1)

It is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the absolute predominance of capital, the possession of the means of production and of the land in contrast to the free and personal nature of human work.... What is being proposed as an alternative is not the socialist system, which in fact turns out to be state capitalism, but rather a society of free work, of enterprise and of participation. Such a society is not directed against the market, but demands that the market be appropriately controlled by the forces of society and by the state, so as to guarantee that the basic needs of the whole society are satisfied. (C.A. 35.2) <sup>75</sup>

The Catholic position on freedom, as for every ethical norm prescribed in the social teaching, is to integrate it closely with the other principal norms, particularly distributive justice (preferential option for the poor) and the common good, within the

overarching normative framework of the commandment of love and the natural law. The official Catholic teaching on freedom is one of balance, concerned about too much freedom (licence) in society as well as too little. Freedom is perceived as a means to man's pursuit of the good, not as an end in itself. There is also an implicit theme of subsidiarity with respect to the priorities of human freedom, that individuals and families should have the most freedom (but not absolute freedom) followed in descending order by other associations, larger corporations and finally the state itself, which must refrain from infringing on individual and collective freedom in society except insofar as it is demonstrably for the common good and in accord with natural law (distributive and social justice).

An examination of Catholic ethical perspectives on freedom would be deficient without a brief consideration of "liberation theology", an "unofficial" teaching of the Church that is centred on this norm. The leading advocate of liberation theology, Gustavo Gutierrez, introduced his perspective in his 1971 work *A Theology of Liberation: History, Politics and Salvation* and expanded the concept in extensive subsequent writings. Gutierrez perceives oppression in society as rooted in the negation of love (individual and collective human sin), and proposes that the liberation of the oppressed is fundamentally a liberation of human beings from sin of self-love. Liberation, for Gutierrez, is essentially a divine act of grace, whose prototype is the liberation of the Hebrews from Egypt. Liberation has a spiritual dimension, freedom from sin and communion with the God who liberates, along with a social and a psychological dimension. Liberation does not in any way imply, for Gutierrez, that individuals should become more autonomous and independent, but rather that they should

be freed *from* sinful selfishness and *for* communion with other human beings and with God. Ultimately, for Gutierrez, liberation is not individualistic but profoundly communal, such that one cannot be truly free until all are free. Gutierrez recognizes a relationship between liberation of the oppressed and the attainment of property rights (either individual or communal); but he notes that property can limit freedom (for oneself and others) as well as liberate. Property must be made to serve the communal well-being. Society, therefore, needs to continuously redress the balance between freedom and property, as well as between freedom and justice.

Collaboration in the building of a just society is an act of solidarity and love; it demands resistance to that which is a negation of love: sin. But it is also clear that because sin is radical evil, it can be conquered only by the grace of God and the radical liberation that the Lord bestows.<sup>76</sup>

The Exodus experience is paradigmatic. It remains vital and contemporary due to similar historical experiences which the people of God undergo.... In Christ and through the Spirit, persons are becoming one in the very heart of history, as they confront and struggle against all that divides and opposes them. But the true agents of this quest for unity are those who today are oppressed (economically, politically, culturally) and struggle to become free.<sup>77</sup>

The freedom to which we are called presupposes the going out of oneself, the breaking down of our selfishness and of all the structures that support our selfishness; the foundation of this freedom is openness to others. The fullness of liberation – a free gift from Christ – is communion with God and with other human beings.<sup>78</sup>

People today aspire not only for liberation from exterior pressures, which prevent fulfilment as members of a certain social class, country or society. Persons likewise seek an interior liberation, in an individual and intimate dimension; they seek liberation not only on a social plane but also on a psychological plane.<sup>79</sup>

Freedom is indivisible. It is not possible to defend freedom for some and to deny it in practice to the majority. But this is what happens in even the best democratic phases in the life of our countries. Personal freedom must extend to the whole of society. Nor is the issue to secure freedom for the majority; no, the need is to ensure the freedom of all.<sup>80</sup>

In the social setting of the church private property has always been looked upon as the material setting for the exercise of personal freedom. But this freedom itself implies relationships. Therefore because private property derives from the right of all to the goods of this world and because it is meant as an aid to a freedom that, as socially exercised, implies bonds with other persons, private property too will always have a social function.<sup>81</sup>

The primacy of human beings over the fruits of their work makes possible a strong and penetrating critique of every type of liberalism and collectivism that repudiates, in fact or in principle, the value of the human person.... There is no need to insist on the danger of an individualist conception that regards profit as the driving force of economic activity or on that of a totalitarian vision that disregards the freedom of each person.... Justice and freedom are two requirements of a human society. In this realm of ideas, many think that a healthy balance between private ownership, social ownership and state ownership can be a good way of meeting and promoting these two requirements.... The concrete forms may vary, but we will always have to maintain the right to use the goods of this world, together with all that flows from them, and the right to personal freedom.<sup>82</sup>

### ***Protestant Views of Freedom***

Freedom was an essential characteristic of the Reformation. The early reformers asserted their freedom of conscience, of religious persuasion, of association and, indeed, of speech, when they broke the ties with Rome. However, the early reformers cannot be characterized as democrats, with individual freedom at the centre of their concerns. For both Luther and Calvin, the freedom of the Christian is a spiritual liberation from sinfulness through a re-orientation towards Christ, not a freedom to pursue individual interests, economic self-advancement, or justifiable political claims through action against governing authorities.

For Luther and Calvin, justification through faith imparted freedom to act; for the Christian knew that he was saved and was motivated to act out of love. "The Christian is free to do joyfully every work required by the situation in which he lives."<sup>83</sup> Through grace, the Christian acquires the "freedom of the children of God: freedom from the

condemning law, freedom from God's wrath, and at the same time freedom from all the demonic powers of fate and this created world."<sup>84</sup> In the Sermon on the Mount, which greatly influenced the reformers, "Jesus calls his disciples to freedom and to love. The disciples of Jesus are to be free in their relationship to the world and its goods."<sup>85</sup>

Luther perceived the freedom that the Christian receives through justification by faith to be a freedom of obligation and service, not a freedom from responsibility and duty. In his "Treatise on Christian Liberty", Luther set forth the paradox of Christian freedom:

A Christian man is a perfectly free lord of all, subject to none. A Christian man is a perfectly dutiful servant of all, subject to all.<sup>86</sup>

For Luther, freedom is primarily an inward condition, a matter of the inner self. Freedom means "spiritually forsaking everything," "being spiritually poor in our hearts," "not setting our confidence, comfort and trust in temporal goods." In the economic world, we cannot live without possessions, but what is important, according to Luther, is that our souls be free of them.<sup>87</sup>

In relationship to his property, the Christian, according to Luther, is free (from attachment), especially whenever he can use his property to help his neighbour. The boundaries of private property, of ownership of possessions, are set not by some stipulation of justice or some form of right, but rather by love. "In the face of my neighbour's need, love removes the boundary between mine and yours, even though the law must establish this boundary for the sake of love itself." Love requires the Christian to make his property available to his neighbour in need, to share his possessions. One can only give property to one's neighbour, however, if one first possesses it.<sup>88</sup>

Luther places definite limits on the authority of government, which extends only over physical bodies and property, not over human consciences and souls (to which God alone can give commands). Therefore, any effort by government to prescribe laws for the soul, in other words to impose religious beliefs encroaches upon the sole authority of God. Thus Luther asserts the rationale for the freedom of faith and conscience. The limitations on this freedom, for Luther, are only that whatever faith (or heresy) is preached not advocate anarchy and rebellion, which would undermine the divinely ordained structures of the state itself.<sup>89</sup>

According to Luther, Christians, given the moral orientation that flows from justification, should enjoy extensive freedom to decide and act in the world, but limitations on human freedom needed to be imposed by the state because most people were not Christian. Restrictions on human freedom are necessary governmental responses to the sinfulness of human beings. Luther clearly classifies large corporations (trading companies) as among the sinful whose freedom should be restricted.

Christians are rare people on earth. This is why the world needs a strict, harsh temporal government which will compel and constrain the wicked to refrain from theft and robbery, and to return whatever they borrow (although a Christian ought neither to demand nor expect it). This is necessary in order that the world may not become a desert, peace vanish, and men's trade and society be utterly destroyed; all of which would happen if we were to rule the world according to the gospel, rather than driving and compelling the wicked by laws and the use of force to do and to allow what is right.... For it is God's will that people who are not Christians be held in check and kept from doing wrong, at least from doing it with impunity.

On the trading companies... the whole subject is such a bottomless pit of avarice and wrong-doing.... The trading companies are nothing but pure monopolies.... Even the temporal laws of the heathen forbid them as openly harmful to the whole world, to say nothing of doing right and Christian law.... They raise or lower prices at their pleasure. They oppress and ruin all the small businessmen, like the

pike eat the little fish in the water, just as if they were lords over God's creatures and immune from all the laws of faith and love.

This is why no one needs to ask how he may with a good conscience be a member of a trading company. My only advice is this: Get out; they will not change. If the trading companies are to stay, right and honesty must perish; if right and honesty are to stay, the trading companies must perish.<sup>90</sup>

Calvin also focussed on the spiritual dimension of Christian freedom, but with more emphasis on the continuing use (third use) of the law. He defines three distinct aspects of Christian freedom:

The first: that the consciences of believers, in seeking assurance of their justification before God, should rise above and advance beyond the law, forgetting all law righteousness.... Nor can any man rightly infer from this that the law is superfluous for believers, since it does not stop teaching and exhorting and urging then to good, even though.... It has no place in their consciences.... Christ alone, who surpasses all perfection of the law, must be set forth as righteousness.

The second... that consciences observe the law, not as if constrained by the necessity of the law, but that freed from the law's yoke they willingly obey God's will. For since they dwell in perpetual dread so long as they remain under the sway of the law, they will never be disposed with eager readiness to obey God unless they have already been given this sort of freedom.

The third part of Christian freedom lies in this: regarding outward things that are of themselves "indifferent," we are not bound before God by any religious obligation preventing us from sometimes using them and other times not using them, indifferently.

To sum up, we see whither this freedom tends: namely, that we should use God's gifts for the purpose for which he gave them to us, with no scruple of conscience, no trouble of mind.

Nothing is plainer than this rule: that we should use our freedom if it results in the edification of our neighbour, but if it does not help our neighbour, then we should forgo it.... It is the part of a Godly man to realize that free power in outward matters has been given him in order that he may be the more ready for all the duties of love. (Institutes III, 19:1-13)<sup>91</sup>

While Calvin espouses a mix of democracy and autocracy as the best form of government (as noted in the foregoing discussion of justice), it is not for the sake of

accommodating the ethical norm of freedom that he does so, but rather for the sake of obviating the greater risk of injustice inherent in more autocratic systems. Indeed, Calvin is concerned more about the dangers of freedom (or liberty) in the civil order, than about its benefits:

Liberty, then, would ever bring ruin with it, were it not bridled and connected with regular government.... Liberty, then, will ever be destructive to us, until God undertakes our care, and prepares and forms us that we may bear his yoke. Hence, when we obey God, we possess true and real happiness.... We pray... that God would deliver us from the tyranny of the ungodly, and also that he would himself rule over us. (Commentary on Jeremiah 30:8-9)<sup>92</sup>

Thus a Christian in the world may be constrained by an absence of political and economic freedom, which he should accept as God's will, unless such constraints produce injustice, in which case he must pray for deliverance from such oppression; and if his vocation places him in a position of authority in the secular world, he should act in the spirit of his inner Christian freedom to replace ungodly tyranny with God's law. For the divine law is perceived by the Christian to be an actualization of his freedom, rather than a burden, constraint or condemnation.

The early Anabaptists embraced a radical spiritual freedom from possessions and a consequent egalitarian communal ownership of all goods. In the "Cherished Instructions" of Ulrich Stadler (sixteenth century):

For as the sun with its shining is common to all, so also the use of all creaturely things. Whoever appropriates them for himself and encloses them is a thief and steals what is not his. For everything has been created free in common.... To be sure, according to human law, one says: that is mine, but not according to divine law.

In order to hold in common all the gifts and goods which God gives and dispenses to his own, there must be free, unhampered, patient and full hearts.<sup>93</sup>

Modern Protestant statements on freedom in the political and economic domain tend to maintain the basic insight of the early reformers. Freedom is a means not an end in itself, a relative and not an absolute good. Freedom is pre-eminently an interior state. As an external condition, freedom is desirable insofar as it facilitates the Christian to express love, act with justice, and adhere to the divine law. Excessive freedom is as problematic as oppression. The good of society requires the right balance of freedom and control. The private ownership of property, which virtually symbolises freedom in the economic arena, subjects the owner to certain obligations (of stewardship and service to the community), thus constraining his freedom.

A modern Lutheran perspective on freedom is found in the 1980 statement *Economic Justice: Stewardship of Creation in Human Community*. In this statement, freedom is presented as important enough to justify rebellion in cases of extreme oppression (contrary to Luther's admonitions).

In a sinful world God intends the institutions of government to be the means of enforcing the claims of economic justice. Government should neither stifle economic freedom through excessive regulation, nor abdicate its responsibility by permitting economic anarchy.

In extreme situations, when government institutions or holders of political power engage in the tyrannical and systematic violation of basic human rights, and when the means of legal recourse have been exhausted as demonstrably inadequate, then non-violent direct action, civil disobedience, or, as a last resort, rebellion may become the justifiable and necessary means of establishing those conditions wither which justice can again be sought and enjoyed. .<sup>94</sup>

A modern evangelical Protestant statement, the *Oxford Declaration* of 1990, roots human freedom in the conditions of divine creation and moral agency. Freedom in the political system requires that neither governmental nor economic power should be concentrated, but rather that power should be diffused in society, so that all citizens have

the ability to participate in decision processes that affect them as members of society.

The statement seems to suggest the principle of subsidiarity (not called such) as a guide to limiting government infringement of freedom, and suggests that economic efficiency is encouraged by a degree of freedom that is not appropriately limited by government.

In affirmation of the dignity of God's creatures, God's justice for them requires life, freedom and sustenance.... God created human being as free moral agents. As such they have the right to freedom – *e.g.* freedom of religion, speech and assembly. Their freedom, however, is properly used only in dependence on God.

Modern political democracy is characterised by limited government of a temporary character, by the division of power within the government, the distinction between state and society, pluralism, the rule law, institutionalisation of freedom rights (including free and regular elections), and a significant amount of non-governmental control of property.

For a society to be truly democratic economic power must be shared widely and class and status distinctions must not be barriers preventing access to economic and social institutions.... Small, economically powerful groups sometimes dominate the political process.... Recent history suggests that a dispersion of ownership of the means of production is a significant component of democracy. Monopolistic ownership, either by the state, large economic institutions, or oligarchies is dangerous. Widespread ownership, either in a market economy or a mixed system, tends to decentralise power and prevent totalitarianism.

Economic power can be concentrated in the hands of a few people in a market economy. When that occurs political decisions tend to be made for economic reasons and the average member of society is politically and economically marginalized.

It is the responsibility of the Christian to work for governmental structures that serve justice. Such structure must respect the principle that significant decisions about local human communities are usually best made at a level of government most directly responsible to the people affected.

Government must also have regard for economic efficiency and appropriately limit the scope of its own power.<sup>95</sup>

A modern Anabaptist (Mennonite) statement, acknowledges God's gift of freedom, but makes it clear that the purpose of freedom is to allow justice to be practised:

God's grace forms the foundation for law and justice in both Testaments. The saving acts prove that God is interested in our freedom and that his laws, therefore, are designed to keep us free. God's salvation moves us to respond in gratitude and obedience.

In light of God's gift of freedom what kind of response is appropriate? Not religious feasts and assemblies, generous offerings and beautiful music. Rather "let justice roll down like waters, and righteousness like an ever-flowing stream" (Amos 5:24).<sup>96</sup>

In contrast with the foregoing modern Protestant statements that endorse freedom as a secondary ethical norm, subject to abridgement for the sake of justice (*e.g.*, poverty alleviation) or the common good (*e.g.*, civil order), the 1941 statement "Christianity and the Social Order" by Anglican Archbishop William Temple places freedom at the centre of Christian social concerns, appealing to the positive as well as the negative aspects. It is interesting that he describes "intermediate groupings" (*cf.* the Catholic principle of socialization) as an essential element in societal freedom.

The primary principle of Christian ethics and Christian politics must be to respect every person simply as a person.... The first aim of social progress must be to give the fullest possible scope for the exercise of all powers and qualities which are distinctly personal; and of these the most fundamental is deliberate choice.

Consequently, society must be so arranged, as to give to every citizen the maximum opportunity for making deliberate choices.... It is the responsible exercise of deliberate choice which most fully expresses personality and best deserves the great name of freedom.

Freedom is the goal of politics. To establish and secure true freedom is the primary object of all right political action. For it is in and through his freedom that a man makes fully real his personality – the quality of one made in the image of God.

Freedom so far as it is a treasure must be freedom *for* something as well as freedom *from* something. It must be the actual ability to form and carry out a purpose.... Freedom, in short, is self-control, self-determination, self-direction.

But man is a self-centred creature. He can be trusted to abuse his freedom.... So there must be the restraint of law as long as men have any selfishness left in them. Law exists to preserve and extend real freedom.

Now actual liberty is the freedom which men enjoy in these various social units. But most political theories confine attention to the individual and the state.... (and) tend to ignore intermediate groupings. But that makes any understanding of actual liberty impossible, for it exists for the most part in and through those intermediate groups – the family, the Church or congregation, the guild, the trade union, the school....

Liberty is actual in the various cultural and commercial and local associations that men form. In each of these a man can feel that he counts for something and that others depend on him as he on them. The state that would serve and guard liberty will foster all such groupings.... Thus, the state becomes the community of communities.<sup>97</sup>

Within the Protestant tradition, views on freedom are coloured fundamentally by the understanding of man as a moral agent. The Christian view of man is more complex than that of an autonomous individual acting in his own self-interest, as in the secular libertarian model. The human moral agent is both spiritual and physical, motivated both by love and by self-love, and when operating under conditions of freedom capable of producing either good or evil, as described in a 1953 article by Reinhold Niebuhr:

According to the Christian faith man is on the one hand a free spirit, “made in the image of God,” who rises indeterminately in his consciousness over nature, history and self. He cannot, therefore, be contained or explain the measuring of his life within the limits of any system of nature. But he is on the other hand a creature, driven by natural impulses and limited by conditions of time and place. These limitations reach into the very pinnacles of spirit, even as the freedom of spirit reaches down into every natural impulse and transmutes it into something less determinate than the impulses of other creatures.

The love commandment is always partly contradicted in actual life by the immense force of self-love, particularly the self-love of groups and collectives.

A truly Christian interpretation of the radical character of human freedom must illumine both the creature and the destructive possibilities of that freedom.<sup>98</sup>

John C. Bennett has observed that the libertarian optimism that most social values will be produced as a natural outcome of market processes operating under conditions of freedom is not shared by most Christian ethicists.

There has developed in recent years as type of economic individualism that condemns almost all action by the state in economic life... in the name of freedom.

There are two positive assumptions that underlie this rejection of action by the state. The first is the assumption of the adequacy of the self-regulatory elements in a totally free economy. The second is the assumption that voluntary action is always morally better than action that has the coercive power of the state behind it.

The state exists on account of man's sin. Men are too sinful in their selfishness and greed, or in their complacency and indifference, to do enough voluntarily to meet the needs to those who are victims of defects or inadequacies in our institutions.

The state is often an instrument of freedom for large sections of the population... Freedom for those who are strong may be served by curtailing the activity of the state, but freedom for the great majority depends in part on what the state can do to provide opportunity for the development of their capacities and to defend them against economic forces beyond their control.

Those who oppose all significant action by the state in economic life have much responsibility for the existence of the neglected problems that are the real invitation to an oppressive "statism."<sup>99</sup>

Churches generally assume that the productive efficiency of corporations is combined with so much economic and political power that they need to be subject to social and political controls by other agencies that are directly responsible to the public and dedicated to the public welfare.<sup>100</sup>

Thus freedom is assigned varying levels of significance as an ethical norm within Protestant perspectives on the political and economic realms. In no case, however, would a Christian perspective on freedom appear to accommodate the libertarian views of such secular ethicists as Milton Friedman. This is so for at least three reasons:

- (1) Christian concerns about what choices human beings may make acting in their own self-interest as opposed to the interest of others, as encouraged in the libertarian model, and about what impact such extensive free choice will have on the common good;

- (2) Christian awareness of the human capacity for evil, particularly in the absence of restraints; and
- (3) Christian scepticism that processes in the natural order (*e.g.*, exchanges in the market economy) are self-regulating naturally conformative to norms of justice and productive of social progress.

### ***Corporate Reactions to Christian Views of Freedom***

Corporations conventionally understand freedom as having both negative and positive aspects, freedom from certain constraints and freedom to do certain things. Corporations seek freedom from constraints on investment and trade in their various business sectors (*e.g.* resources, manufacturing, technology). They seek freedom from discrimination, such that all corporations, domestic and foreign, are given the same treatment by host governments. They require freedom from legal impediments in order to repatriate capital and remit profits. They expect freedom from expropriation by government, either outright or “creeping,” (through punitive taxation and partial acquisition of equity ownership). On the positive side, corporations require freedom to maximize returns on capital invested, to accumulate financial and physical capital, to hire and fire, to diversify business activities and to compete with and perhaps overwhelm their peers.

Within the context of Christian perspectives on freedom, the corporate understanding of freedom is but one small part. The typical corporate perspective is that freedom for corporations is compatible with and supportive of human freedom in general, and political freedom in particular. However, the Christian perspective is that the

spiritual freedom of human beings, the communal freedom of society, the freedom of groups and individuals in the economic and social arena may to varying extents be limited, compromised or thwarted by unbridled corporate freedom. This is so because corporate freedom naturally tends towards the aggregation and concentration of power, which infringes the freedom of others (including less powerful corporations). The paradox of the Christian view of freedom is that apparent constraints on freedom, through the action of the state in the social sphere and personal discipline in the private sphere, are essential for the full realization of freedom within the context of justice and the common good.

A major challenge for corporations is to understand individual humans, employees, consumers, investors, and other stakeholders, as more than economic beings for whom freedom is primarily a matter of choice in the marketplace. The common understanding of human beings in corporations is that they are motivated by self-interest and are naturally competitive in pursuing wealth accumulation and the associated creature comforts. The communal spiritual dimension of human beings and the relevance of freedom to their advancement both as social and as spiritual beings fall generally outside the scope of corporate understanding, interest and concern.

As discussed in the examination of secular ethical perspectives on rights (*supra*), corporations regard property rights as an absolute, the whole basis for being (collective ownership) and acting (increasing collective wealth and that of individual shareholders). Within Christian ethical perspectives, property finds frequent mention in discussions of both justice and freedom, and is far from an absolute right. Commutative justice requires that workers and investors should be entitled to the results of their labour and their

investment, but subject to the comprehensive norms of distributive and social justice. Thus investors cannot justly demand profits at the expense of the just desserts of labour. Individuals cannot justly accumulate property through their labour on investment at the expense of the just demands of the larger community. Likewise the freedom to engage in industry and trade and thus accumulate property (wealth) is hedged in by the common good of society, which in most Christian perspectives includes the liberation of humans from oppression. Moreover, owners of property are as much subject to obligations as they are endowed with entitlements (as will be further discussed in the examination of Christian perspectives on rights *infra*). From a corporate perspective such ethical constraints by justice and freedom on the absolute right of private property are bound to be perplexing and troubling.

Finally, while corporations might be comforted by Luther's views on the Two Kingdoms, as noted in the discussion of Christian perspectives on justice, they would be appalled to hear his views on trading companies, as an abuse of the freedom of the market. Likewise, corporations might be concerned about the reservations expressed in some of the social encyclicals with respect to corporate behaviour and the free market generally.

### **Christian Perspectives on the Trusteeship of Nature**

The obligation to care for non-human creation as trustees or stewards is proposed by Anderson as an ethical norm which complements the obligation to love one's neighbour, out of which flow the norms of justice and freedom. Acting as trustees or stewards of nature does, of course, serve for the good of one's neighbours, particularly future generations, by keeping the ecosystem healthy and bounteous for the benefit of

one's fellow humans. But, more fundamentally, respecting and caring for nature relates to God's love for his other-than-human creation. "God's love extends to all creatures and to the entire creation, even if the kind of love God exhibits towards human beings has its own distinctive quality as 'covenantal love'." Anderson note that Old and New Testament uses of the terms "steward" or "trustee" clearly express a Biblical understanding of the appropriate relationship of human beings to other-than-human creation. As stewards, human beings are given responsibility for managing the other-than-human goods of creation, but are clearly not owners, free to do what they wish with those goods; rather, they are accountable to God, the owner of all creation, for their trusteeship. "As stewards we are called to be watchful and trustworthy."<sup>101</sup>

Anderson offers three principles relating to the ethical norm of trusteeship of nature:

1. Respect the intrinsic worth of every entity. This does not exclude using nature for human purposes, but it does impose an obligation to use fauna, flora and inanimate substances in a way that is congruent with their intrinsic nature or manner of being. The utility of nature is thus bounded by respect for nature.
2. Use of other-than-human creation should be sustainable. To be good stewards of creation implies concern for continuation of the species, fruitfulness of the lands, purity of air and water, and so forth, so that the quality of life and human opportunities for fulfilment are not compromised for future generations. There is thus a tension between sustainability and wealth maximisation, the future and the present.
3. Actively pursue the well being of animals and plants. This principle entails an obligation to care for and possible enhance the natural habitat of different species, so

as to preserve the natural relationships of plants and animals with their physical environment.<sup>102</sup>

Augustine views all of creation, and the interrelationship of all creatures, as having intrinsic worth by virtue of its divine provenance. Therefore, all the plants and animals in nature, and the natural order of their struggle for survival and their eventual demise, are entitled to human respect, rather than disdain because of their evident inferiority to human beings and rational processes. Augustine warns against judging the value of nature by its utility, instead of its intrinsic worth.

But it is ridiculous to condemn the faults of beasts and trees, and other such mortal and mutable things as are void of intelligence, sensation, or life.... For these creatures received, at their Creator's will, an existence fitting them, by passing away and giving place to others, to secure that lowest form of beauty, the beauty of seasons, which in its own place is a requisite part of this world. For things earthly were neither to be made equal to things heavenly, nor were they, though inferior, to be quite omitted from the universe. Since then, in those situations where such things are appropriate, some perish to make way for others that are born in their room, and the less succumb to the greater, and the things that are overcome are transformed into the quality of those that have the mastery, this is the appointed order of things transitory. Of this order the beauty does not strike us, because by our mortal frailty we are so involved in a part of it, that we cannot perceive the whole, in which these fragments that offend us are harmonized with the most accurate fitness and beauty....

If we attentively consider even these faults of earthly things, which are neither voluntary nor penal, they seem to illustrate the excellence of the natures themselves, which are all originated and created by God.... (Sometimes) even the natures themselves displease men, as often happens when they become hurtful to them, and thus men estimate them not by their nature, but by their utility; as in the case of those animals whose swarms scourged the pride the Egyptians. But in this way of estimating, they may find fault with the sun itself; for certain criminals or debtors are sentenced by the judges to be set in the sun. Therefore, it is not with respect to our convenience or discomfort but with respect to their own nature that the creatures are glorifying to their Artificer....

The same thing, then, when applied in one way, is destructive, but when applied suitably is most beneficial. For who can find words to tell its uses throughout the whole world?

All natures, then, inasmuch as they are, and have therefore a rank and species of their own, and a kind of internal harmony, are certainly good. And when they are in the places assigned to them by the order of their nature, they preserve such being as they have received. (*City of God* XII, 4). <sup>103</sup>

Augustine does not deny the utility of things in nature for mankind, particularly for the human, ability to progress towards an eternal reward, but he makes it clear that there is a proper and are improper way for human beings to use the gifts of the natural environment. The dictum seems to be: “use the things of nature well, or lose them.”

God, then, the most wise Creator and most just Ordainer of all nature, who placed the human race upon earth as its greatest ornament, imparted to men some good things adapted to this life, to wit, temporal peace, such as we can enjoy in this life from health and safety and human fellowship, and all things needful for the preservation and recovery of this peace, such as the objects which are accommodated as our outward senses, light, night, the air, and waters suitable for us and everything the body requires to sustain, shelter, heal or beautify it: and all under this most equitable condition, that every man who made a good use of these advantages suited to the peace of his mortal condition, should receive ampler and better blessings, namely, the peace of immortality,... but that he who used the present blessings badly should both lose them and should not receive the others. (*City of God* XIX, 13) <sup>104</sup>

For Augustine, the natural environment was a gift of God to mankind, irrespective of any human merit. In a paeon to nature, he describes the endowments of the natural environment as a solace for the wretched, rather than a reward for the blessed, whose rewards will be far beyond all the blessings of the natural world. The beauty and utility of nature, for Augustine, are closely entwined:

How can I tell of the rest of creation, with all its beauty and utility, which the divine goodness has given to man to please the eye and serve his purposes.... Shall I speak of the manifold and various loveliness of sky, and earth, and sea; of the plentiful supply and wonderful qualities of the light; of sun, moon and stars; of the shade of trees; of the colour and perfume of flowers; of the multitude of birds, all differing in plumage and in song; of the variety of animals, of which the smallest in size are often the most wonderful – the works of ants and bees astonishing us more than the huge bodies of whales? Shall I speak of the sea, which itself is so grand a spectacle, when it arrays itself as it were in vestures of various colours, now running through every shade of green, and again becoming purple or blue?... How grateful is the alternation of day and night! How pleasant the breezes that cool the air! How abundant the supply of clothing furnished us by trees and animals. Who can enumerate all the blessings we enjoy? And all these are but the solace of the wretched and condemned, not the rewards of the blessed. (*City of God* XXII, 24) <sup>105</sup>

Augustine's respect for the beauty and utility of nature does not extend so far as to proscribe the killing of plants and animals. Indeed, he states quite explicitly that the commandment "Thou shalt not kill" applies only to human beings.

Some attempt to extend this command even to beasts and cattle, as if it forbade us to take life from any creature. But if so, why not extend it to the plants, and all that is rooted in and nourished by the earth? For though this class of creatures has no sensation, yet they also are said to live, and consequently they can die; and therefore, if violence be done them, can be killed.... Must we therefore reckon it a breaking of this commandment, "Thou shalt not kill," to pull a flower? Are we thus insanely to countenance the foolish error of the Manichaeans? Putting aside, then, these ravings, if, when we say, Thou shalt not kill, we do not understand this of the plants, since they have no sensation, nor of the irrational animals that fly, swim, walk or creep, since they are dissociated from us by their want of reason, and are therefore by the just appointment of the Creator subjected to us to kill or keep alive for our own uses; if so, then it remains that we understand that commandment simply of man. (*City of God* I, 20) <sup>106</sup>

### ***Catholic Views of the Trusteeship of Nature***

The theology of Aquinas contains a vision of a highly ordered and integrated creation, in which all creatures derive their attributes (goodness, beauty, utility, etc.) from the Creator, all beings derive their existence from the divine being, and all things exist in harmony according to the dictates of the natural law, which is a projection of the divine

law. Creation is hierarchical, descending from God, who is uncreated pure being and pure spirit, through man who is created (contingent) being, partially spirit and partially matter, to creatures less spiritual and more material (animals, plants, rocks). Aquinas is clearly anthropocentric in his view of the created world, seeing all of nature as subject to human control and needs. Moreover, he sees human intelligence (“universal prudence”) as able and entitled to determine how best to use or control the natural environment. Aquinas contends that the subjection of nature to mankind as intended in the divine plan was weakened through original sin when man lost total mastery and control of his natural environment:

For his disobedience to God, man was punished by the disobedience of those creatures which should be subject to him.... Now all animals are naturally subject to man. This can be proved in three ways. First, from the order observed by nature; for just as in the generation of things we perceive a certain order of procession of the perfect from the imperfect, so also is there order in the use of natural things; thus the imperfect are for the use of the perfect, as the plants make use of the earth for their nourishment, and animals make use of plants, and man makes use of both plants and animals. Therefore, it is in keeping with the order of nature that man should be master over animals.

Secondly, this is proved by order of divine providence which always governs inferior things by the superior. Wherefore, as man, being made to the image of God is above other animals, these are rightly subject to his government.

Thirdly, this is proved from a property of man and other animals. For we see in the latter a certain participated prudence of natural instinct, in regard to certain particular acts; whereas man possesses a universal prudence as regards all practical matters.... Therefore, the subjection of other animals to man is proved to be natural. (S.T. I. 96, a1)

On a more philosophical level, man is lord over the rest of creation by virtue of his fuller participation in the being of the Creator, through his rationality:

Now the created rational nature alone is immediately subordinate to God, since other creatures do not attain to the universal, but only to something particular, while they partake of the divine goodness either in *being* only, as inanimate

things, or also in *living*, and in knowing singulars, as plants and animals; whereas the rational nature, in as much as it apprehends the universal notion of good and being, is immediately related to the universal principle of being. (S.T.II-II, 2, a1)

Aquinas quotes approvingly Augustine's statement of man's freedom to kill

other-than-human creatures, as long as such use is for the good of human beings. This statement clearly emphasizes the utility for man of the natural environment over its intrinsic worth.

There is no sin in using a thing for the purpose for which it is. Now the order of things is such that the imperfect is for the perfect, even as in the process of generation nature proceeds from imperfection to perfection. Hence it is that just as in the generation of a man there is first a living thing, then an animal, and lastly a man, so too things, like the plants, which merely have life, are all alike for animals, and all animals are for man. Wherefore it is not unlawful if man use plants for the good of animals, and animals for the good of man....

Now the most necessary use would seem to consist in the fact that animals use plants, and men use animals, for food and this cannot be done unless these be deprived of life: wherefore it is lawful both to take life from plants for the use of animals, and from animals for the use of men. In fact this is in keeping with the commandment of God Himself: for it is written (Gen 1:29-30): "Behold I have given your every herb... and all trees... to be your meat, and to all beasts of the earth": and again (*ibid.* 9:3). "Everything that moveth and liveth shall be meat to you.".... According to the divine ordinance the life of animals and plants is preserved not for themselves but for man.

Aquinas' view of the relationship of man to nature has been criticized by Michael Northcott as too reliant on his account of the derivation and hierarchy of created being, too unconcerned about the significance of natural evil and the effects of the Fall on the non-human world, and too inattentive to the effects of the incarnation and redemption on man's relationship to his natural environment. Nevertheless, Northcott finds, Aquinas' insistence on a universal natural law, which reflects the divine law, to be a very strong base for establishing an ethical norm related to the trusteeship of nature.

Natural law ethics as we encounter it in Aquinas, and embryonically in the first two chapters of Romans, provides the strongest conceptual base within the Christian tradition for an ecological ethic. It affirms that the natural order is a moral order, even though subject to elements of moral ambiguity arising at least partly from the Fall, that this order is determinative for human society and morality, that human goods are interdependent with the goods of the non-human world, that this order is represented in each human person by the powers of conscience and reason and that this naturally located morality is found in every human culture.<sup>107</sup>

The Catholic tradition with respect to man's relationship to nature embraces, along with the anthropocentric rationality of Augustine and Aquinas, the mystical stance of Saint Francis of Assisi. The mediaeval biographer of Saint Francis, Thomas of Celano, describes St. Francis' mystical approach to nature, alluding to the sanctification of nature brought about by the incarnation (1 Cel. 80, 81):

When he considered the glory of the flowers, how happy he was to gaze at the beauty of their forms and to enjoy their marvellous fragrance! How easily his spirit would take wing and rise to mediating on the beauty of that unique flower that blossomed fair as the approaching spring, from "The root of Jesse" and by its fragrance brought new life to countless men who were dead in their souls!

When he found many flowers growing together, it might happen that he would speak to them and encourage them, as though they could understand, to praise the Lord. It was the same with the fields of corn and the vineyards, the stories of the earth and in the woods, all the beautiful meadows, the tinkling brooks, the sprouting gardens, earth, fire, air and wind – all these he exhorted in his pure, childlike spirit to love God and serve him joyfully.

He was wont to call all created things his brothers and sisters, and in a wonderful manner inaccessible to others he would enter into the secret of things as one to whom "the glorious liberty of the children of God" had been given (Rom. 8:21).<sup>108</sup>

The relationship of Saint Francis to nature, symbolized by his calling the birds, the sun, the moon, the stars, the wind and water, fire and earth, "brothers and sisters," achieves a depth of love and compassion, a respect for intrinsic worth, which is quite distant from the natural law obligations defined by Aquinas. "The earth with its

resources and beauties, the mountains, valleys, and trees, is assumed to be for their use and pleasure as well as for ours; and they, as our sisters, are regarded as kin to us, members of God's family, sharing the world's riches." Renunciation of all property and a voluntary acceptance of absolute poverty, with none of God's creatures owning another, characterizes the new relationship to nature propounded by Saint Francis.<sup>109</sup>

In modern times, the Catholic Church was slow to turn its attention to issues of the natural environment. The official document (1965) *On The Church In The Modern World (Gaudium et Spes)* does not mention the environmental challenge or mankind's relationship with nature, except by implication in the introduction to the statement on social justice and economic equality: "God destined the earth and all it contains for all people and nations so that all created things would be shared fairly by all humankind under the guidance of justice tempered by charity."<sup>110</sup>

Pope Paul VI referred to the emerging issue of the environment in his 1971 encyclical *Octagesima Adveniens*:

Another transformation is making itself felt, one which is the dramatic and unexpected consequence of human activity. Man is suddenly becoming aware that by an ill-considered exploitation of nature he risks destroying it and becoming in his turn the victim of this degradation. Not only is the material environment becoming a permanent menace – pollution and refuse, new illnesses and absolute destructive capacity – but the human framework is no longer under man's control, thus creating an environment for tomorrow which may well be intolerable. This is a wide-ranging social problem which concerns the entire human family.

The Christian must turn to these new perceptions in order to take on responsibility, together with the rest of men, for a destiny which from now on is shared by all.<sup>111</sup>

Pope John Paul II elaborated the official Catholic position on environmental issues in his 1988 encyclical *Sollicitudo Rei Socialis*. The utility of the natural environment, to which man is entitled, is limited by the natural order of things, the inherent nature and worth of other creatures and by possible negative consequences for ourselves and humans to come.

Thus man comes to have a certain affinity with other creatures: he is called to use them, and to be involved with them. As the Genesis account says (cf. Gen 2:15), he is placed in the garden with the duty of cultivating and watching over it, being superior to the other creatures placed by God under his dominion (cf. Gen 1:25-26). But at the same time man must remain subject to the will of God, who imposes limits upon his use and dominion over things (cf. Gen 2:16-17). (S.R.S. 29.3)

On the basis of this teaching, development cannot consist only in the use, dominion over and *indiscriminate* possession of created things and the products of human industry, but rather in subordinating the possession, dominion and use to man's divine likeness and his vocation to immortality. (S.R.S. 29.4)

The task is to "have dominion" over the other created beings, "to cultivate the garden." This is to be accomplished within the framework of *obedience* to the divine law... (S.R.S. 30.2)

Nor can the moral character of development exclude respect for the beings which constitute the natural world, which the ancient Greeks – alluding precisely to the *order* which distinguishes it – called "cosmos." Such realities also demand respect, by virtue of a threefold consideration... (S.R.S. 34.1)

The first consideration is . . . the fact that one cannot use with impunity the different categories of beings, whether living or inanimate – animals, plants, the natural elements – simply as one wishes, according to one's own economic needs. On the contrary, one must take into account the *nature of each being* and its *mutual connection* in an ordered system, which is precisely the "cosmos." (S.R.S. 34.2)

The second consideration is based on the realisation – which is perhaps more urgent – that *natural resources are limited*; some are not, as it is said, renewable. Using them as if they were inexhaustible, with absolute dominion, seriously endangers their availability not only for the present generation but above all for generations to come. (S.R.S. 34.3)

The third consideration refers directly to the consequences if in certain type of development on the quality of life in the industrialised zones. We all know that the direct or indirect result of industrialisation is, ever more frequently, the pollution of the environment, with serious consequences for the health of the population. (S.R.S. 34.3)

The dominion granted to man by the Creator is not an absolute power, nor can one speak of a freedom to “use and misuse,” or to dispose of things as one pleases.... When it comes to the natural world we are subject not only to biological laws but also to moral ones, which cannot be violated with impunity. (S.R.S. 34.5)<sup>112</sup>

In his 1991 encyclical *Centesimus Annus*, Pope John Paul II develops a more profound perspective on the human role in nature, where mankind has the capacity to be “co-Creator” but through an arrogant assumption of a God-like role becomes instead a destroyer of creation. In a seeming allusion to Saint Francis, the encyclical decries the apparent human incapacity to marvel at the beauty of all creation as a reflection of God, and the human tendency to seek only to subdue nature. Ultimately, however, the encyclical concludes that man is the centre of creation, and the deeper problem is not so much that he has lost touch with nature, but that he has lost touch with himself. The encyclical also concludes that responsibility for protecting the environment, as a common good, belongs ultimately to the state.

In his desire to have and to enjoy rather than to be and to grow, man consumes the resources of the earth and his own life in an excessive and disordered way. At the root of the senseless destruction of the natural environment lies an anthropological error, which unfortunately is widespread in our day.... Man thinks that he can make arbitrary use of the earth, subjecting it without restraint to his will, as though the earth did not have its own requisites and a prior God-given purpose, which man can indeed develop but not betray. Instead of carrying out his role as a co-operator with God in the work of creation, man sets himself up in place of God, and thus ends up provoking a rebellion on the part of nature which is more tyrannized than governed by him. (C.A. 37.1)

In all this, one notes first the poverty or narrowness of man’s outlook, motivated as he is by a desire to possess things rather than to relate to the truth and lacking that disinterested, unselfish, and aesthetic attitude that is born of wonder in the presence of being and of the beauty which enables one to see in visible things the

message of the invisible God who created them. In this regard, humanity today must be conscious of its duties and obligations toward future generations. (C.A. 37.2)

In addition to the irrational destruction of the natural environment, we must also mention the more serious destruction of the human environment.... Although people are rightly worried – though much less than they should be – about preserving the natural habitats of the various animal species threatened with extinction, because they realize that each of these species makes its particular contribution to the balance of nature in general, too little effort is made to *safeguard the moral conditions for an authentic “human ecology.”* Not only has God given the earth to man, who must use it with respect for the original good purpose for which it was given, but man too is God’s gift to man. He must therefore respect the natural and moral structure with which he has been endowed. (C.A. 38.1)

It is the task of the state to provide for the defence and preservation of common goods such as natural and human environments, which cannot be safeguarded simply by market forces. Just as in the time of primitive capitalism the state had the duty of defending the basic rights of workers, so now, with the new capitalism, the state and all of society have the duty of defending those collective goods which, among others, constitute the essential framework for the legitimate pursuit of personal goals on the part of each individual. (C.A. 40.1)<sup>113</sup>

Two Catholic theological perspectives on the trusteeship of nature, outside the mainstream of the Church’s teaching, are: (1) the mystical evolutionary perspective of Pierre Teilhard de Chardin; and (2) the social ecological perspective of liberation theology as expounded by Leonardo Boff.

Teilhard de Chardin perceived the evolutionary process of nature, including the evolution of human consciousness, to be the expression of mankind’s ascent to the divine, the progress of human divinization. Christ is the beginning of this collective divinization process and the end-point (“omega”). Mankind, by contrast, is not the end-point, as so often assumed in perspectives on the evolution of creation. The progress of creation towards the Creator, for Teilhard de Chardin, is a gradual process of spiritualization and dematerialization. It is the ever-increasing manifestation of God in

and through his creation. The process of evolution for Teilhard de Chardin, is also a movement towards ever-higher levels of integration, and consciousness, with reality being the collectivity, rather than the individual constituents. All things are thus interconnected, and evolving towards more comprehensive combinations. The human obligation towards nature is to respect and support that evolutionary process. Understanding Teilhard de Chardin requires an acceptance of the (sometimes difficult) terminology he developed to express his vision:

We still seem to be able to see all the stages of this *still unfinished* march of nature towards the unification or synthesis of the ever-increasing products of living reproduction. At the bottom we find the simple aggregate, as in bacteria and the lower fungi. One stage higher comes the colony of attached cells, not yet centralized; though distinct specialization has begun, as with the higher vegetable forms and the bryozoa. Higher still is the metazoan cell of cells, in which by a prodigious critical transformation an autonomous centre is established (as though by excessive shrinking) over the organized group of living particles. And still further on, to round off the list, at the present limit of our experience and of life's experiments, comes *society* – that mysterious association of free metazoans in which (with varying success) the formation of hyper-complex units by 'mega-synthesis' seems to be being attempted.

To write the true natural history of the world, we should need to be able to follow it from *within*. It would thus appear no longer as an interlocking succession of structural types replacing one another, but as an ascension of inner sap spreading out in a forest of consolidated instincts. Right at its base, the living world is constituted by consciousness clothed in flesh and bone.

There is need for me to emphasize the reality, diversity and continual germination of human collective unities, . . . such as the birth, multiplication and evolution of nations, states and civilizations . . . however hominised the events, the history of mankind in this rationalized form really does prolong – though in its own way and degree – the organic movements of life. It is still natural history through the phenomenon of social ramification . . .

We are, at this very moment, passing through an age of *transition*. The age of industry; the age of oil, electricity and the atom; the age of the machine, of huge collectivities and of science...the word matters little. What does matter is that . . . at the cost of what we are enduring, life is taking a step, and a decisive step, in us and our environment.

Our earth of factory chimneys and offices, seething with work and business, our earth with a hundred new radiations – this great organism lives, in final analysis, because of and for the sake of a new soul. Beneath a change of age lies a change of thought.

We are not only concerned with thought as participating in evolution as an anomaly or epiphenomenon; but evolution as so reducible to and identifiable with a progress towards thought that the movement of our souls expresses and measures the very stages of progress of evolution itself. Man discovers that *he is nothing else than evolution become conscious of itself*.

Step by step, from the early earth onwards, we have followed *going upwards* the successive advances of consciousness in matter undergoing organization. Having reached the peak, we can now turn round and, *looking downwards*, take in the pattern of the whole.

Man is not the centre of the universe as once we thought in our simplicity, but something much more wonderful – the arrow pointing the way to the final unification of the world in terms of life.

Christ, principle of universal vitality because sprung up as man among men, put himself in the position (maintained ever since) to subdue under himself, to purify, to direct and super-animate the general ascent of consciousness into which he asserted himself. By a perennial act of communion and sublimation, he aggregates to himself the total psychism of the earth. And when he has gathered everything, he will close in upon himself and his conquests, thereby rejoining, in a final gesture, the divine focus he has never left. Then as St. Paul tells us, *God shall be all in all* . . . and so exactly, so perfectly does this coincide with the Omega point.<sup>114</sup>

The ethicist Michael Northcott has criticized the position of Teilhard de Chardin for celebrating the view that human life, through growth in numbers and progress in science and technology, thus changing the face of the earth, is a positive step in the evolution of consciousness. “To what extent are we justified in taking this excessively optimistic and human-centred view of the evolutionary process? Are humans capable of being in control of the subsequent evolution of life on earth as Teilhard claims?” Northcott observes that even if Teilhard’s anthropocentric view is accepted, the “self-totalization” of human life on the planet may be bad not only for nature but for future humans.<sup>115</sup>

A leading Catholic exponent of liberation theology, Leonardo Boff, inter-relates social justice and environmental conservation in an ecocentric, as opposed to anthropocentric, paradigm. For Boff, the teachings and practice of St. Francis of Assisi are the model of the ecocentric approach to the trusteeship of nature.

The new ethical order has to find another form of centrality. This should be ecocentric and should seek the equilibrium of the earthly community. Its basic task is to reconstruct the broken alliance between humankind and nature, the alliance between the individual and people, so that henceforth they may be joined in brotherhood and sisterhood, justice and solidarity.

St. Francis also shows us that the option for the poor . . . accords with tender love for the creation. That was the love that took him to the lepers and to the wolf of Gubbio, which made him embrace beggars and speak to the birds.

Social ecology studies human historico-social systems in interaction with environmental systems . . . social ecology relates social injustice to ecological injustice. The most numerous members of the human race are the poor . . . Poverty is seen in the lack of infrastructure for subsistence and dignified life: in a polluted water supply, poisoned air, unhealthy living quarters, polluting transportation systems, and violent social relationships . . . We need to refine the concept of ecological justice, but without a minimum of social justice it is impossible to make ecological justice fully effective.<sup>116</sup>

### ***Protestant Views on the Trusteeship of Nature***

For Luther, the relationship between man and nature was distorted by the fall, when the natural harmony, as created by God, was lost. Following the fall, man's entire natural environment was reduced to only utilitarian value, losing its intrinsic worth in human eyes. A restoration of the right relationship between man and nature is the promise of the redemption. Luther's views on this relationship are expounded in his "Lectures on Genesis":

What we achieve in life . . . is brought about, not by the dominion which Adam had but through industry and skill. Thus we see the birds and the fish caught by cunning and deceit; and by skill the beasts are tamed. Those animals which are most domesticated, such as geese and hens, nevertheless are wild so far as they

themselves and their nature are concerned. Therefore even now, by the kindness of God, this leprous body has some appearance of the dominion over the other creatures. But it is extremely small and far inferior to that first dominion, when there was no need of skill or cunning, when the creatures simply obeyed the divine voice because Adam and Eve were commanded to have dominion over them. Therefore, we retain the name and word “dominion” as a bare title, but the substance itself has been almost entirely lost.

We see now that we eat flesh, vegetables, etc. If they were not used in this manner, we would not know why they were created; for we neither see nor have any other use for these creatures. But Adam would not have used the creatures as we do today, except for food . . . Apart from food, they would have made use of the creatures only for the admiration of God and for a holy joy which is unknown to us in this corrupt state of nature. By contrast, today and always the whole creation is hardly sufficient to feed and support the human race.<sup>117</sup>

It appears that, for Luther, man’s relationship to nature somewhat resembles man’s relationship to the civil order, as described in the “Two Kingdoms.” The natural law might allow mankind to use creatures in the environment for various human purposes; but the inner orientation of the Christian would be to see in nature the beauty of creation as a reflection of the Creator, and to remain spiritually detached from its utility.

For Calvin, as for Luther, the disharmony between mankind and nature is the result of human sinfulness. Unlike Luther, however, Calvin sees the utility of nature to be part of God’s original plan. The Creator’s purpose is not only that human beings should make use of their natural environment, but that they should enjoy its beauty. However, Calvin warns that Christians are not to use the blessings of nature indulgently, but are to serve dutifully, as trustees, in their vocations as Christians in the world.

It is owing to our fault that the land does not nourish us or bring forth fruit, as God appointed to be done by the regular order of nature; for he wished that it should hold the place of a mother to us, to supply us with food; and if it change its nature and order, or lose its fertility, we ought to attribute it to our sins, since we ourselves have reversed the order which God has appointed; otherwise the earth would never deceive us, but would perform her duty. (Commentary on Isaiah 24:5)<sup>118</sup>

Let this be our principle: that the use of God's gifts is not wrongly directed when it is referred to that end to which the Author himself created and destined them for us, since he created them for our good, not for our ruin . . . . Now if we ponder to what end God created food, we shall find that he meant not only to provide for necessity but also for delight and good cheer . . . . In grasses, trees, and fruits apart from their various uses, there is beauty of appearance and pleasantness in odour (cf. Gen. 2:9). The natural quality of things demonstrates sufficiently to what extent we may enjoy them. Has the Lord clothed the flowers with the great beauty that greets our eyes, the sweetness of smell that is wafted upon our nostrils, and yet will it be unlawful for our eyes to be affected by that beauty, or our sense of smell by that odour? What? Did he not so distinguish colours as to make some more lovely than others? What? Did he not endow gold and silver, ivory and marble, with a loveliness that renders them more precious than other metals or stones? Did he not, in short, render many things attractive to us, apart from their necessary use?

Scripture . . . decrees that all those things were so given to us by the kindness of God, and so destined for our benefit, that they are, as it were, entrusted to us, and we must one day render account of them. Thus, therefore, we must so arrange it that this saying may continually resound in our ears: "Render account of your stewardship" (Luke 16:2). At the same time let us remember by whom such reckoning is required: namely, Him who has greatly commended abstinence, sobriety, frugality, and moderation, and has abominated excess, pride, ostentation and vanity; who approves no other distribution of good things than one joined with love (Inst. III, 10).<sup>119</sup>

We possess the things which God has committed to our hands, on the condition, that being content with a frugal and moderate use of them, we should take care of what shall remain. Let him who possesses a field, so partake of its yearly fruits, that he may not suffer the ground to be injured by his negligence; but let him endeavour to hand it down to posterity as he received it, or even better cultivated. Let him so feed on its fruits, that he neither dissipates it by luxury, nor permits it to be marred or ruined by neglect . . . Let everyone regard himself as the steward of God in all things which he possesses. Then he will neither conduct himself dissolutely, nor corrupt by abuse those things which God requires to be preserved. (Commentary on Genesis 2:15).<sup>120</sup>

The Anabaptist attitude towards the natural environment was deeply affected by a belief in communal ownership, as discussed in the examination of freedom (*supra*), especially the quotation from Ulrich Stadler: "For as the sun with its shining is common to all, so also is the use of all creaturely things." The Anabaptist view was that all of creation is for the common use of human beings, who possess dominion over it. Non-

violence characterizes the righteous use of creation. This view was expounded by Gerrard Winstanley and others, in a seventeenth century tract:

In the beginning of time, the great Creator, Reason, made the earth to be a common treasury, to preserve beasts, birds, fishes and man, the lord that was to govern this creation. For man had domination given to him over beasts, birds and fishes. But not one word was spoken in the beginning, that one branch of mankind should rule over another.

The earth, which was made to be a common treasury of relief for all, both beasts and men, was hedged into enclosures . . . and that earth that is within this creation made a common storehouse for all, is bought and sold and kept in the hands of a few.

But when once the earth becomes a common treasury again . . . then this enmity in all lands will cease. For none shall dare to seek a dominion over others; neither shall any dare to kill another, nor desire more of the earth than another. For he who will rule over, imprison, oppress and kill his fellow creatures . . . is a destroyer of the creation.<sup>121</sup>

Modern Protestant statements on the relationship of Christians to the natural environment emerged in the 1960s, in response to a growing secular consciousness of an impending ecological crisis. In 1967, Lynn White, a Presbyterian layperson and history professor at the University of California, authored a criticism of the Christian origins of the environmental crisis, focussed particularly on the interpretation of the Genesis command to dominate and subdue of nature. White criticized the traditional anthropocentrism of Christian theological perspectives on the natural world, noting that St. Francis of Assisi provides an exception that proves the rule.

Christianity inherited from Judaism not only a concept of time as non-repetitive and linear, but also a striking story of creation. By gradual stages a loving and all-powerful God had created light and darkness, the heavenly bodies, the earth and all its plants, animals, birds and fishes . . . . Man named all the animals, thus establishing his dominance over them. God planned all of this explicitly for man's benefit and rule: no item in the physical creation had any purpose save to serve man's purposes. And, although man's body is made of clay, he is not simply part of nature: he is made in God's image.

Christianity in absolute contrast to ancient paganism and Asia's religions (except perhaps Zoroastrianism), not only established a dualism of man and nature, but also insisted that it is God's will that man exploit nature for his proper ends.

In Antiquity every tree, every spring, every stream, every hill had its own *genius loci*, its guardian spirit. These spirits were accessible to men, but very unlike men; centaurs, fairies, and mermaids show their ambivalence. Before one cut a tree, mined a mountain, or damned a brook, it was important to placate the spirit in charge of that particular situation and to keep it placated. By destroying pagan animism, Christianity made if possible to exploit nature in a mood of indifference to the feelings of natural objects.

The greatest spiritual revolutionary in Western history, Saint Francis, proposed what he thought was an alternative Christian view of nature and man's relation to it: he tried to substitute the idea of the equality of all creatures, including man, for the idea of man's limitless rule of creation. He failed. Both our present science and our present technology are so tinctured with orthodox Christian arrogance towards nature that no solution for an ecology crisis can be expected from them alone. Since the root of our troubles are so largely religious, the remedy must also be essentially religious, whether we call it that or not . . . The profoundly religious, but heretical, sense of the primitive Franciscans for the spiritual autonomy of all parts of nature may point a direction.<sup>122</sup>

A number of Christian ethicists have argued, in opposition to White, that neither scripture in general nor the dominion passage in Genesis in particular indicates any kind of predatory role for human beings in relation to the rest of creation.<sup>123</sup> One response to Lynn White's attack on traditional Christian approaches to the natural environment was published in 1970 by Francis Schaeffer. According to Schaeffer, the central affirmation of Christianity is that all things are equal in their origins, having all been created by God out of nothing. However, the distinctive quality of human beings is their consciousness, intellect and personality, which differentiates them from other creatures, plant or animal, and endows them with dominion over the natural environment. Schaeffer notes that the Biblical idea of covenant modifies mankind's dominion over nature, such that the integrity and order of each species must be respected. Moreover, the incarnation demonstrates God's love for all of creation, not just the consciousness and intellect of

mankind. Thus Christians are called to value all of creation and to participate in its redemption. In the words of Michael Northcott: "Schaeffer's representation of the integrity of the non-human world anticipates the idea of the intrinsic value of nature advocated by many 'deep ecologists'."<sup>124</sup>

The question of whether the fall affected only human nature or all of creation has been addressed by some Protestant theologians. For example, George Hendry argues that "When man falls out with God, the whole world is thrown out of joint."

Precisely how the "fall" of nature is to be understood is a question to which we have no explicit answer, only a few suggestive allusions. One of these is contained in the passage in Colossians, when the purpose of the incarnation of God in Christ is said to be "through him to reconcile to himself all things, whether on earth or in heaven" (Col 1:20). Here it is indicated that it is not merely the sinful human race that is in a state of estrangement from God but the whole created universe . . . The work of Christ is to put an end to this hostility between God and his creation and so to make universal peace (Col. 1:13 ff).<sup>125</sup>

A heightened consciousness of the Christian responsibility to the natural environment has been expressed by John Cobb. He argues that to discharge their responsibility to the environment, Christians must seek a profoundly different economic system, with an emphasis on human beings in community. There is a clear warning that the consumption of the Earth's resources must be limited.

Christians, in general, believe that the earth is God's and that to degrade it is evil, implying that as we structure our economic life we should aim to meet human needs without further degradation of the planet. Christians, in general, also believe that our relationship with one another is at least as important as our consumption of goods and services, implying that we should find ways of meeting our needs that do not continue to destroy human communities. Indeed, if we are persons in communities rather than individuals in markets, the goal of the economy should be the building up of communities rather than the expansion of markets.<sup>126</sup>

Sallie McFague agrees with Cobb that Christians should give priority to building communities, in which members maintain their distinctiveness while receiving respect and care from each other, but explicitly extends the notion to all of creation. She argues for a still more profound reorientation of Christians to the natural environment, a new way of seeing one's role in the world, by advocating an organic model of creation, in which human beings are distant relatives to everything in the universe, including all forms of life on the planet. Her conjunction of social justice and ecological responsibility resonates with the liberation theology theme in Catholic thought.

The story of embodiment suggests a new model within which to view ourselves and everything else on the planet. It can help to focus on something we have often forgotten, namely bodies and their needs. The Western religious traditions have often seen salvation in spiritual terms, forgetting the needs of bodies. The organic model redirects our vision to earth, to bodies of all sorts: hungry, homeless, sick human bodies, but also to the dying bodies of trees and plants, the diminishing numbers of animal bodies, and the polluted "bodies" of water and air.

The model of the body will help us to see the earth as our home in three special ways. First, it brings together justice and ecological issues. Often, concern with poor and oppressed human beings is seen to be in competition with the well-being of the environment . . . . Second, (it) helps us to see the importance of space in our common home . . . . (It) forces us to consider the limits of our planet in terms of energy and space to sustain all its bodies . . . . Finally, (it) suggests that we humans beings are special parts of the body of the earth: we are the self-conscious part that can both wonder at and be responsible for the others with which we share our home.<sup>127</sup>

A broadly comprehensive statement on the Christian trusteeship of nature was issued by Protestant denominations in the statement of the World Council of Churches, following the seventh Assembly, in Canberra, Australia, in 1990. It captures many of the themes expounded by theologians as to the re-orientation of Christians to the environment, as well as traditional themes of stewardship and vocation, relating social justice and environmental protection.

The divine presence of the spirit in creation binds us as human beings together with all created life. We are accountable before God in and to the community of life, an accountability which has been imaged in various ways: as servants, stewards and trustees, as tillers and keepers, as priests of creation, as nurturers, as co-Creators. This requires attitudes of compassion and humility, respect and reverence.

Ecological equilibrium has been severely broken through misinterpretation of our faith, and through collective and individual misbehaviour we as Christians have participated in the process of destruction, rather than participating in the repentance that God requires.

At this assembly, we commit ourselves anew to living as a community which cares for creation.

Pursuing justice requires us to learn new ways of paying attention to all creation – the land, water, air, all people, plant life and other living creatures. A new vision will integrate our interdependent ecological, social, economic, political and spiritual needs . . . Social justice cannot happen apart from a healthy environment, and a sustainable and sustaining environment will not come about without greater social justice.

We call for a reordering of personal and corporate life-styles, relationships and the overall economic system.<sup>128</sup>

### ***Corporate Reactions to Christian Views of the Trusteeship of Nature***

Corporations understand the environmental crisis in terms of negative consequences (especially to human health) from actions that are ill-considered in terms of their potential effects. Corporations are highly anthropocentric in their orientation towards the natural environment, which they perceive as existing primarily for human use, though debates may rage about the preferred uses for a given ecosystem (wilderness conservation, recreation, aboriginal culture, or natural resource extraction). The more enlightened corporations will attempt to find common perspectives on the optimal utility for the natural environment by engaging with different stakeholders, but utility must always remain the object of any consensus. Less enlightened corporations will attempt to

coerce political systems to decide in favour of land uses that generate the greatest financial return to the corporation and to society.

Corporations, being familiar with systems thinking, will have little difficulty understanding the connection between poverty and environmental degradation. However, their first impulse will be to propose that the obvious solution is to create more wealth, through trade and investment, industrialization and economic development. Some Christians, of course, would see this proposal as contributing to greater environmental degradation and even more inequitable wealth distribution. More enlightened corporations are not opposed to improving the distribution of wealth in impoverished regions of the world, but often conclude that they have little capacity to contribute towards that objective, except by increasing the amount of wealth that can be distributed, most likely by government. Other corporations will, of course, insist that equitable distribution of wealth can only occur naturally over time through the operation of the free market, and that the poor need only to have an opportunity to participate in economic activity, including the exploration of resources in the natural environment. While the perspectives of corporations and Christian churches on the relationship of social justice and responsible ecology differ, there appears to be room for dialogue.

Perspectives on the natural environment that are not consequentialist or utilitarian are generally outside the rational capacity of corporations to understand and relate to. Corporations have difficulty integrating into their decision processes Christian perspectives that perceive in the natural environment intrinsic worth, inner spirit, reflections of divinity, and equal standing with human beings. Nor will corporations readily comprehend or accept deontological prescriptions based on such Christian

perspectives. At this point a chasm appears to yawn between secular corporate perspectives and Christian, spirit-imbued, perspectives on the trusteeship of nature.

### **Christian Perspectives on the Common Good**

Common good is defined by Anderson as a norm representing shared values or goods. The term common good, according to Anderson, can be applied to any collectivity of humans, from the entire human race, to nations, communities or associations (even corporations). The more the common good is accorded status as an ethical norm, the less compelling become norms relating to the individual alone, such as individual claims to justice, freedom or rights. On the other hand, certain ethical norms, such as the trusteeship of nature resonate harmoniously with the common good. Evidently, one's view of the human being, as either essentially an individual or essentially a social person, affects the weight one attaches to the norm of common good.

In the classical liberal conception of man and society, the term common good, according to Anderson, applies only to associations that individuals form for shared purposes, and not to society overall. If society is viewed as nothing other than an aggregate of individuals and associations, the common good consists essentially in the freedom of such associations to pursue their various objectives. Insofar as particular objectives achieve the status of being common objectives of society, one or more sub-groups might be seen as getting their notion of the common good imposed on, if not accepted by, all other groups in society – which the classical liberal would regard as tyranny.

The alternative to the classical liberal model, according to Anderson, is the communitarian model of society, in which a person's identity, survival and fulfilment are intimately connected to his participation in the community and to his relations with other human beings. Co-operation and compromise are essential for people to live harmoniously in communal relations, and ultimately to produce consensus among all members as to shared objectives for the community.<sup>129</sup>

In the foregoing discussion of Christian views of justice, reference was made to the common good in a number of instances. Augustine thought justice to be intimately connected to the common good or to communal well-being, to the extent that without justice there can be no true community (*City of God*, XIX, 21).

It should be evident from the foregoing review: that justice relates to the commonality of human beings, or the community at large, as well as to individuals; that individual freedom can be abridged or restricted for the sake of the common good of the larger community; and that ecological responsibility is a matter of recognizing, certainly, the common good of all human beings, including future generations, and possibly the common good of all creatures on earth, plants and animals, as well as mankind.

Augustine explicitly addressed the obligation of the individual to consider the greater good of the collectivity when he described the duties of the father of a family as being oriented to the higher good of the state, not just to the particular well-being of his family. In fact, the well-being of his family is unattainable if not consistent with the well-being of the state.

Since, then, the house ought to be the beginning or element of the city, and every beginning bears reference to some end of its own kind, and every element to the integrity of the whole of which it is an element, it follows plainly enough that domestic peace has a relation to civic peace – in other words, that the well-ordered concord of domestic obedience and domestic rule has a relation to the well-ordered concord of civic obedience and civic rule. And therefore it follows, further, that the father of the family ought to frame his domestic rule in accordance with the law of the city, so that the household may be in harmony with the civic order. (*City of God*, XIX, 16).<sup>130</sup>

### ***Catholic Views of the Common Good***

Aquinas perceives the ultimate common good to be the general human happiness achieved in union with God. That perfect common good is not fully achievable in this world. The common good in this world imposes an obligation of love (charity) on individuals, whereby they subject their individual pursuits of happiness to the pursuit of the collective happiness (spiritual as well as psychological and physical) of all humans. This inclination towards the common good, for Aquinas, is not contrary to human nature but in conformity to it. The common good relates to the overall well-being of the larger community, and the state is obliged to orient its laws towards that common good, that ultimate and perfect happiness.

The goodness of any part is considered in comparison with the whole; hence Augustine says (*Conf.*, III) that *unseemly is the part that harmonizes not with the whole*. Since then every man is a part of the state, it is impossible that a man be good, unless he be well proportionate to the common good. Nor can the whole be well consistent unless its parts be proportionate to it. Consequently, the common good of the state cannot flourish unless its citizens be virtuous, at least those whose business it is to govern. But it is enough for the good of the community that the other citizens be so far virtuous that they obey the command of their rulers. (S.T.I-II, 92, a1).

Each part naturally loves the common good of the whole more than its own particular good. This is evidenced by its operation, since the principal inclination of each part is towards common action conducive to the good of the whole. It may also be seen in civic virtues whereby sometimes the citizens suffer damage even to their own property and persons for the sake of the common good....

Therefore man ought, out of charity, to love God, who is the common good of all, more than himself: since happiness is in God. (S.T. II-II, 26, a3)

Some have held that prudence does not extend to the common good, but only to the good of the individual, and this because they thought that man is not bound to seek other than his own good. But this opinion is opposed to charity, *which seeketh not her own* (1 Cor. 13:5), wherefore the Apostle says of himself (I Cor 10:33): *Not seeking that which is profitable to myself, but to many that they may be saved*. Moreover, it is contrary to right reason, which judges the common good to be better than the good of the individual. (S.T. II-II, 47, a10)

He that seeks the good of the many, seeks in consequence his own good, for two reasons. First, because the individual good is impossible without the common good of the family, state or kingdom. Secondly, because, since man is a part of the home and state, he must needs consider what is good for him by being prudent about the good of the many. For the good disposition of parts depends on their relation to the whole. (S.T. II-II, 47, a10).

Boethius, in defining happiness, considered happiness in general: for considered thus it is the perfect common good; and he signified this by saying that happiness is a *state made perfect by the aggregate of good things*, thus implying that the state of a happy man consists in possessing the perfect good.... In that state of happiness, man's mind will be united to God by one, continual, everlasting operation. But in the present life, insofar as we fall short of the unity and continuity of that operation, so do we fall short of perfect happiness. (S.T.I-II, 3, a2)

The last end of human life is bliss or happiness.... Consequently, the law must needs regard principally the relationship to happiness. Moreover, since every part is ordained to the whole, as imperfect to perfect; and since one man is a part of the perfect community, the law must needs regard properly the relationship to universal happiness.... Consequently, since the law is chiefly ordained to the common good, any other precept in regard to some individual work, must be devoid of the nature of a law, save insofar as it regards the common good. (S.T.I-II, 90, a2)

As noted in the discussion of Catholic views of justice *supra*, the concept of common good has been frequently referenced in the official social teaching with respect to distributive and social justice, and to limitations on property rights. Pope Pius XI observed that the moral law (justice) links mankind's particular economic aims to the "universal teleological order," which leads man to God, "our highest and lasting good." He further asserted that limitations could be justly imposed on private property rights for

the sake of the common good; that the distribution of goods in society should conform to the common good and to social justice; and that public institutions must make human society conform to the common good (*i.e.* to the standard of social justice). Pope John XXIII taught that the common good is one factor to be used in determining the just wage. Pope John Paul II invoked the common good (as well as the good of groups) in announcing the Church's preferential option for the poor. The U.S. Bishops in their pastoral letter stated that the "obligation to 'love our neighbour' has an individual dimension, but also requires a broader social commitment to the common good."

It would be useful to summarize briefly the core concept of common good in the Church's modern teaching, as reflected in pronouncements of the Second Vatican Council, and the encyclicals *Mater et Magistra* and *Pacem in Terris* of Pope John XXIII, which clearly reflects the teaching of Aquinas:

Because of the increasingly close interdependence which is gradually extending to the entire world, we are today witness of an extension of the role of the common good which is the sum total of social conditions which allow people, either as groups or individuals, to reach their fulfilment more fully and more easily. The resulting rights and obligations are consequently the concern of the entire human race. Every group must take into account the needs and legitimate aspirations of every other group, and even those of the human family as a whole. (G.S. 26) <sup>131</sup>

A sane view of the common good must be present and operative in men invested with public authority. They must take account of all those social conditions which favour the full development of the human personality. Moreover, We consider it altogether vital that the numerous intermediary bodies and corporate enterprises – which are, so to say, the main vehicle of this social growth – be really autonomous, and loyally collaborate in pursuit of their own specific interests and those of the common good. For these groups must themselves necessarily present the form and substance of a true community, and this will only be the case if they treat their individual members as human persons and encourage them to take an active part in the ordering of their lives. (M.M. 65)

Any adjustment between wages and profits must take into account the demands of the common good of the particular country and of the whole human family. (M.M. 78)

What are these demands? On the national level, they include: employment of the greatest possible number of workers; care lest privileged classes arise, even among workers; maintenance of equilibrium between wages and prices; the need to make goods and services accessible to the greatest number; elimination, or at least the restriction, of inequalities in the various branches of the economy – that is, between agriculture, industry, and services; creation of a proper balance between economic expansion and the development of social services, especially through the activity of public authorities; the best possible adjustment of the means of production to the progress of science and technology; seeing to it that the benefits which make possible a more human way of life will be available not merely to the present generation but to the coming generations as well. (M.M. 79)

The demands of the common good on the international level include: the avoidance of all forms of unfair competition between the economies of different countries; the fostering of mutual collaboration and good will; and effective co-operation in the development of economically less advanced communities. (M.M. 80) <sup>132</sup>

The attainment of the common good is the sole reason for the existence of civil authorities. In working for the common good, therefore, the authorities must obviously respect its nature, and at the same time adjust their legislation to meet the requirements of the given situation. (P.T. 54)

Among the essential elements of the common good one must certainly include the various characteristics distinctive of each individual people. But these by no means constitute the whole of it. For the common good, since it is intimately bound up with human nature, can never exist fully and completely unless the human person is taken into account at all times. Thus, attention must be paid to the basic nature of the common good and what it is that brings it about. (P.T. 55)

The common good is something which affects the needs of the whole man, body and soul. That, then, is the sort of good which rulers of states must take suitable measure to ensure. They must respect the hierarchy of values, and aim at achieving the spiritual as well as the material prosperity of their subjects. (P.T. 57)

The common good is best safeguarded when personal rights and duties are guaranteed. The chief concern of civil authorities must therefore be to ensure that these rights are recognized, respected, co-ordinated, defended and promoted, and that each individual is enabled to perform his duties more easily. (P.T. 60) <sup>133</sup>

This official teaching of the Catholic Church was continued and amplified in the encyclicals of Pope John Paul II, particularly *Sollicitudo Rei Socialis* (36, 38) and *Centesimus Annus* (11, 47). The official teaching makes it clear that man is a social being, who finds fulfilment in the greater good of community well-being, rather than solely in his individual well-being. Also, man is a spiritual as well as physical being, so that the common good of society must advance his spiritual progress towards happiness, union with God, not just his physical or psychical satisfaction. Moreover, individual and collective rights are essential elements of the common good. In this respect, the Church's view of the common good differs markedly from secular ethical perspectives (as discussed above) as the aggregate utility of individuals (without a clear vision of the goal of human life) or the sum of individual preferences (without a consideration of the hierarchy of values and virtues).

The Catholic ethicists Michael Naughton, Helen Alford and Bernard Brady have examined the concept of the common good with particular reference to corporations. They point out that the full theological vision of the common good cannot be manifested in corporate organizations, since human development and fulfilment transcend such organizations, and is found ultimately and completely only through union with God. A real danger exists in identifying one's life totally in terms of one's work in a corporation, however socially useful it may be, although at the same time "it is through the organization, in part, that our ultimate end, namely union with God, is reached."<sup>134</sup>

Naughton, Alford and Brady acknowledge that the stakeholder engagement model of corporate decision-making represents ethical progress beyond the wealth maximization model, because it recognizes the rights of individuals and constituencies (in addition to

shareholders) that are affected by corporate decisions to have their interests taken into account in those decisions. However, stakeholder engagement processes cannot of themselves produce decisions that are truly for the common good. This is because stakeholder engagement processes attempt to accommodate (through various trade-offs) a multitude of individual interests that are “undifferentiated in their importance and unconnected to the community.” The Catholic social teaching, on the other hand, makes it clear that individual claims (or rights) only have meaning within the context of the common good. Naughton, Alford and Brady propose that the ethical norm of common good should complement the norm of stakeholder rights in the stakeholder engagement process. They conclude that “while rights, freedom and autonomy are essential factors in the common good, they cannot serve as substitutes for the common good.”<sup>135</sup>

Naughton, Alford and Brady observe that the norm of common good needs to be integrated with the corporate long-term self-interest. For corporations must survive and succeed as institutions, if they are to contribute effectively to the common good. However, the vague and imprecise norm of common good is not easy to combine with the precise and easily measurable norm of maximizing shareholder wealth. Naughton, Alford and Brady conclude that the appropriate responsibility of and challenge to corporate management is to integrate the relatively straight-forward task of maximizing profits with the more complex and problematic task of optimizing the corporation’s contribution to the common good. To achieve this objective, corporations will require the collective virtue of “practical wisdom.”<sup>136</sup>

## ***Protestant Views of the Common Good***

Traditionally, Protestant references to common good as an ethical norm have generally been less extensive than in the Catholic tradition. However, It was noted, in the discussion of Protestant views of justice *supra*, that considerations of the common good led Luther to reserve certain prerogatives for the state related to acting for the social and economic well-being of society. Calvin enjoined Christians to work towards achieving the reality of the “holy community,” which would be able to change the world as no individual could, in other words to engage in a collective pursuit of the common good. The Anabaptists refrained from endeavouring to achieve the common good for society overall and concentrated on the common good of their own communities.

Modern Protestant discussions of social ethics have occasionally touched on the common good. Reinhold Niebuhr expressed scepticism as to whether society can be oriented through its governing structures towards the common good. Therefore, he advocated freedom for the individual as the best channel towards achieving some undefined common good. Individuals and groups should feel, according to Niebuhr, a moral obligation to act not only in their own self-interest, but also in the interest of the “general welfare.” Niebuhr considered it improbable, however, that individual and group actions in society, motivated by self-interest, would produce anything more than a maximal accretion, and probably not an optimal distribution, of human goods and services. He was certain that one thing that would not result from the aggregate of individual and group actions is moral and spiritual advancement of individuals of the larger community.

Self-interest must be allowed a certain free play for the additional reason that there is no one in society good or wise enough finally to determine how the individual's capacities had best be used for the common good...

If each group were merely intent upon its own interest and if it used general concepts of justice merely as screens for these interests, the society would disintegrate into warring camps...A healthy community requires that every family and every economic and social group should have, in addition to its concern for its own welfare, some genuine devotion to the "general welfare."

We must note that man's economic activities are devoted in the first instance to the satisfaction of his primary needs of food, shelter and security. Unfortunately, of course, men bring economic effort into the support of every end, spiritual, cultural and communal.... It cannot be denied, however, that economic activity is always devoted in the first instance to these primary needs and that modern economic "rationalism" gives these needs a preference because they are...more "tangible." The proof is furnished by the fact that a nation which indubitably has the highest living standards cannot boast of the highest achievements in the moral and spiritual quality of its culture.<sup>137</sup>

The Protestant theologian John C. Bennett, in reviewing the positions taken since of 1948 by the World Council of Churches (and its predecessors), takes the view, somewhat like the official Catholic teaching, that the state alone has "the power and authority under God to act as trustee for society as a whole." He argues, further, that "decision-makers in the private sector must accept accountability for the impact of their decisions upon the whole society." In other words, corporations are morally obligated to incorporate considerations of the common good into their decisions and actions. However, corporations cannot be counted on to recognize and accept their obligations to act for the common good. Consequently, Bennett concludes, in line with "churches generally," that corporations "need to be subject to social and political controls by other agencies that are directly responsible to the public and dedicated to the public welfare" (common good).<sup>138</sup>

Bennett argues that over the long term, even corporations will perceive that their best interests lie in the greater good of society, including the spiritual dimension. The Christian working in a corporation has an obligation both to the common good of the corporate “family” and the common good of society overall.

It is a mistake to present the ethical problem as though it involved only conflicts of interest.... In the long run there are great areas of common interest or mutual interest.... In the long run all groups do depend on the economic well-being of the community as a whole.... None of us are “economic men,” and we do have a common interest in the moral health of the community, in its freedom from bitter social cleavages, in the stability of free political institutions, in the presence within the community of common loyalties and a sense of fellowship.

In the treatment of economic ethics from a Christian point of view the emphasis should be on the subordination of one’s own economic interest to the welfare of the community as a whole.

The Christian has to recognize that his membership in such groups (corporations) involves moral responsibilities to the group (common good) that cannot be ignored, though they should be given a secondary place in his life as a whole.<sup>139</sup>

### ***Corporate Reactions to Christian Views on the Common Good***

Corporations may be expected to have the capacity to understand one aspect of the concept of common good, as presented by Christian theologians and Church statements. For, as collectivities, the very existence of corporations implies the subjugation of individual self-interest to corporate self-interest. Moreover, the well-being of the society in which corporations operate (the “market”), the social and economic common good, is critical to the success of corporations.

Aside from economic considerations, however, corporations have difficulty comprehending the reason for subjugating their interests to some broader (perhaps spiritual) interests of society overall. Corporations, given their essential secularity, will obviously have difficulty understanding and accepting the Christian notion that the

common good of society transcends material well-being, and consists ultimately in the spiritual well-being of all members of society, through their communion with God. Moreover, as secular institutions, they have difficulty with the notion that the state through its laws and institutions should foster the spiritual advancement of all members of the community.

In general, corporations would be more comfortable with the view (expressed by Niebuhr) that the common good is best achieved by individuals freely pursuing their own spiritual well-being and that of all other individuals in the community. Most corporations (agreeing with Niebuhr) would find it difficult to accept that only the government can define and foster the common good (as apparently proposed in the papal encyclicals).

Some corporations might respond positively to the suggestion, by Naughton, Alford and Brady, that corporate judgement, or practical wisdom, is the key to integrating the nebulous norm of common good with the precise norm of maximizing shareholder wealth. This perspective reflects the view that management is an art rather than a technology, that the real challenge is not to manipulate concrete, quantifiable variables, but rather to deal effectively with abstract, unquantifiable variables.

### **Christian Perspectives on Rights**

As justified claims that individuals and groups can make upon others or upon society, "rights" according to Anderson characteristically refer to claims of power, privilege, or needed goods and services deemed to be of basic importance to human life. Anderson distinguishes moral rights, which are claims or entitlements justifiable on

moral grounds, from legal rights, which are claims on entitlements established by legal principles and rules.

Anderson notes (the view of Stackhouse) that human rights imply “a universal moral order under which all peoples and societies live,” which would appear to root the concept of rights in natural law. Yet the variety of attitudes towards rights in different cultures, along with the various understandings and critiques of rights in Western liberal thought, raises questions as to their universality, or at least as to their accessibility through reason alone, which in natural law theory should be possible.<sup>140</sup>

It has been argued (for example by Stackhouse) that certain theological principles are indispensable to the sustaining of the idea of human rights. For unless rights are viewed as sacred by virtue of man being of divine creation, they are subject to abrogation by institutions, such as governments, of human creation.<sup>141</sup>

Augustine uses the word “right”, but not it appears with precisely the same emphasis on individual entitlement that the concept conventionally assumes in contemporary ethical discourse. A “just act” is an act that is done in accord with a right. The meaning of “right”, for Augustine, appears to relate to an objective norm of just treatment, rather than to a claim on others rooted in one’s status as an individual human being. For everyone is not entitled to the same treatment, in Augustine’s view (as seen in the foregoing discussion of Christian views of justice), but everyone is entitled to appropriate treatment. There are entitlements or rights related to one’s role in society, which are particular not universal rights. Thus masters and slaves have different rights. Slaves do not have an inherent right to freedom, but they do have a right to be treated

justly. For Augustine, rights, as with justice, have their origin in the Creator, the “fountain of justice.”

Where, therefore, there is no true justice, there can be no right. For that which is done by right is justly done, and what is unjustly done cannot be done by right. For the unjust inventions of men are neither to be considered nor spoken of as rights; for even they themselves say that right is that which flows from the fountain of justice, and deny the definition which is commonly given by those who misconceive the matter, that right is that which is useful to the stronger party. (*City of God*, XIX, 21)<sup>142</sup>

### ***Catholic Views of Rights***

For Aquinas, the concept of rights is also closely related to justice. Like Augustine, Aquinas uses the word “right” (*ius*) in the sense of an objective norm of justice. Thus, to respect people’s rights, for Aquinas, means to act towards them in accord with the objective norms of justice, rather than to recognize and accept a claim to a certain sort of treatment which they possess and perceive in themselves by virtue of their personhood. As noted in the discussion of Catholic views of justice *supra*, Aquinas distinguishes between natural rights and positive (or legal) rights, the former following the norms of justice in natural law, and the latter legislated by the state or established in private contracts. While there seems to be an acceptance of some fundamental right related to one’s existence as an individual human being, the significant rights for Aquinas relate to one’s position in society.

The *right* or the *just* is a work that is adjusted to another person according to some kind of equality. Now a thing can be adjusted to a man in two ways: first by its very nature, as when a man gives so much that he may receive equal value in return, and this is called *natural right*. In another way a thing is adjusted or commensurated to another person, by agreement, or by common consent, when, to wit, a man deems himself satisfied, if he receive so much. This can be done in two ways: first by private agreement, as that which is confirmed by an agreement between private individuals; secondly, by public agreement, as when the whole community agrees that something should be deemed as though it were adjusted

and commensurated to another person, or when this is deemed by the prince who is placed over the people, and acts in its stead, and this is called *positive right*. (S.T.II-II, 57, a2)

It belongs to justice to render to each one his right, the distinction between individuals being presupposed: for if a man gives himself his due, this is not strictly called *just*. (S.T. II-II, 57, a4)

A son, as such, belongs to his father, and a slave, as such, belongs to his master; yet each, considered as a man, is something having a separate existence and distinct from others. Hence, in so far as each of them is a man, there is justice towards them in a way: and for this reason too there are certain laws regulating the relations of a father to his son, and of a master to his slave; but in so far as each is something belonging to another, the perfect idea of *right* or *just* is wanting to them. (S.T. II-II, 57, a4)

The *just*...is distinguished according to various offices, hence, when we speak of *military*, or *magisterial*, or *priestly* right, it is not as though such rights fell short of the simply right...but for the reason that something proper is due to each class of person in respect of his particular office. (S.T. II-II, 57, a4)

Catholic social teaching for long remained hesitant about the concept of human rights, as developed during the Enlightenment and expressed in the American, French and other national revolutions. This hesitancy, it seems, was partly because the enthusiastic emphasis on individual rights lacked any consideration of the importance of communal well-being or common good, and partly because the stress on rights frequently ignored individual and communal duties and obligations. Until the Second Vatican Council the official teaching only occasionally invoked rights language, because of the suspicion that it promoted individualism at the expense of the common good.<sup>143</sup>

That the state had an obligation to protect natural rights was suggested in the 1891 encyclical *Rerum Novarum* of Pope Leo XIII. As noted in the discussion of Catholic views of freedom (*supra*), the encyclical asserted the freedom of association, whereby trade unions and corporations are formed, to be a natural right. From this statement of a

particular right, the encyclical rises to a higher level of generality and refers rights in general, not specified, which the state is obligated to protect.

The state is bound to protect natural rights; not to destroy them.... Every precaution should be taken not to violate the rights of individuals and not to impose unreasonable regulations under pretence of public benefit. For laws only bind when they are in accord with right reason, and hence with the eternal law of God.<sup>144</sup>

The principal statement on social issues of the Second Vatican Council, *Gaudium et Spes*, made a general assertion of the universal obligation to protect and promote human rights:

It is for public and private organizations to be at the service of the dignity and destiny of humanity; let them spare no effort to banish every vestige of social and political slavery and to safeguard basic human rights under any political system.<sup>145</sup>

Since Vatican II, the direction of Catholic social teaching has been towards more explicit and forceful assertions of the obligation to respect and support human rights. The first full expression of human rights in the official teaching occurs in the 1963 encyclical of Pope John XXIII, *Pacem in Terris*. Here, the rights of mankind are clearly related to human dignity. Every right carries a corresponding duty, including the right of property. The encyclical enumerates and defines the following: moral and cultural rights, religious rights, vocational rights, economic rights, association rights, immigration and emigration rights, and political rights. For the purpose of this discussion, the encyclical's words on the origin and substance of rights are usefully adduced. Rights are rooted in a well-ordered society, the natural law, the dignity of the human person and the nature of human beings.

Any well-regulated and productive association of men in society demands the acceptance of one fundamental principle: that each individual man is truly a person. He is a nature, that is, endowed with intelligence and free will. As such he has rights and duties, which together flow as a direct consequence from his nature. These rights and duties are universal and inviolable. (P.T. 7)

In the economic sphere, it is evident that a man has the inherent right not only to be given the opportunity to work, but also to be allowed the exercise of personal initiative in the work he does. (P.T. 18)

A further consequence of man's personal dignity is his right to engage in economic activities suited to his degree of responsibility. The worker is likewise entitled to a wage that is suited to his degree of responsibility in accordance with the precepts of justice. (P.T. 20)

As a further consequence of man's nature, he has the right to the private ownership of property, including that of productive goods. This... is a right which constitutes so efficacious a means of asserting one's personality and exercising responsibility in every field, and an element of solidity and security for family life, and of greater peace and prosperity in the state. (P.T. 21)

It is opportune to point out that the right to own property entails a social obligation as well. (P.T. 22)<sup>146</sup>

The encyclical *Pacem in Terris* listed the principal rights acknowledged by the Church (P.T. 11 – 33):

- Life, bodily integrity, food, clothing, shelter, medical care, social services needed for disability, widowhood or unemployment
- Respect, freedom of speech and publication, freedom to choose and pursue a profession
- Culture, education
- Freedom of worship
- Freedom to choose a life path, to be head of a family or to enter the religious life
- Protection of the family, education of children
- Opportunity to work, fair conditions of work for women, adequate wages
- Private property

- Meeting and association
- Emigration and Immigration
- Political rights <sup>147</sup>

Since *Pacem in Terris*, official statements of the Catholic Church have continued to stress the inviolability of human rights. For example, the 1986 pastoral letter of the U.S. Bishops, *Economic Justice for All*, made it clear that not only governments but all institutions in society (implicitly including corporations) are obligated to safeguard human rights:

Human rights are the minimum conditions for life in community. In Catholic teaching, human rights include not only civil and political rights but economic rights.

Society as a whole, acting through public and private institutions, has the moral responsibility to enhance human dignity and protect human rights. In addition to the clear responsibility of private institutions, government has an essential responsibility in this area.<sup>148</sup>

The encyclicals of Pope John Paul II, *Laborem Exercens* (on labour rights), *Sollicitudo Rei Socialis* (on economic and developmental rights), and *Centesimus Annus* (on political and economic rights), have supported and promoted the global human rights agenda. They have also positioned the Church as a major actor in changing political situations to afford greater rights. This role of the Church was described in the Pope's reflection on the fall of the Communist powers:

An important, even decisive, contribution (to the fall of Communism) was made by the Church's commitment to defend and promote human rights. In situations strongly influenced by ideology, in which polarization obscured the awareness of human dignity, common to all, the Church affirmed clearly and forcefully that every individual – whatever his or her personal convictions – bears the image of God and therefore deserves respect. Often, the vast majority of people identified themselves with this kind of affirmation, and this led to a search for forms of

protest and for political solutions more respectful of the dignity of the person. (C.A. 22.1)<sup>149</sup>

Because of its centrality to corporate concerns, the Catholic perspective on the right of property merits separate consideration. Aquinas admitted a right of property, against the views of some that all of creation is the common property of mankind. However, while possession of private property is countenanced, its use must be for the common good. Aquinas bases the “right” of private property (not called such) on psychological, sociological and political considerations.

Two things are competent to man in respect of exterior things. One is the power to procure and dispense them, and in this regard it is lawful for man to possess property. Moreover this is necessary to human life for three reasons. First, because every man is more careful to procure what is for himself alone than that which is common to many.... Secondly, because human affairs are conducted in more orderly fashion if each man is charged with taking care of some particular thing himself.... Thirdly, because a more peaceful state is assured to man if each one is contented with his own.

The second thing that is competent to man with regard to external things is their use. In this respect man ought to possess external things, not as his own, but as common so that...he is ready to communicate them to others in their need. (S.T. II-II, 66, a2)

The encyclical *Rerum Novarum* affirmed the right of private property as essential to the well being of individuals and families. “That right of property, therefore, which has been proved to belong naturally to individual persons, must in like wise belong to a man in his capacity as head of a family; nay, such a person must possess this right so much the more clearly in proportion as his position multiplies his duties.”<sup>150</sup>

Pope Pius XI in the encyclical *Quadragesimo Anno* (1931) stated that governments could morally limit property rights for the public good. Human beings do not have an absolute right (or freedom) to acquire, hold and dispose of property.

When the civil authority adjusts ownership to meet the needs of the public good it acts not as an enemy, but as a friend of private owners; for thus it effectively prevents the possessions of private property... from creating intolerable burdens and so rushing to its own destruction. It does not therefore abolish, but protects private ownership.<sup>151</sup>

In *Mater et Magistra* (1961), Pope John XXIII extended the official Catholic understanding of the right of property, as grounded in human freedom as it pertains to individuals in society. The encyclical makes it clear that property rights extend to commercial enterprises (corporations). In general, human freedom requires that property remain in private hands, but under certain circumstances the state may also own property that produces wealth, though this freedom is limited by the principle of subsidiarity.

The right of private ownership of goods, including productive goods, has permanent validity. It is part of the natural order, which teaches that the individual is prior to society and society must be ordered to the good to the individual...It would be quite useless to insist on free and personal initiative in the economic field, while at the same time withdrawing man's right to dispose freely of the means indispensable to the achievement of such initiative. (M.M. 109)

This, of course is not to deny the lawfulness of State and public ownership of productive goods, especially those which carry with them a power too great to be left to private individuals without injury to the community at large. (M.M. 116)

The principle of subsidiary function must be observed.... The state and other agencies of public law must not extend their ownership beyond what is clearly required by considerations of the common good properly understood, and even then there must be safeguards. Otherwise private ownership could be reduced beyond measure or, even worse, completely destroyed. (M.M. 117)<sup>152</sup>

In the encyclical *Centesimus Annus*, Pope John Paul II reaffirmed the Church's doctrine of right of property, which is grounded not only in human freedom and dignity, but also in the work of creation in which humans participate.

In *Rerum Novarum*, Leo XIII strongly affirmed the natural character of the right to private property.... This right, which is fundamental for the autonomy and development of the person, has always been defended by the Church up to our

own day. At the same time, the Church teaches that the possession of material goods is not an absolute right, and that its limits are inscribed in its very nature as a human right. (C.A. 30.1)

The successors of Leo XIII have repeated this twofold affirmation: the necessity and therefore the legitimacy of private ownership, as well as the limits which are imposed on it. The Second Vatican Council likewise clearly restated the traditional doctrine... "In making use of exterior things we lawfully possess, we ought to regard them not just as our own but also as common, in the sense that they can profit not only the owners, but others too.... Private property or some ownership of external goods affords each person the scope needed for personal and family autonomy, and should be regarded as an extension of human freedom.... Of its nature private property also has a social function which is based on the law of the common purpose of goods." (C.A. 30.3)

God gave the earth to the whole human race for the sustenance of all its members, without excluding or favouring anyone. This is the foundation of the universal destination of the earth's goods.... But the earth does not yield its fruits without a particular human response to God's gift, that is to say, without work. It is through work that man, using his intelligence and exercising his freedom, succeeds in dominating the earth and making it a fitting home. In this way he makes part of the earth his own, precisely the part that he has acquired through his work; this is the origin of individual property. (C.A. 31.2) <sup>153</sup>

### ***Protestant Views of Rights***

The early reformers inherited the mediaeval view of rights, as articulated by Aquinas, with an emphasis on the obligations of justice, rather than the claims or entitlements of individuals. When Luther wrote about the conflict between the princes and the peasants, he emphasized the duty of the princes to act justly, without mention of any right of the peasants to demand or forcefully implement political change in order to secure justice. In the words of one Lutheran scholar: Luther recognizes that "the lords have Christian, brotherly responsibilities. But he does not recognize that there are any human rights to which the peasants could appeal and which the oppressed could even assert by trying to help themselves with a revolution. It is the Christian's vocation to suffer injustice and to hope (that) God will then certainly give victory to their cause."<sup>154</sup>

As seen in the examination of Protestant views on freedom (*supra*), Luther admits the right to property, but emphasizes the spiritual attitude of non-attachment. Property rights exist for the sake of freedom and love, so that, always spiritually free from possessions, one is able to become actually free by giving out of love one's property to one's neighbour in need.<sup>155</sup> Also as seen in the same section, the Anabaptists adopted a radical renunciation of individual property rights, asserting the communality of property not only within the spiritual domain but within the secular domain as well.

Like Luther, Calvin understood rights in terms of the obligations of justice. Calvin believed Christians should and could implement rights (justice) in secular society, guided by the precepts of scripture. Only occasionally did Calvin use "rights" language, as in this quotation: "The hungry are defrauded of their rights, if their hunger is not relieved."<sup>156</sup> Calvin's view that men are created in the image of God and share a common human nature is the basis for the concept of the universal equality of rights, as was later advanced more explicitly by various Protestant theologians. Stackhouse names the reformist scholar Johannes Althusius (*Politica*, 1605), the Calvinist dissident Hugo Grotius (*De Jure Belli*, 1625), and the Lutheran Samuel Pufendorf (*De Jure Naturae*, 1672), as being early Protestant articulators of various concepts of rights (antecedents, in fact, of the secular rights philosopher, John Locke).<sup>157</sup>

A modern Lutheran statement on property rights emphasizes that private ownership of property is consistent with economic and political freedom, unless so much economic power is accumulated thereby that it becomes on threat to freedom. Consistent with Luther's views, that statement asserts that to make possessions and economic power ends in themselves contradicts spiritual freedom and divine law.

The concept of property is a legal means of determining responsibility for the uses of resources and humanly produced wealth.... Property is held in trust and its holder is accountable ultimately to God and proximately to the community through its constituted authorities for the ways in which the resource or wealth is, or is not, used.

While the holder of wealth-producing property is entitled to a reasonable return, as determined contextually by the society, the holder of such property may not assert exclusive claim on it or its fruits. Justice requires that wealth be both productive and contributory to the general well being through both the provision of new opportunities and the alleviation of human need.

The obligation to serve justifies the right to possess. The Creator does not sanction the accumulation of economic power and possession as ends in themselves.<sup>158</sup>

A modern mainline Protestant statement on rights can be found in a study document prepared by the United Church of Christ in 1987, with an evident Calvinistic slant:

Scripture conceptualizes persons as moral and social beings created to live in communities linked by relationships of mutual caring and responsibility. Thus economic conditions and patterns of behaviour which exclude or oppress any part of the community are considered to be affronts to the dignity and humanity of the individual as well as the integrity and faithfulness of the community. In the Biblical view the absence of external or coercive authority has meaning only as a preliminary to facilitating individual commitment and faithfulness. Paul asks that we use our freedom as an opportunity through love to be servants of one another and to obey Christ's new covenant.

Within a Biblical context then human rights and freedom consist of the ability to have material needs satisfied, to live in meaningful communities in which members respect and care for one another, to worship and be faithful to the intentions of the God of Peace and justice...It recognizes nine dimensions of human life in which people everywhere have basic needs.<sup>159</sup>

The rights listed in the United Church of Christ document are: (1) food and clear water; (2) adequate health care; (3) decent housing; (4) meaningful employment; (5) basic education; (6) participation in community decision-making and the political process; (7) protection from torture; and (9) protection from discrimination.

A modern Protestant statement reflecting a more Lutheran perspective on rights, including the Christian sufferance of the abuse of rights and the impossibility of fully actualizing rights in the secular domain is *the Oxford Declaration on Christian Faith and Economics* of 1990:

In some cases rights language has been misused by those who claim that anything they want is theirs “by right.” This breadth of application has led some to reject rights as a concept, stating that if everything becomes a right then nothing will be a right, since all rights imply corresponding responsibilities. Therefore, it is important to have clear criteria for what defines rights...

In seeking human rights we search for an authority or norm which transcends our situation. God is that authority: God’s character constitutes that norm. Since human rights are *a priori* rights, they are not conferred by the society or the state. Rather, human rights are rooted in the fact that every human being is made in the image of God...

In affirmation of the dignity of God’s creatures, God’s justice for them requires life, freedom and sustenance...

The fact that in becoming Christians we may choose to forego our rights out of love for others and in trust of God’s providential care does not mean that such rights cease to exist. Christians may endure the violation of their rights with great courage but work vigorously for the identical rights of others in similar circumstances. However, it may not be appropriate to do so in some circumstances.

All of us share the same aspiration as human beings to have our rights protected – whether the right to life, freedom, or sustenance. Yet the fact of sin and the conflict of competing human rights means that our aspirations are never completely fulfilled in this life.<sup>160</sup>

A modern Church statement in the Anabaptist (Mennonite) tradition recognizes “rights” as being included under the concept of justice, but as not being co-extensive with justice. The statement affords priority to the rights of the poor, and notes that tension may exist between different levels of rights.

The familiar legal definitions of justice, such as “giving to each his/her due” or “equal rights under law” are not adequate to encompass the Biblical meaning.

Working to strengthen the rights of the poor and powerless in areas such as legal protection and basic economic, educational, or medical needs. This means working to empower the disadvantaged, something more difficult and more threatening than traditional programs of relief, service or development... Concern for our neighbour in some circumstances, therefore, may call for public protest, petitioning officials, supporting or challenging labour unions, encouraging rest strikes, or other controversial actions.

Additional questions include: How much protection of the rights of minorities should be enforced by the central government and at what expense to the rights of local communities.<sup>161</sup>

The World Council of Churches at its sixth assembly in Vancouver in 1983 adopted an extensive statement on human rights. This statement built on a commitment made at the fifth assembly in Nairobi in 1975 to recognize the rights of: life, self-determination, cultural identity, minorities, participative decision-making, dissent, personal dignity and religious freedom. The Vancouver statement stressed the interrelatedness of different rights, and paid particular attention to the rights of women, children, the handicapped, the politically tortured, indigenous peoples, and religious freedom and asylum. The World Council's Vancouver Assembly committed member churches to a program of action to secure rights in their "our countries and situations and in ecumenical solidarity on a regional and world level."

We appeal to the Churches to dedicate themselves with renewed vigour to raising the consciousness of the people concerning their profound responsibility for the implementation of human rights and for the demonstration of their Biblical foundation.

The churches should strengthen their work of monitoring, advocacy and study in which they are already engaged.

Among the possible initiatives that might be undertaken are the announcement of an international day of prayer for human rights, the creation of a world action week for ... the promotion of human rights, and the establishment of a series of regional and global review conferences to evaluate the work done by the churches in the field of human rights.

We urgently appeal to all governments of the world to adopt and ratify intergovernmental instruments of human rights, to respect the rights included in these agreements and to promote by all means both in law and in practice their fuller realization in every country.<sup>162</sup>

The 1975 statement of the World Council of Churches on human rights, with its extensive list of rights and its assertion of an active role of the Church to bring about the realization of rights, converges with the official teaching of the Catholic Church since Pope John XXIII. Receding into a minority position within Christian perspectives on rights appears to be the traditional view that obligations under the norms of justice are more significant than individual claims and entitlements, or that claims and entitlements which derive directly from man's status as a creature of God are limited in number and extent.

### ***Corporate Reactions to Christian Views on Rights***

From a corporate perspective, the growing use of rights language by the Churches and the growing list of rights appear to risk becoming an abusive use of the norm. As secular institutions, corporations relate relatively comfortably to concepts of rights rooted in contracts or law. Corporations may also be able to accept rights arrived at by reason (in other words, based on natural law) as norms that produce social peace and stability, or tend towards the common good. However, such rights (for example, a decent wage) would need to enjoy considerable consensus to be acceptable in principle, and even then would be subject to definitional debates.

As stated in earlier discussions of Luther's Two Kingdoms, corporations can also accept a concept of rights as ideals that may not be realizable in the world as it is actually constituted. Within this context, corporations would then tend to reject the suggestion

that they should become the advocates and promoters of such ideal rights. That obligation appears, rather, to reside with those involved with legislating and implementing laws, wherein rights achieve a reality recognizable to corporations.

Corporations can be expected to be concerned about the extent to which the right to property is circumscribed in conventional Christian perspectives by obligations related to justice, freedom the common good, and even love. However, it is possible that further examination of the obligations that Christians associate with property rights could be a point of departure for corporations in the development of a set of ethical norms based on something other than enlightened self-interest.

Multinational corporations may question the universality of certain rights, particularly if religious and cultural differences prescribe conflicting norms (for example, with respect to the treatment of women). Indeed, upon reviewing Christian history, corporations would note that not only was the theory of human rights until relatively recently quite weak in Christian theology, but the practice of rights as now espoused by the churches was very often absent in their own actions. Understandably, therefore, corporations, as observers in secular society of Christian churches and normative demands, might question whether the current Christian fixation on rights is a genuine theological insight or an accommodation with popular perceptions.<sup>163</sup>

### **Christian Perspectives on Virtue**

Virtues are “dispositions” deemed desirable or good. Anderson defines “dispositions” as a “persistent tendency or a stable readiness to speak and to act in a certain manner or way.” Virtues may also be described as “traits of character” or “habits

of the heart.” Virtues do not, therefore, equate with the precise content of human actions, but rather with human perceptions of circumstances and their significance and with the manner of the human response to those circumstances.

What defines dispositions as good is their congruence with the purpose of human life and the common good of society. In the Christian content, virtues relate to the norm of love, most fundamentally, and to all the other ethical base points in their Christian dimensions (as discussed above). Anderson explores the tension at the core of Christian virtues, illustrated in the case of love as the polarity between self-regard or self-aggrandizement and self-denial or self-sacrifice, reflecting the classical (secular) perspective on virtue as a balance between extremes.<sup>164</sup>

Augustine was much concerned with virtue as the central norm in the moral life, which he defined as the right “ordering of one’s love.” Augustine, further maintains that unless virtues are ordered hierarchically from God, they are in fact vices, thus denying the possibility of purely secular virtues (lacking reference to God). Augustine recognizes the theological dimension of certain virtues (*e.g.* faith), but finds them to be intimately related to the natural (secular) virtues of justice, temperance, fortitude and prudence. Augustine sees virtues for the Christian as not providing for happiness in this world, but as supporting the endurance necessary to achieve the next, for which reason “hope” is the central Christian virtue,

Beauty, which is indeed God’s handiwork, but only a temporal, carnal, and lower kind of good, is not firstly loved in preference to God, the eternal, spiritual and unchangeable good. When the miser prefers his gold to justice, it is through no fault of the gold, but of the man; and so with every created thing. For though it be good, it may be loved with an evil as well as with a good love: it is loved rightly when it is loved ordinally; evilly, when inordinately... so that it seems to me that

it is a brief but true definition of virtue to say, it is the *order of love*; and on this account, in the Canticles, the bride of Christ, the *City of God*, sings, "Order love within me." (*City of God*, XV, 22)<sup>165</sup>

Though the soul may seem to rule the body admirably, and the reason the vices, if the soul and reason do not themselves obey God...they have no proper authority over the body and the vices.... It is for this reason that the virtues which (the soul) seems to itself to possess, and by which it restrains the body and the vices that it may obtain and keep what it desires, are rather vices than virtues so long as there is no reference to God in the matter. (*City of God*, XIX, 25)<sup>166</sup>

They (the Romans) have made virtue also a Goddess, which, indeed, if it could be a Goddess, had been preferable to many...Why is faith believed to be a Goddess, and why does she herself receive temple and altar?...Why had not virtue sufficed? Does it not include faith also? Forasmuch as they have thought proper to distribute virtue into four divisions – prudence, justice, fortitude, and temperance – and as each of these divisions has its own virtues, faith is among the parts of justice, and has the chief place...(City of God, IV, 20).<sup>167</sup>

The very virtues of this life, which are certainly its best and most useful possessions, and all the more telling proofs of its miseries in proportion as they are helpful against the violence of its dangers, toils and woes. For if there are true virtues – and such cannot exist save in those who have true piety – they do not profess to be able to deliver the men who possess them from all miseries; for true virtues tell no such lies, but they profess that by hope of the future world this life, which is miserably involved in the many and great evils of this world, is happy as it is also safe.... And therefore the Apostle Paul, speaking not of men without prudence, temperance, fortitude and justice, but of those whose lives were regulated by true piety, and where virtues were therefore true, says "For we are saved by hope..." (*City of God*, XIX, 4).<sup>168</sup>

Love, faith and hope, while not formally classified as such by Augustine, became for later generations of Christians "theological virtues," those which are divinely given and transform the nature and purpose of all natural (secular virtues), notably the classical norms of prudence, justice, temperance and fortitude.

### **Catholic Views of Virtue**

Aquinas focussed his ethical theology on virtues, as the norms that perfect and fulfill human nature. Unlike Augustine, Aquinas admits virtues that are not divinely derived. Virtuous action appears, for Aquinas, to be impossible unless the intellect and

the will are similarly conformed to good habits. While Aquinas recognizes the possibility of secular virtues, he maintains that, whatever the appearance, God is in fact operating through such virtues. Aquinas observes that repetition is the key to establishing habits, or virtues. Most significantly, for the reaction of the sixteenth century reformers, Aquinas admits that human beings may acquire virtue through their own good works, with the divine source of such virtue remaining hidden.

Virtue denotes a certain perfection of power...The end of power is act...There are some powers which of themselves are determinate to their acts; for instance, the active natural powers. And therefore these natural powers are in themselves called virtues. But the rational powers, which are proper to man, are not determinate to one particular action, but are inclined indifferently to many: and they are determinate to acts by means of habits...Therefore human virtues are habits. (S.T. I-II, 55, a1).

The virtues of the speculative intellect are those which perfect the speculative intellect for the consideration of truth...(wisdom, science, understanding) (S.T., I-II, 57, a2)

For a man to do a good deed, it is requisite not only that his reason be well disposed by means of a habit of intellectual virtue, but also that his appetite be well disposed by means of a habit of moral virtue. (S.T., I-II, 58, a2)

A habit of opinion needs to be caused by many acts of the reason...With regard to the lower appetitive powers, the same acts need to be repeated many times for anything to be firmly impressed on the memory. (S.T. I-II, 51, a4)

It is possible by means of human works to acquire moral virtues, in so far as they produce good works that are directed to an end not surpassing the natural power of man: and when they are acquired thus, they can be without charity, even as they were in many of the gentiles. But in so far as they produce good works in proportion to a supernatural last end, then they have the character of virtue, truly and perfectly; and cannot be acquired by human acts, but are infused by God. (S.T. I-II, 65, a2).

An important qualification of the moral virtues (prudence, justice, fortitude, temperance), for Aquinas, is that they observe a mean, between excess in either direction. Moreover, Aquinas argues, particularly in the case of justice, for *epikeia* (or “*epieikia*”)

(which may be translated as “equity,” or “reasonableness” or even “moderation”). By *epikeia*, virtues are to be applied in a way that conforms to circumstances.

It is evident that the good of moral virtue consists in conformity with the rule of reason. Now it is clear that between excess and deficiency the mean is equality or conformity. Therefore, it is evident that moral virtue observes the mean. (S.T. I-II, 64, a1).

*Epikeia* is a subjective part of justice: and justice is predicated of it...since legal justice is subject to the direction of *epikeia*. Hence *epikeia* is by way of being a higher rule of human actions. (S.T. II-II, 120, a2).

It belongs to *epikeia* to moderate something, namely the observance of the law...The term *epikeia* is applied in Greek....to all kinds of moderation. (S.T. II-II, 120, a2).

For Aquinas, the virtues can be classified as those that pertain essentially to the intellect (wisdom, science or knowledge, and understanding); those which orient mankind appropriately in accord with human nature (intellect and will) with respect to human life in the world (the “classical,” “moral” or “cardinal” virtues of justice, prudence, fortitude and temperance); and the theological virtues of love, faith and hope, which direct mankind towards God and supreme happiness. All the virtues are closely interconnected, such that the intellectual virtues cannot be separated from the moral virtues. The Catholic theologian Robert Barry has provided a relatively concise summary of the relationship of the virtues according to Aquinas:

All the virtues support one another and are interdependent, and the virtue of prudence is necessary for them to realize the good. (S.T. I-II, 65, a3) While prudence perfects reason and surpasses temperance and fortitude, justice is the greatest of the moral virtues because it is closest to reason and establishes proper relationships with others. (S.T. I-II, 66, a4) Fortitude controls anger, while justice and charity perfect the will. (S.T. I-II, 57, a1) And temperance regulates and perfects our drives for sexual pleasure, food and drink. (S. T. I-II, 60, a4)

The cardinal virtues perfect as according to natural principles, while the theological virtues do so from supernatural grounds (S.Y. I-II, 2, a1).

Aquinas devotes much attention to the acts and attitudes that cause conflict and strife in society, and he believes that charity in all of its dimensions is the key to establishing and protecting social peace and prosperity (S.T. II-II, 37, a1). Peace is tranquillity resulting from order (S.T. II-II, 29, a1), and it is only possible where the appetites are directed at what is truly good (S.T. II-II, 29, a1). He argues that true peace cannot take place among those who are evil, but only among the virtuous (S.T. II-II, 29, a1).... Peace is a work of justice because justice removes the obstacles to peace, but it is primarily a work of charity, which causes peace by its very nature (S.T. II-II, 29, a3).

Aquinas devotes much attention to the virtues of beneficence, magnanimity, liberality, and almsgiving because they are acts of friendship that foster the common good and society's unity (S.T. II-II, 31, a1).<sup>169</sup>

The perspective of Aquinas is reflected in the contemporary teaching of the Catholic Church. Pope John Paul II in his 1993 encyclical *Veritatis Splendor* (1993) restated the Church's view that virtues were available to mankind through the perfection of human nature. This perspective is repeated in the *Catechism of the Catholic Church*, which also relates the moral (or cardinal) virtues to the appropriate human orientation towards economic matters. It is interesting that "solidarity" is identified as a virtue, one that is only applicable to collectivities of human beings.

Knowledge of God's law in general is certainly necessary, but it is not sufficient: What is essential is a sort of "connaturality" between man and the true good. (S.T. II-II, 45, a2). Such a connaturality is rooted in and develops through the virtuous attitudes of the individual himself: prudence and the other cardinal virtues, and even before these the theological virtues of faith, hope and charity, this is the meaning of Jesus' saying: "He who does what is true comes to the light" (Jn 3:21). (V.S. 64.1)<sup>170</sup>

Human virtues are firm attitudes, stable dispositions, habitual perfections of intellect and will that govern our actions, order our passions and guide our conduct according to reason and faith. They make possible ease, self-mastery and joy in leading a morally good life. The virtuous man is he who freely practices the good.

The moral virtues are acquired by human effort. They are the fruit and seed of morally good acts; they dispose all the powers of the human being for communion with divine love.

Four virtues play a pivotal role and accordingly are called “cardinal”: all the others are grouped around them, they are: prudence, justice, fortitude and temperance...

Human virtues are acquired by education, by deliberate acts and by a perseverance ever-renewed in repeated efforts that are purified and elevated by divine grace. With God’s help, they forge character and give facility in the practice of the good. The virtuous man is happy to practice them.<sup>171</sup>

In economic matters, respect for human dignity requires the practice of the virtue of *temperance*, so as to moderate attachment to this world’s good; the practice of the virtue of *justice*, to preserve our neighbour’s rights and render him what is his due; and the practice of *solidarity*, in accordance with the golden rule and in keeping with the generosity of the Lord who “though he was rich, yet for your sake...became poor so that by his poverty, you might become rich.” (2 Cor 8:9).<sup>172</sup>

Virtue, in the traditional Catholic social teaching, is indispensable for the achievement of the moral objectives of human beings, including the achievement of corporate goals. The encyclical *Centesimus Annus* identifies the virtues that should be present in the corporation.

Important virtues are involved in this process such as diligence, industriousness, prudence in undertaking reasonable risks, reliability and fidelity in interpersonal relationships as well as courage in carrying out decisions which are difficult and painful, but necessary both for the overall working of a business and in meeting possible setbacks. (C.A. 32.3)<sup>173</sup>

The traditional Catholic emphasis on virtue as the central ethical norm has been criticized by some scholars as the “bag of virtues approach,” which isolates different personality traits and thus tends to lose the integrity of character. There appears to be an implicit encouragement of individuals to emphasize one virtue, such as temperance, in one aspect of life, such as eating and drinking, and another virtue, such as justice, is another aspect of life, such as interpersonal relations. It has been suggested that emphasizing one central virtue, such as justice, of which all others could be interpreted or

described as aspects, would confirm the coherence of the human character and all human acts. Such a suggestion, of course, has its roots in the perspective of Plato.<sup>174</sup>

The Catholic response to the problem of a “compartmentalized morality” as implied in the “bag of virtues” has been to emphasize that human actions are not isolated events but manifestations of a fundamental orientation in life, which virtues both follow from and help form (a truly virtuous circle). This fundamental orientation results from a free human choice, to orient one’s life either towards the other, ultimately towards God, or towards oneself (and creaturely things). Particular individual acts reflect that fundamental orientation and tend to develop habits of action, or traits of character, called virtues.<sup>175</sup>

### ***Protestant Views of Virtue***

From the time of the Reformation, Protestants have been suspicious of virtue-centred ethics because of the implication that human beings can to some extent achieve perfection, or save themselves, through their own efforts (or “works”). This appeared to be the heresy of Pelagianism, against which Augustine battled. Luther’s doctrine of justification by faith did not, however, totally dismiss the concept of virtue. Rather, for Luther, human beings, became virtuous (became just or were justified) through God’s grace given through faith, and not through their own efforts.<sup>176</sup>

While Luther did not use the terminology of virtue, he embraced the idea that the inner disposition, attitude or orientation of the Christian is a key ethical norm. This is especially clear in Luther’s interpretation of the ethical significance of the Sermon on the Mount. For Luther, the beatitudes are not just counsels of perfection for those who are

called to withdraw from the world to practice a more demanding set of Christian norms and to achieve a higher degree of holiness in communities apart, as Catholics and Anabaptists both maintained. Nor are the beatitudes a prescription for a reformation of all of secular society, as some Calvinist enthusiasts were to advocate. Rather, for Luther, the Sermon on the Mount prescribes an attitude or inner orientation that every Christian should possess as a disposition, most fundamentally a detachment from the things of the world. The correct disposition for the Christian is to be “spiritually poor in our hearts” or “spiritually forsaking everything.” This disposition then expresses itself as situations require. Luther is careful to stipulate that acting virtuously in this manner is not a human achievement, but rather an expression of God’s grace, through which the Christian is correctly oriented. God himself presents to the Christian those situations to which he must respond with heroic virtue.<sup>177</sup>

Consistent with his view of the Two Kingdoms, Luther differentiated the private and official obligations of the Christian to act in conformity with his inner disposition. In his private life, the Christian is clearly obligated to express his inner disposition, as prescribed in the Sermon on the Mount. For example, in his discussion of marriage, Luther observed that moderation and fortitude (two virtues, though not described as such) are the appropriate Christian dispositions.<sup>178</sup>

On the other hand, Luther maintained that the Christian who exercises public office is not obliged to express his inner disposition in all his choices or actions. For example, Christians are called to be free of anger and should act accordingly in all private matters, but where exercising the authority of public office (whether as magistrate or parent) expressions of anger are as acceptable as God’s own anger, which he expresses

through his representatives in official positions. For Luther, this tension between the Christian's personal disposition or attitude and his objective activity, as directed by the demands of justice in the secular world, reflects a tension in God himself, who uses force against those who rebel against him while burning with love for them.<sup>179</sup>

Luther, like Aquinas, regarded *epieikia* (equity, reasonableness or moderation) to be an essential disposition (virtue) for the ethical administration of justice. For Luther, "the strictest law is the greatest injustice," and "the law must leave room for love." Also, like Aquinas, Luther sees *epieikia* as not a specifically Christian principle (though it allows the expression of Christian attitudes in the administration of judicial functions), but a principle that is universally valid on the basis of natural law.<sup>180</sup> Unlike Aquinas, however, Luther does not seem to advocate moderation for other inner dispositions (or virtues) of the Christian, which in their perfect form are as absolute as the prescriptions of the Sermon on the Mount.

Calvin agreed with Luther that the fundamental orientation of the Christian and his consequent dispositions and attitudes are divinely infused through justification and sanctification. Calvin dealt more extensively than Luther in analyzing the virtuous qualities that characterize the Christian. For Calvin the essential disposition of the Christian is "moderation" or "temperance," which restrains excessive zeal, and which marks the Christian's behaviour by such characteristics (virtues) as sobriety, meekness, patience, prudence, frugality and liberality. The Calvin scholar Ronald Wallace has described Calvin's integration of the virtues, as well as their implications for economic life:

An essential element in the ordered Christian life is the moderation of all passion, appetite and zeal, no matter how good and well directed such zeal, and the passion which accompanies it, might be. Calvin finds in Holy Scripture a “rule of temperance,” and he can state categorically that all intemperance of the flesh is evil. In his view the Christian man is one who can so moderate all his passions and desires and ambitions that sobriety, meekness and prudence mark his behaviour.

According to Calvin, a Christian, even though he has means to do otherwise, should live in a “sober and frugal manner.” Even though we have liberty to use this world freely our aim must be “to indulge as little as possible,” curbing luxury and cutting out all show of superfluous abundance.

The practice of moderation in the Christian life will find expression not only in the deliberate avoidance of all such excess but in the more positive exercise, by such moderation, of what are sometimes called Christian “virtues.” Though Calvin himself never attempted to classify “virtues” or to set the cultivation of virtues as the aim of Christian living, it is obvious from his teaching that modesty, patience and prudence can all be discussed together as different aspects of Christian moderation.

An important aspect of Christian moderation is contentment with our lot. Humility and modesty will constrain us to confine ourselves within the bounds of our own calling.

Contentment is however no easily-acquired virtue.... Contentment is indeed a virtue so contrary to our natural tendency to break through the limits which God sets to us, that it can only be the fruit of a real and complete surrender to the will of God, after which we can accept even ill-health, poverty and dishonour peaceably. It is important that we should remember that in placing us where we are in life God is testing our obedience which can be proved in reality only by such an attitude of submission and contentment.

Calvin appeals often for prudence even in Christian giving and in the exercise of charity towards the poor.... One of the main reasons why we are given wealth is that we may employ ourselves in the service of God by helping others. Moreover, to give to others is the best way of checking our own tendency to use our wealth for ourselves intemperately but here there is a need for discrimination. It is the teaching of our Lord that His disciples should be “generous rather than prodigal” in their giving, though they must be unwearied in their prudent generosity. It is folly rather than generosity to give money without careful regard for the worthiness and the need of those to whom it is given. We must not be led astray by the fanatics “who think that you have done nothing unless you have stripped yourself of everything.”

As a result of his teaching on both spending and giving, it is obvious that Calvin has at times to recommend the saving of money. “To keep what God has put in

our power, provided that, by maintaining ourselves and our family in a sober and frugal manner we bestow some portion on the poor, is a greater virtue than to squander all.” (Comm. on Mark 10:21). Calvin does not tackle the problem of immoderation in the mere amassing of wealth – of how to get rid of immoderate savings under his system of restricted giving and spending. But undoubtedly under modern conditions he would have been forced by his own logic to call for moderation in bank accounts and in investments – and even perhaps in business enterprises.<sup>181</sup>

The early Anabaptists stressed the importance of Christian behaviour in a manner that implied certain virtues, without in any way cataloguing or analyzing virtues as such. For the Anabaptists, love of God and neighbour is the source of all virtuous dispositions and actions, which are practised and reinforced through life in a Christian community. Ulrich Stadler, for example, described the habits of behaviour and inner attitudes of the Christian in terms of contentment, patience, detachment, generosity, and service to each other:

Whoever strives for the lofty things (of this world) does not belong (to the Christian community)...For how does it make sense that all who have here in this pilgrimage to look forward to an inheritance in the Kingdom of their Father should not be satisfied with their bodily goods and gifts? Therefore, they also live with one another where the Lord assigns a place to them, peaceably, united, lovingly, amicably, and fraternally, as children of one Father.

In order to hold in common all the gifts and goods which God gives and dispenses to his own, there must be free, unhampered, patient and full hearts in Christ.

It is true abandon to yield and dispose oneself with goods and chattels in the service of the saints. It is also the way of love.

In brief, a brother should serve, live and work for the other, none for himself.<sup>182</sup>

One modern Mennonite scholar has noted that the Anabaptist emphases on fraternity in community and conformity to shared communal values results in a de-emphasis on the sort of individualism, innovation and independent thinking which are essential to competitive free-enterprise. The absolutist ethical norm of Mennonites

appears, therefore, to be incompatible with the ambiguities of the corporate sector, with its aggrandizement of collective and individual wealth.<sup>183</sup>

The 1983 statement by the General Conference of the Mennonite Church does not deal explicitly with virtues, but with human motivations, noting that the test for all actions should be whether they are out of love or out of personal or corporate acquisitiveness. In this statement, honesty, judgement, understanding, kindness and forgiveness are identified as dispositions or orientations associated with love.

The question calls first for a searching of our motivations. Are we acting on the basis of Christlike love and concern or are we acting for personal or corporate gain? Because we so easily deceive ourselves, the need for help of fellow Christians in clarifying our motives is critical.

The question also explores actual results because love finally is something we do. While genuine care for others is vital, sentiment and good intentions are not enough. What we do or say needs to have a reasonable expectation of bringing benefit to the other.

Without doubt love is complex. Is it more loving to overlook others' greed or to confront them with the injustice of their actions? What sort of honesty is needed? Sensitive judgement is required, including understanding of particular circumstances, in order to decide on the right course.

Pay attention to Biblical teachings which are given as guides for helping others such as honesty, kindness, non-judgmental attitudes, and forgiveness.<sup>184</sup>

The same Mennonite statement also makes it clear that there are certain types of corporations or corporate environments in which it would be inappropriate for a Christian to work, where he could not act in a manner consistent with love and Christian virtue, or where his character might be influenced negatively by his corporate environment. Christians can remain in secular organizations only in the expectation that they can transform them (ethically) from within. The Christian is called to try to shape the culture (or collective virtues) of the corporation in which he may find himself.

Serious questions arise if the organization, profession or business in which we work has goals which differ from Christian values. The decision about involvement may be determined by the particular policies of the organization, the possibilities open for shaping policies, and the role which we have an opportunity to fill. If one is required to engage in dishonesty, for example, the issue is clearly drawn for the Christian. Specific protests would be necessary followed by resignation if the protest is unheeded. If one is able with integrity, however, to influence policy in ways beneficial to the poor, there may be good reasons to continue with the organization.

Involvements in impersonal organizations may affect the well-being of many whom we never see.... We confess that our involvements in the world too often contribute to injustice and conflict rather than to justice and peace. We are too readily moulded by the norms of the institutions and structures around us.

Because they perpetuate war or other injustice, some institutions will be viewed as incompatible with Christian standards for secular involvement. The military is the institution which Mennonites have seen most clearly in this category. Others, however, should be added such as industries producing harmful products, media which devalue individual worth, and companies whose success depends on exploitation of the powerless.<sup>185</sup>

In recent years the ethics of virtue has received more attention from Protestant theologians. Two examples of current Protestant thinking on virtue will be considered: J. Philip Wogaman and Stanley Hauerwas.<sup>186</sup>

Wogaman emphasizes that a person's character is more than the sum of his various dispositions, be they the result of genetics, socialization or self-discipline. "To be a moral self is to be centered...It is to be a person of integrity, one who is capable of thinking and acting coherently on the basis of what one takes to be the ultimate good."

Wogaman identifies four entry points to a theological perspective on Christian character:

(1) man is created in the image of God (with rationality, freedom, transcendence and creativity); (2) man is a fallen creature (with self-centredness); (3) man has been redeemed (transformed by grace from self-centredness into joyous confidence and freedom; and (4) man has the potential for moral and spiritual growth (sanctification).

Within this Christian perspective, according to Wogaman, all the virtues are aspects of love, and cultivating these aspects intentionally can be a way of habituating ourselves toward a loving response and away from a self-centred response. For example, “in cultivating the virtue of patience, we intentionally resist temptations towards premature abandonment of important struggles or toward giving up on other people.... In cultivating the virtue of kindness, we intentionally resist the tendency to inflate ourselves at the expense of others by arrogance or rudeness.” While identifying the source of Christian virtue as divine love, Wogaman recognizes that human beings are creatures of habit, and that character is largely determined by the pattern of past attitudes and actions. Moreover, it is life in community, interrelationships with others, which ultimately defines virtue and fosters its development. For Wogaman, virtue outside its communal context is a “mere abstraction.” Finally, Wogaman maintains that good character is intrinsically good, not good because it produces some good result. For Wogaman, Christians are called to be good, not just to do good.<sup>187</sup>

Stanley Hauerwas has strongly emphasized the communal nature of Christian virtues, in a Church which stands in contrast to the world as a witness, confronting the world “with its machines and irrationality,” and indeed enabling the world to understand itself. For Hauerwas, the Church is a natural institution, similar in that respect to other forms of human association, but oriented according to certain fundamental convictions. “Nature provides the context for community but does not determine its character.”

Hauerwas argues that all human communities require virtues to be sustained, virtues such as mutual trust, a shared hope in the future, and committed relationships (implying a sustaining love). In a profound sense, therefore, the “theological virtues” of

faith, hope and love are natural, as they are essential for any institution to thrive. For Christians, of course, the theological virtues have a specific meaning. Christians, moreover, as pilgrims through time, require certain specific virtues. Patience, according to Hauerwas, is one of the most needed virtues if Christians are to remain witnesses as a peaceable people – through the interminable violence of the world. Otherwise, Christian hope may easily turn into either fanaticism or cynicism. For Hauerwas, the virtues of patience and hope are essential for people who must “live without control,” who do not assume that their aims as Christians is “to make history come out right.”

Hauerwas concludes that “the task of the Christian people is not to seek to control history, but to be faithful to the mode of life of the peaceable kingdom.” With a hint of Luther’s Two Kingdoms, Hauerwas describes how virtue limits the Christian in any effort to improve secular society:

Nowhere is the necessity of the inter-relation of hope and patience better seen than in questions of justice. For it is a matter of justice that those who are hungry should be fed, that those who are abandoned should be cared for, that those who have been oppressed and maltreated should be freed and respected. Yet we know that while justice demands all these things, we live in a world where injustice seems to dominate. The hungry are fed, the abandoned cared for, the oppressed freed, it seems, only if there are enough resources that justice may be done without anyone else feeling the pinch.

How can we continue to face the poor without feeling the need to resort to coercion to see that even minimal justice is done? Moreover there is no question that violence works in some circumstances to relieve the burden of the poor. Indeed, one of their primary weapons is violence, since they are a people with nothing to lose – and such people are the most threatening of all for those of us who have something to lose.

But the justice the Church seeks is not derived from envy or fear.... Christians cannot seek justice from the barrel of a gun....As Christians we seek not so much to be effective as to be faithful – we, thus, cannot do that which promises “results” when the means are unjust.

We must be a people who have learned to be patient in the face of injustice. But it may be objected: Surely that is too easily said if you are not the ones suffering from injustice.... If we are to be hopeful and patient people in a world of injustice, however, we cannot just identify with the "cause" of the poor, we must be like the poor and powerless.<sup>188</sup>

### ***Corporate Reactions to Christian Views of Virtue***

From the perspective of a corporation, the various Christian perspectives on virtue appear to be oriented primarily to defining the character of the individual, and only secondarily to defining the character of a collectivity of individuals. However, Catholic social teaching especially in *Centesimus Annus*, as well as the views of the Mennonites and of Hauerwas points towards a communal form of virtue.

That virtue should refer to the quality of a person's *being*, rather than to his *doing*, is understandable and acceptable within the corporate sphere of reference, but not highly relevant to the corporation's interest, which focuses on the consequence of virtue, or the results of specific decisions and actions. Corporations make great efforts to create certain patterns of activity among employees, through various inducements and reinforcements, without considering the implications of the extent to which they are creating habits of thought and action, which equate with the character, or being, of those individuals. Even without such explicit corporate efforts, the relationship of individuals in the corporate community in some manner (positively or negatively) moulds their characters. That virtues exist in the natural order, as proposed by Aquinas, is empirically verifiable in the corporate world, with the question for corporations being: "What virtues are central to the success of the enterprise?"

The intellectual virtues (wisdom, science and understanding) and the cardinal or moral virtues (prudence, justice, fortitude and temperance), as proposed by Aquinas,

would appear to be acceptable within a corporate sphere of reference, as would the virtues of faith, hope and love (in their natural form), as proposed by Hauerwas. Indeed, within industrial psychology, these virtues have been translated into “core competencies” with various levels of proficiency which employees can develop through training and job experience. Thus “understanding” may translated as the core competency of “global awareness,” “prudence” as the core competency of “risk evaluation and reasonable caution”, “love” as the core competency of “relationship building.”

On the other hand, “moderation,” as espoused by Calvin, seems difficult to reconcile with the corporation’s competitive drive to create and accumulate wealth, particularly by encouraging consumer demand. It is ironic that this Calvinistic view of virtue should conflict so directly with apparent corporate interest, given the extent to which Calvinistic ethical norms, such as sobriety, frugality, and prudence, appear to contribute to the success of corporations in the free market economy.

Once again, corporations might take comfort in Luther’s Two Kingdoms, which allows convinced Christians to work within the corporate world without feeling obligated to act in conformity with the fullness of Christian virtue in making every decision and taking every action. On the other hand, corporations may feel somewhat anxious about the Mennonite view, shared by Hauerwas, that Christian virtues will always set the Christian community apart from the world, as a witness to a different way of being and a different set of priorities. For this would mean that corporations, however enlightened they may be in their decisions and actions, must always be found wanting in virtue, as institutions of secular society.

Finally, it should be noted that while Christian virtue ethics focuses primarily on the individual, it is evident that the Christian tradition admits that collectivities may be characterized by communal virtues, *i.e.* virtues held by all the individuals and regularly reinforced through their mutual interaction. The Catholic recognition of communal solidarity as a virtue is an instance in point. At present corporations mould the characters of employees not as a primary objective, but as a means to other ends (effectiveness, efficiency, profitability). Is it possible to imagine that corporations may evolve into “schools of virtue,” with a focus on moulding the character of the members of the corporate community, such that their success in the economic sphere might be taken, as it was in traditional Calvinism, as a sign of divine approbation rather than the object of their efforts?

### **Christian Worldviews: Roles of Corporations and of the Church**

The elements that could be generally considered essential to any Christian worldview are: creation, sin, redemption and the Church. Everything that exists ultimately owes its origin to a divine act of creation, and hence human beings and all of nature in some manner and to some extent reflect the being of the Creator; or in other words all of creation bears the imprint of the Creator. Through an act of free choice mankind has fallen from the original state of communion with the Creator, such that human beings are consequently inclined towards self-centredness (manifested as sin in all its dimensions), as opposed to divine centredness. Mankind has been redeemed by Christ, restored to communion with the Creator through divine grace and love. The Church is the continuing reality through history of all human beings that have encountered and accepted Christ, the Redeemer.

This simple generic Christian worldview admits many different perspectives on: (1) the nature and role of corporations as human artefacts and collectivities of human beings; and (2) the role of the Church with respect to the economic dimension of human life. This variety of perspectives can be imagined in the possible answers to the following questions.

To what extent is the reflection of the Creator, which is imprinted in human beings and nature, present in human artefacts, such as corporations? If a human being bears the *imago dei*, can his creature, a corporation, be said by extension to bear the imprint of the Creator?

To what extent is creation a continuing process, in which human beings participate as creators? Can a corporation, as a collectivity of human beings, be said to be engaged in the continuing act of creation?

To what extent can the corporation, as a collective moral agent, be said to share the human characteristic of sinfulness? Is corporate profit maximization to be considered a form of collective self-centredness?

To what extent does the redemption apply not only to human beings, but also to all of nature, and even to human artefacts such as corporations? If the redemption restored mankind to communion with the Creator, to what extent are human collectivities, such as corporations, endowed with similar potential for divinization?

To what extent are corporations recipients of divine grace and love, or does divine favour extend only to individual human beings and a restricted set of collectivities, such as families, villages, nations, armies, parishes and churches?

To what extent should Christians, individually or through the Church, become involved in the economic domain, with its essentially materialistic orientation? Is the proper role of the Church to change the secular domain or to stand apart from it? Must Christians lead their lives in two dimensions, one governed by divine precepts and one by secular ethical norms?

The following discussion will examine several pre-eminent Christian perspectives on the nature and role of corporations and on role of the Church in economic matters. This will provide certain distinctive answers to the foregoing questions, and indicate the range of possible perspectives on these matters available within a Christian context, without attempting to supply a comprehensive set of such perspectives.

### ***Catholic Perspectives on the Roles of Corporations and of the Church***

Catholic social teaching originally observed the ascendancy of large business corporations with some alarm. In the encyclical *Quadragesimo Anno*, Pope Pius XI, advocating the principle of subsidiarity, expressed concern that large corporations might replace smaller businesses unnecessarily, accumulate too much power, and perpetrate injustice behind the corporate shield. The implication is that corporations have little if any capacity to act ethically, unless subjected to guidance and regulation by government, which the encyclical advocates. The ethical failures of corporations are clearly ascribed

by the encyclical, not to a corporate moral deficiency as such, but to the sinfulness of individuals who work in and through corporations to achieve various unethical purposes.

Much that was formerly done by small bodies can nowadays be accomplished only by large corporations. Nonetheless, just as it is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish, so too, it is an injustice, a grave evil and a disturbance of right order for a larger and higher organization to arrogate to itself functions which can be performed efficiently by smaller and lower bodies.

Not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few...frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

This accumulation of power, the characteristic note of the modern economic order, is a natural result of limitless free competition, which permits the survival of those only who are the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience.

Free competition and still more economic domination must be kept within just and definite limits, and must be brought under the effective control of public authority, in matters appertaining to this latter's competence. The public institutions of the nations must be such as to make the whole of human society conform to the common good.

By original sin the marvellous harmony of man's faculties has been so deranged that now he is easily led astray by low desires, and strongly tempted to prefer the temporal goods of this world to the lasting goods of heaven. Hence comes that unquenchable thirst for riches and temporal possessions...but the condition of the economic world today lays more snares than ever for human frailty. For the uncertainty of economic conditions and of the whole economic regime demands the keenest and most unceasing straining of energy on the part of those engaged therein; and as a result, some have become so hardened against the sting of conscience as to hold all means good which enable them to increase their profits.... The regulations legally enacted for corporations, with their divided responsibility and limited liability, have given occasion to abominable abuses. The greatly weakened accountability makes little impression, as is evident, upon the conscience. The worst injustices and frauds take place beneath the obscurity of the common name of the corporate firm.<sup>189</sup>

Pope John XXIII, in his encyclical *Mater et Magistra*, re-emphasizes in accordance with the principle of subsidiarity the superior position of smaller enterprises,

and quotes Pope Pius XII in advocating employee participation in the decision processes of larger enterprises. The encyclical introduces the idea that those business corporations whose employees are able to assume responsibility have the potential to become communities of “true human fellowship.” The implication of the encyclical is that employees should be provided with moral space, where they are free to decide and act according to ethical norms.

Every man has, of his very nature, a need to express himself in his work and thereby to perfect his own being. M.M. 82)

Consequently, if the whole structure and organization of an economic system is such as to compromise human dignity, to lessen a man’s sense of responsibility or to rob him of opportunity for exercising personal initiative, then such a system, We maintain, is altogether unjust – no matter how much wealth it produces, or how justly and equitably the wealth is distributed (M.M. 83)

It is not possible to give a concise definition of the kind of economic structure which is most consonant with man’s dignity and best calculated to develop in him a sense of responsibility.... In the large concerns there should be the possibility of moderating the contract of work by one of partnership. (M.M. 84)

Employees are justified in wishing to participate in the activity of the industrial concern for which they work. It is not, of course, possible to lay down hard and fast rules regarding the manner of such participation, for this must depend upon prevailing conditions, which vary from firm to firm and are frequently subject to rapid and substantial alteration. (M.M. 91).<sup>190</sup>

A growing concern about the role in the world of large business enterprises, particularly multinational corporations, was expressed by Pope Paul VI in his encyclical *Octagesima Adveniens*. The encyclical speaks of corporations as effective moral agents with an evident incapacity to act ethically, *i.e.* for the common good, and suggests that only governments can make corporations adhere to ethical norms. It is the enterprises themselves, and not the individual moral agents operating within them, which is the subject of the encyclical’s attention.

Under the driving force of new systems of production, national frontiers are breaking down, and we see new economic powers emerging, the multinational enterprises, which by the concentration and flexibility of their means can conduct autonomous strategies which are largely independent of the national political powers and therefore not subject to control from the point of view of the common good. By extending their activities, these private organizations can lead to a new and abusive form of economic domination on the social, cultural and even political level.<sup>191</sup>

Concern about large corporations, their power and their potential for injustice, was again sounded by Pope John Paul II in the encyclicals *Laborem Exercens* and *Centesimus Annus*. These encyclicals are particularly concerned about the role of multinational corporations in developing countries, where the possibility of unjust exploitation of resources and labour is acute.

There are numerous links between individual states, links that find expression, for instance, in the import and export process, that is to say, in the mutual exchange of economic goods, whether raw materials, semi-manufactured goods, or finished industrial products. These links also create mutual dependence. (L.E. 17.2)

Such a system of mutual dependence is in itself normal. However, it can easily become an occasion for various forms of exploitation or injustice and as a result influence the labour policy of individual states.... For instance the highly industrialized countries, and even more the businesses that direct on a large scale the means of industrial production (the companies referred to as multinational or transnational), fix the highest possible prices for their products, while trying at the same time to fix the lowest possible prices for raw materials or semi-manufactured goods. This is one of the reasons for an ever increasing disproportion between national incomes. (L.E. 17.3)<sup>192</sup>

A widespread process of "decolonization" occurred, by which many countries gained or regained their independence and the right freely to determine their own destiny. With the formal reacquisition of state sovereignty, however, these countries often find themselves merely at the beginning of the journey toward the construction of genuine independence. Decisive sectors of the economy still remain *de facto* in the hands of large foreign companies which are unwilling to commit themselves to the long-term development of the host country. (C.A. 20.1)<sup>193</sup>

Pope John Paul II goes beyond criticizing the injustices perpetrated by multinational corporations to proposing the form of corporations that would promote

justice. The encyclical *Centesimus Annus* expands on the idea of corporations as a human fellowship, as suggested in Pope John XXIII's encyclical *Mater et Magistra*, and proposes that the corporation is (or should be) in its essence a community of persons. The encyclical advises, however, that a struggle will be required to bring this form of corporation into reality.

It is right to speak of a struggle against an economic system, if the latter is understood as a method of upholding the absolute predominance of capital, the possession of the means of production and of land, in contrast to the free and personal nature of human work. In the struggle against such a system, what is being proposed as an alternative is... a society of free work, of enterprise and of participation. Such a society is not directed against the market, but demands that the market be appropriately controlled by the forces of society and by the state, so as to guarantee that the basic needs of the whole society are satisfied. (C.A. 35.2)

The Church acknowledges the legitimate role of profit as an indication that the business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm's condition. It is possible for the financial account to be in order and yet for the people – who make up the firm's most valuable asset – to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm's economic efficiency. In fact the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in their various ways are endeavouring to satisfy their basic needs, and who form a particular group at the service of the whole of society. (C.A. 35.3) <sup>194</sup>

Catholic theologians have given different and quite distinctive interpretations to the Church's official teaching on the nature and role of corporations. Some have emphasized the criticism clearly dominant in the earlier encyclicals, while others have stressed the positive aspects, at least in potential, as reflected in the more recent encyclicals.

One Catholic theologian, Tim Ryan, has argued that corporations lack legitimacy as intermediary communities, and by implication as collective moral agents, because they

fail to meet the various criteria for such communities, as expressed particularly in Pope John XXIII's encyclicals *Mater et Magistra* and *Pacem in Terris*. Intermediary communities are expected to present the form and substance of true communities, and to function internally under a rule of law, or according to specific norms for decision and action. Members of an intermediary community should be considered and treated as persons (individual moral agents), should be encouraged to participate in the decisions and actions of the group, and should be allowed to co-operatively determine their own objectives. Intermediary communities are also expected, indeed obligated, to make their specific contributions to the common good (of all members as well as to society overall). Mechanisms are required, therefore, to bring the interests of intermediary communities into harmony with the needs of the greater community.<sup>195</sup>

After examining the actual form and functioning of corporations, in terms of participative decision-making of its members and owners, of internal organization and external relationships, of rational and responsible degrees and use of power, and of orientation to community needs and purposes, Ryan concludes:

Measured against the expectations of how a subsidiary community should function, the structures of the large modern business corporation examined in this study must be judged as clearly deficient. On the positive side the Catholic corporatist tradition contains a great deal of relevant wisdom about the qualities and values that corporations should be called upon to manifest both in their internal structures of government and their way in which their relationship toward society as a whole is organized.<sup>196</sup>

Ryan thus concludes that while corporations may have the potential to be legitimate intermediary communities as defined in Catholic social teaching, they as an actual fact lack that status. The implication of Ryan's conclusion is that corporations cannot as a practical matter be considered to be collective moral agents, but only

aggregates of individual moral agents, on whom rests the full burden of ethical decision-making and action, within and through corporations. However, individuals working in corporations, given their current structure and organization, are limited in their ability to participate in decisions of the corporation (and thus by implication to act ethically through the corporation). In true intermediary communities, according to Ryan, participants enjoy “basic social rights”, including the right to appropriate self-government. For corporations to achieve legitimate status as intermediary communities, then, Ryan insists that “workforce democracy” must be implemented, structures not only for participatory decision-making but for effective power sharing by all members of the corporation.<sup>197</sup>

While the reform of corporate decision-making practices proposed by Ryan might serve to bring the corporation closer to being a “true intermediary community”, it would not necessarily redefine the corporation as a collective moral agent, as the corporation could conceivably become simply a more effective channel of individual moral agency. Decisions of the corporation in Ryan’s model would apparently reflect a consensus of employees, and thus would be ethical insofar as the employees each individually decided and acted in accord with ethical norms.

The role of the Church for Ryan is “to actively engage itself in the struggle for a more legitimate structuring of the large modern business corporation,” according to the Church’s understanding of the nature and role of intermediary communities in society. This pressure on corporations from the Church should be in the direction of establishing internal structures of participation and accountability and mechanisms for external responsibility to society.<sup>198</sup> Ryan argues that in order to influence the structure of

corporate decision-making and the corporation's relationship to society, the Church needs to support and encourage the role of governments and trade unions, as institutions that have some capacity to provide countervailing force to the power and autonomy of corporations.<sup>199</sup>

At the other end of the spectrum of Catholic theological perspectives on the nature and role of corporations, Michael Novak finds in the social encyclicals of Pope John Paul II support not only for the (regulated) free market economy, but for corporations as instruments or channels of human freedom and creativity. According to Novak, the logic of Pope John Paul II's perspective on economic activity is that the image of the Creator imprinted on each individual flows into the work of human beings. Individual or collective human work is thus a form of co-creation, as divine creativity is manifested in "human intelligence and choice in invention, initiative and enterprise."

Novak notes that in the encyclical *Sollicitudo Rei Socialis*, the "right to personal economic initiative", second only to the right to worship freely, flows from the "creative subjectivity" of the human person. According to Novak, the human attribute of creativity and the human right to economic initiative undergird the Church's perspective on the role of corporations in the economy. For Novak, enterprise consists of discovering, creating or discerning new products or new services that can be supplied for the utility of others.<sup>200</sup>

Novak endorses Pope John Paul II's emphasis in *Centesimus Annus* on the "community of work" and the social aspects of entrepreneurship. He extracts from the encyclical the logical foundation for corporations: "Many goods cannot be adequately

produced through the work of an isolated individual; they require the co-operation of many people working toward a common goal (C.A. 32.2).” Novak does not use the term “collective moral agency,” but the concept is clearly present in his emphasis on the encyclical’s description of a corporation as “a community of persons...at the service of the whole of society.” Moreover, the corporation, while not formally designated as such in the encyclical, may be regarded as a school of virtue, as certain moral characteristics are indispensable to the successful achievement of the corporation’s objectives (C. A. 32.3), as noted in the discussion of virtue (*supra*).

Novak recognizes that Pope John Paul II’s encyclicals are full of cautions about the moral risks and shortcomings of corporations, and he notes that both critics of corporations and enthusiasts for corporations can find inspiration and support for their views in the Pope’s encyclicals. For Novak, the fact that the encyclicals can be interpreted differently and debated is altogether appropriate, for as *Centesimus Annus* states, the Church “has no models to offer” with respect to an optimal and definitive structuring of economic systems or business corporations. Novak, in fact, welcomes papal criticism of the abuses of corporations in democratic capitalist systems. Novak summarizes his view of the role of the Church in speaking on economic matters thus:

No worldly system can ever claim to be the Kingdom of God. What good would a Church be if it didn’t constantly criticize the City of Man in the light of the City of God, *sub specie aeternitatis*?<sup>201</sup>

The Catholic Church, ever since the 1891 encyclical of Pope Leo XIII, *Rerum Novarum*, has asserted its role in fostering progressive change in economic institutions in the direction of a fuller alignment with the norms of justice and love. It is evident from *Rerum Novarum*, that Pope Leo XIII perceived the Church’s role to be not only to

instruct and admonish but to engage actively, with all its institutional resources, on behalf of economic justice, as was stated in the encyclical's discussion of the conflict between labour and capital:

We approach the subject with confidence, and in the exercise of the rights which manifestly appertain to us, for no practical solution to this question will be found apart from intervention of Religion and the Church....It is the Church that insists, on the authority of the Gospel, upon those teachings whereby the conflict can be brought to an end, or rendered, at least, far less bitter; the Church uses her efforts not only to enlighten the mind but to direct by her precepts the life and conduct of each and all; the Church improves and betters the condition of the workingman by means of numerous useful organizations; does her best to enlist the services of all ranks in discussing and in endeavouring to meet, in the most practical way, the claims of the working classes; and acts from the positive view that for these purposes recourse should be had, in due measure and degree, to the intervention of the law and of state authority.<sup>202</sup>

This affirmation of the role of the Church in economic matters has continued to be expressed in papal encyclicals, most recently by Pope John Paul II in *Centesimus Annus*:

Pope Leo XIII, in the footsteps of his predecessors, created a lasting paradigm for the Church. The Church, in fact, has something to say about specific human situations, both individual and communal, national and international. She formulates a genuine doctrine for these situations, a *corpus* which enables her to analyze social realities, to make judgements about them and to indicate decisions to be taken for the just resolution of the problems involved. (C.A. 5.4)

The Pope's approach in publishing *Rerum Novarum* gave the Church "citizenship status" as it were, amid the changing realities of public life, and this standing would be more fully confirmed later on. In effect, to teach and to spread her social doctrine pertains to the Church's evangelizing mission and is an essential part of the Christian message, since this doctrine points out the direct consequences of that message in the life of society and situates daily work and struggles for justice in the context of bearing witness to Christ the Saviour. (C.A. 5.5)<sup>203</sup>

Today more than ever, the Church is aware that her social message will gain credibility more immediately from the *witness of actions* than as a result of its internal logic and consistency. This awareness is also a source of her preferential option for the poor, which is never exclusive or discriminatory towards other groups. This option is not limited to material poverty, since it is well known that

there are many other forms of poverty, especially in modern society – not only economic but cultural and spiritual poverty as well. (C.A. 57.1) <sup>204</sup>

### ***Protestant Perspectives on the Roles of Corporations and of the Church***

The Protestant theologian John C. Bennett has observed that “it is significant that the churches seldom raise questions about the legitimacy of the private corporation as a form of economic organization as such.” Rather the churches, in Bennett’s view have focussed on the specific effects of corporate behaviour.<sup>205</sup> The issue as to whether corporations possess a collective moral agency, whether they function as aggregates of individuals or as integral communities, has not generally been a major theme in Protestant discourse on corporate ethics.

Bennett notes that churches generally reject completely the “view that corporations have as their only responsibility the maximizing of profit for shareholders.” The general view of the churches is that corporations should contribute to the general well-being and improvement of society, but to do so they must be “subject to social and political controls by other agencies that are directly responsible to the public and dedicated to the public welfare.” <sup>206</sup> Bennett thus implies scepticism on the part of the churches that corporations can autonomously act for the general well-being and improvement of society. Bennett also notes a concern on the part of the churches that the economic power of corporations might be used on behalf of social and political agendas that are contrary to the churches’ moral vision of society’s best interest.<sup>207</sup>

In reviewing the history of Protestant statements on corporations between 1930 and 1980, Bennett notes that the churches have rejected the notion of “one Christian economic system,” but have stressed certain conflicts between industrial organizations in

the free market economy and Christian faith and ethics. Firstly, corporations emphasize and enhance acquisitiveness, making wealth accumulation the criterion of success. Secondly, corporations contribute to human inequality, widening the income gap between the rich and the poor and denying equality of opportunity to have-nots. Thirdly, corporations place immense power in the hands of a few managers, creating a form of economic autocracy. Fourthly, corporations frustrate the Christian sense of vocation, as employees must work for the profit of the employer, rather than for the public good. On a more general level, the churches have observed that the free market, and specifically the freedom of corporations to invest and trade in their best interests, does not in itself contribute to the achievement of social justice, particularly in the developing world.<sup>208</sup>

Despite these inherent moral deficiencies in the corporation, Bennett notes that the churches recognize positive corporate attributes as well. He quotes from the 1954 statement of the second Assembly of the World Council of Churches, at Evanston:

The churches have been properly critical of monopolistic practices, and of the effects of irresponsible business practices on people and society generally. But they also need to understand and lay stress on the contribution which the skilled executive has to make to society, irrespective of the form of ownership or organization. At its best the business system has provided incentives for the responsible initiative and hard work which produce economic progress, and has embodied the wisdom of decentralized decisions and widely distributed power.<sup>209</sup>

The foregoing statement would appear to imply that ethical action by corporations, insofar as it is possible, is a matter of individual moral agency, the decisions of executives who manage the corporations, rather than collective moral agency. The further implication of this perspective is that the role of the churches is to provide ethical guidance to individuals who manage and work in corporations, rather than

to advise on the structuring of corporations themselves in a manner that would enhance their collective capacity for ethical decisions and actions.

Modern statements by Protestant churches continue to view corporations as powerful institutions that need to be controlled by government for the good of society. For example, the 1987 statement by the United Church of Christ, *Christian Faith and Economic Life*, while acknowledging the economic contributions with respect to products, services and professional employment opportunities, notes that governments are only partially successful in regulating corporations and that the nominal owners, the shareholders, have little control over corporate decisions and actions. This statement asserts that part of the solution to the overly powerful, socially irresponsible and publicly unaccountable nature of corporations is a radical restructuring:

The concentration of economic power in large corporations has given them influence over cultural values, elections and political processes, and even personal relationships, as well as threatening the fabric of pluralism...

The emergence of the corporation as one of the most powerful, pervasive and effective institutions in the modern world underscores the need to address the relationship between corporations and the political and social order. The Christian principles of economic justice...offer the basis for beginning to reconsider corporate roles, ownership patterns, and modes of operation in relationship to the wider society. The goals of such a reformation would be to assure the preservation of pluralism and the productivity of the corporation while promoting greater responsibility and accountability to the community, broader participation in corporate decision-making, and greater justice in the impact of the corporation on the wider community.<sup>210</sup>

A modern statement by the Lutheran Church is similarly sceptical about the ability of corporations to conform to Christian norms of justice and love. This statement, however, appears to allude to some extent of collective moral agency, noting the presence of corporate sinfulness in the form of collective self-centredness. The statement also

asserts the potential for corporate ethical action in the form of benevolence, or more specifically corporate philanthropy. However, it is clear that social justice is to be achieved through the regulation of corporations by external authorities and not by the initiative of corporations themselves. As in the previous statement, the Lutheran position is that corporations cannot act justly on their own initiative without a radical re-orientation and restructuring.

Because human beings, both individually and collectively, are self-centred, self-serving, and self-justifying, their defining and doing of justice are inevitably tainted by the rationalization of special interest. This sinful rationalization often leads to such errors as the pitting of benevolence against justice and the confusion of justice with righteousness.

Social justice should not be pitted against personal benevolence (often called charity) or corporate benevolence (often called philanthropy); but neither should benevolence be substituted for justice.

Neither personal nor corporate benevolence can accomplish what a society is required to do for its members under justice, but a society cannot remain sound if it leaves no room for benevolent acts.

Justice requires that wealth be both productive and contributory to the general well-being through both the provision of new opportunities and the alleviation of human need.

The obligation to serve justifies the right to possess. The Creator does not sanction the accumulation of economic power and possessions as ends in themselves.

We affirm the inseparability of the economy from the whole of human life. The criticism and reshaping of economic relations and institutions is a fundamentally moral task in which Christians should be actively involved.<sup>211</sup>

Several Protestant theologians have explored the communal nature of the corporation, with particular reference to the Biblical concept of covenant and the Christian concept of vocation. For example, Stewart W. Herman explores the difference between a contract-based concept of the corporation and a covenant-based concept,

noting that the latter would hold corporations to higher standards of peace, justice and steadfastness along with a responsibility to exercise moral leadership. Herman argues that the internal structure of corporations is more than a contractual relationship between management and employees, but a covenantal relationship, which he describes as: (1) a broad array of mutual “influence strategies” whereby management and employees transform the character and actions of each other; and (2) a logic of interdependence characterized by vulnerability and contingency, as well as moral agency and freedom of choice. Herman concludes that for corporations to achieve reality as covenant-based communities, a genuine and inclusive mutuality and trust must be developed among management and employees, such that relationships consistent with the covenant will strengthen, and those inconsistent (such as exploitative or exclusive attitudes and practices) will disappear.<sup>212</sup>

Max L. Stackhouse and Dennis P. McCann likewise embrace the notion that corporations may be understood in terms of covenantal relationships, however they place greater emphasis on the external relational dimension of the covenant. The covenant is essentially between the corporation and the larger community, of which corporate management and employees are also members and which they should serve. While Stackhouse and McCann attribute a high potential for ethical action to corporations, they recognize that other institutions, representing social objectives (such as health, education, environment and culture), or labour or the rule of law, can impose obligations on and demand accountability from corporations. The role of churches and of individual Christians working in corporations is to actualize the covenantal potential.

The corporation has already become the social form distinctive of every co-operative human activity outside the family, the government and personal friendships.

The business corporation, as much as any other institution, has leaped cultural and social boundaries and broken down the walls that divide people. It has found a home in societies far from its roots. Where the opportunities to form corporations are constricted or the skills to sustain them are absent, people remain in an undeveloped condition. Societies stagnate and people die for want of the ability to form corporations.

Businesses need all the spiritual and moral guidance they can get. The financial environment is in constant flux. Accountability to investors requires a devotion to efficiency that threaten other principles and goals of covenantal association.

Further, such pressures put corporations in a moral bind. On the one hand, the corporations that focus most directly on short-term bottom-line considerations are those least able to sustain the loyalty of their employees and the trust of the communities they serve. On the other hand, those that spend the most resources on benefits to promote community service and encourage the personal and social development of their employees are often the least equipped to defend themselves against hostile corporate take-overs. For them liquidation can bring a greater immediate return than quarterly performance. For business people to resign themselves to either alternative, and for the church not to address such questions, is to fall short of the covenantal implications of public theology in corporate life.

If the modern business corporation is to fulfill its calling as a secular form of covenantal community, Christian leaders must assist business people to understand the fateful choice between building an association of interdependent persons seeking to produce goods and services that benefit the commonwealth, and being reduced to an instrument with interchangeable parts, seeking maximum immediate advantage.

We can demand moral responses from (corporations), put a decent measure of loyalty and trust in them, be alert to the strong possibility of sin within them, forgive them and convert them when we find them snared in corrigible error. Further, we can encourage church people to work in them and find their callings there, precisely because they may discover valid moral principles already operative there.<sup>213</sup>

Stackhouse has also explored the concept of vocation as it might apply to a collectivity, such as a corporation. For Stackhouse, vocation implies that individuals and collectivities are called to actualize the purposes for which they have been created. The implication is that in all aspects of our existence, but especially in our work, we have

obligations to a reality greater than ourselves. Corporations, according to Stackhouse, are called to fulfill certain functions of and for humanity, and must do so with excellence and clarity of purpose, or they will be subject to attack, destruction or transformation. For Stackhouse each sector of the common life, including business corporations, are called by the Creator to “define, obey, and enhance the specific values and purposes that are proper to it.” The challenge is to correctly discern, within the context of creation and human society, one’s true vocation and the means to fulfill it.<sup>214</sup>

A comprehensive analysis of possible Judaic-Christian bases for ascribing to the business corporation collective moral personhood (a more organic designation of collective moral agency) has been done by Stacy L. Patty. The covenantal community of ancient Israel is clearly, for Patti, an example of collective moral personhood, as is the New Testament concept of the Church as the body of Christ. Patty finds in the writings of Dietrich Bonhoeffer, particularly his work *Sanctorum Communio*, a possible model with which to understand the corporation as an organic community. Patty emphasizes Bonhoeffer’s vision of the Church as a collective person that exists by virtue of the social spirit or objective *Geist* that sustains it:

This *Geist* is real only when expressed through its members, yet it is not reducible to the aggregate of the individual wills from which it arises...This objective spirit both reflects and provides the continuity to the corporate moral person, whether theological or not. It is not limited to corporate bodies such as the church (communities of meaning), but is also found as the corporate spirit within institutions of business and politics (communities of purpose).<sup>215</sup>

Patty explores another foundation for corporate moral personhood in the concept of all persons being created in the image of God. While this concept applies originally to individual human beings, Patty argues that it can also be applied to certain collectivities.

For the underlying notion of the *imago dei* is that a moral God works through moral persons to carry out divine and human purposes in the world. This concept can be extended to corporations because the functions that individual moral persons once performed are now being performed by corporations, or collective moral persons, such that it is impossible to ascribe to individual humans a precise and unique part in a corporate decision, action or product. Patty describes three aspects of moral personhood which are inherent in the concept of the image of God:

First, to be created in the image of God is to be made essentially relational. A person's identity and being is revealed and sustained through social relationships. One is not a whole person without this relational existence. Second, to be made in the image of God is to be infused with a procreative responsibility. This responsibility implies a decided interest in the future. The person who is moral, therefore, looks toward and provides for a context of life for the future. Third to be made in the image of God is to be given a stewardly role regarding the created world. Those who are moral persons are empowered to protect and sustain the life possessions that have been given to them. A central part of this stewardship, then, is the serious care for the environment.<sup>216</sup>

Patty concludes that for corporations to be truly moral persons in the image of God they must cultivate and emphasize their essentially relational character, with employees, communities, and other governmental and non-governmental institutions in society. In addition to qualify as moral persons, corporations must take a long term view of their responsibilities, and use their intergenerational continuity to provide for the well-being in the world not only of contemporary humanity but of future generations of humans as well. To be moral persons, corporations must truly act as stewards of God's creation, especially the natural environment. Finally, as moral persons, corporations must recognize that they are not only channels and instruments of God's grace, but also imperfect creatures with tendencies towards profit fixation, isolationism, selfishness and sin.<sup>217</sup>

As a practical matter, the Protestant churches have taken a lead in recent years in defining and acting on the implications of churches and corporations both being collective moral persons in relationship with each other. Churches relate to corporations, not only because church members are corporate employees and employers, customers and consumers, nor only because corporations affect moral issues in the community or the world at large that churches are concerned about, but because churches are owners, shareholders, of corporations through endowment and pension fund holdings. There is an institutional link between churches and corporations, which is altogether understandable and acceptable, not only because of the reality of the modern economy, but because of the relational character of collective moral persons in the image of God, as described by Patty. The churches would be less than whole as collective moral persons if they did not recognize and cultivate the relationship with all moral persons, including corporations.

The Canadian Task Force on Churches and Corporate Responsibility, the American Interfaith Center on Corporate Responsibility, and the U.K. Ecumenical Council for Corporate Responsibility, representing a number of Protestant churches and some Catholic religious orders, have for the past quarter century engaged in research and advocacy with respect to the ethical norms which should govern corporate behaviour. The orientation of this work has been first and foremost to prevent evil-doing by corporations, but also to broaden and deepen the corporations' own understanding of their role in society. In the ethical guidelines for corporations which the Task Force and associated institutions issued in 1998, *Principles for Global Corporate Responsibility: Benchmarks for Measuring Business Performance*, the collective vision of the role of corporations is:

Corporations, within an environment of appropriate social checks and balances, will always have a role in society which cannot simply be restricted to economic activities. As an important actor within society, and for as long as they exist, corporations have a clear stake in society's survival and good health and therefore can, and must, have a broadly focussed corporate conscience.

If corporations are unable to demonstrate to contemporary society that they are able to incorporate broader perspectives, values and objectives into their corporate goals and performance beyond what the radical liberal view of maximizing profits would allow, then the very concept of autonomous, responsible "corporate citizenship" will simply have to cede all such responsibility to overarching political structures. The incorporation of broad societal objectives does not supplant the economic, profit-driven function of the corporation but rather, to some degree, accompanies and conditions it.

If the premise that corporations have a broader social responsibility is granted, then it is important to think through how corporate internal cultures and systems can be structured so as to do justice to that responsibility. It is clearly not sufficient to simply focus on individuals within a firm, alerting and encouraging them to be "ethical." Corporate governance structures must articulate some agreement on principles and establish a system whereby such principles can be factored into the firm's decision-making process. There must be a means of monitoring performance and assuring conformity with stated principles.<sup>218</sup>

Thus within the Protestant community the theological foundation has been laid, and a program of work commenced to transform corporations into true corporate persons, authentic collective moral agents. Gradually, we may expect to see a convergence of the Catholic perspective on corporations as intermediary communities, perhaps with a role in continuing God's work of creation, and the Protestant view of corporations as covenantal communities, with a communal vocation, and corporate creatures which bear the imprint through human beings of the Creator. This understanding is new and still nebulous. Its clarification and actualization remain the work of the future.

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## **<sup>1</sup>Notes to Chapter Three**

<sup>1</sup> James M. Gustafson, *Protestant and Roman Catholic Ethics: Prospects for Rapprochement* (Chicago: University of Chicago Press, 1982), 98, 140. Gustafson notes that during the past several decades, Catholic theologians have given more attention to the relationship of doctrinal and moral theology (partially through a re-reading of Aquinas).

<sup>2</sup> *ibid.*, 13-15.

<sup>3</sup> *ibid.*, 18-19.

<sup>4</sup> *ibid.*, 14-17.

<sup>5</sup> *ibid.*, 12 and 60.

<sup>6</sup> *ibid.*, 63-65.

<sup>7</sup> Oliver F. Williams, "Introduction," in *The Judeo-Christian Vision and the Modern Corporation*, ed. Oliver F. Williams and John W. Houck (Notre Dame: University of Notre Dame Press, 1982), 5-6.

<sup>8</sup> *ibid.*, 9-10.

<sup>9</sup> J. Philip Wogaman, *Christian Moral Judgment* (Louisville, Ky: Westminster/John Knox Press, 1989), 22-23.

<sup>10</sup> Anderson, *op. cit.*, 41.

<sup>11</sup> *ibid.*, 61.

<sup>12</sup> Saint Augustine, *The City of God*, trans. Marcus Doddi (New York: Modern Library, 1950), 27, 699-700.

<sup>13</sup> All citations of the *Summa Theologica* are taken from St. Thomas Aquinas, *Summa Theologica*, trans. Fathers of the English Dominican Province, 3 vols. (New York: Benziger Brothers, 1947). References are to Part, Question and Article numbers.

<sup>14</sup> Edward Le Roy Long, *A Survey of Christian Ethics* (New York: Oxford University Press, 1967; re-issued as paperback, 1982), 48-49.

<sup>15</sup> Aloysius J. Muench, "Social Charity," in *Summa Theologica, op. cit.*, Vol. 3, 3326-3336.

<sup>16</sup> Servais Pinckaers, *The Sources of Christian Ethics*, trans. Mary Thomas Noble (Edinburgh: T & T Clark, 1955), 28, and Edward Le Roy Long, *op. cit.*, 48.

<sup>17</sup> For example, see Gregory Baum, "The Shift in Catholic Social Teaching," in *Ethics and Economics: Canada's Catholic Bishops on the Economic Crisis*, ed. Gregory Baum and Duncan Cameron (Toronto: James Lorimer and Company, 1984), 19 - 93.

<sup>18</sup> For example, see Michael Novak, *The Catholic Ethic and the Spirit of Capitalism* (New York: Free Press, 1993).

<sup>19</sup> Pope Leo XIII, *Condition of the Working Class: Encyclical Letter Rerum Novarum*, in *The Great Encyclical Letters of Pope Leo XIII* (Rockford, Ill: Tan Books and Publishers, 1995), 210, 213, 216, 217.

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- <sup>20</sup> Stephen J. Pope, "Rerum Novarum," in *The New Dictionary of Catholic Social Thought*, ed. Judith A. Dwyer (Collegeville, Minn: Liturgical Press, 1994), 830.
- <sup>21</sup> Pope Pius XI, *Encyclical Letter On Social Reconstruction: Quadragesimo Anno* (Boston: St. Paul Editions, n.d.), 21-22.
- <sup>22</sup> The natural law basis of recent papal pronouncements on social issues has been criticized by the Protestant theologian, Stanley Hauerwas, as a methodological shortcoming. He has argued that the abstract nature of encyclical pronouncements is of such a general nature that they are virtually irrelevant to policy decisions, and give the "impression that the Church, at least through the magisterial office, could speak in a historical fashion for all times and places." However, in *Centesimus Annus*, Hauerwas has noted a move beyond natural law minimalism in the direction of Christian witness to revealed truth. See Stanley Hauerwas, "In Praise of *Centesimus Annus*" in *To Do Justice and Right upon the Earth: Papers from the Virgil Michel Symposium on Liturgy and Social Justice*, ed. May E. Stamps (Collegeville, Minn.: Liturgical Press, 1993), 63, 79.
- <sup>23</sup> Pope Pius XI, *Quadragesimo Anno*, *op. cit.*, 23-25, 30-31.
- <sup>24</sup> *ibid.*, 32, 50, 52.
- <sup>25</sup> *ibid.*, 40.
- <sup>26</sup> Michael E. Allsopp, "Subsidiarity, Principle of," in Dwyer, *op. cit.*, 928.
- <sup>27</sup> e.g. Novak, *op. cit.*, *passim*.
- <sup>28</sup> John T. Pawlikowski, "Modern Catholic Teaching on the Economy: an Analysis and Evaluation," in *Christianity and Capitalism: Perspectives on Religion, Liberalism and the Economy*, ed. Bruce Grelle and David A. Krueger (Chicago: (Center for the Scientific Study of Religion, 1986) 12, which cites Msgr. George Higgins.
- <sup>29</sup> Pope Pius XI, *Quadragesimo Anno*, *op. cit.*, 44, 68.
- <sup>30</sup> Pope John XXIII, *Encyclical on Christianity and Social Progress: Mater et Magistra* (Vatican City: 15 May 1961), 11-14. Available at [www.vatican.va](http://www.vatican.va).
- <sup>31</sup> Eustas O'Heideain, "Socialization," in Dwyer, *op. cit.*, 892-893.
- <sup>32</sup> *Pastoral Constitution on the Church in the Modern World: Gaudium et Spes* in *The Basic Sixteen Documents of Vatican Council II: Constitutions, Decrees, Declarations*, ed. Austin Flannery (Northport, N.Y.: Costello Publishing Co., 1996), paragraph 29, p. 194.
- <sup>33</sup> Pope Paul VI, *Encyclical Letter on the Development of Peoples: Populorum Progressio* (Boston: Pauline Books & Media, n.d.), 12, 29.
- <sup>34</sup> Pope John Paul II, *Encyclical Letter Sollicitudo Rei Socialis*, in *The Encyclicals of John Paul II*, ed. J. Michael Miller (Huntingdon, Ind.: Our Sunday Visitor, 1996), 463, 464, 467-468.
- <sup>35</sup> National Conference of Catholic Bishops, *Economic Justice for All*, tenth anniversary edition (Washington, D.C.: United States Catholic Conference, 1997), 16-17.
- <sup>36</sup> Pope John Paul II, *Encyclical Letter Centesimus Annus* in Miller, *op. cit.*, 630, 631, 632.
- <sup>37</sup> cf. Pawlikowski, *op. cit.*, 19-23.

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- <sup>38</sup> Manuel G. Velasquez, "Ethics, Religion and the Modern Business Corporation," in *The Catholic Challenge to the American Economy*, ed. Thomas M. Gannon (New York: Macmillan, 1987), 62.
- <sup>39</sup> Paul Althaus, *The Ethics of Martin Luther*, trans. Robert C. Schultz (Philadelphia: Fortress Press, 1972), 7.
- <sup>40</sup> Martin Luther, "Treatise on Christian Liberty," in *Works of Martin Luther*, vol. 2 (Philadelphia: Holman, 1915), 331 ff., quoted in Edward Le Roy Long, *op. cit.*, 133.
- <sup>41</sup> Martin Luther, "Treatise on Good Works," sections 13 and 6, in *Luther's Works*, vol. 44, trans. W. A. Lambert and James Atkinson (Philadelphia: Fortress Press, 1966), quoted in Robin Gill, *A Textbook of Christian Ethics*, 2d ed. (Edinburgh: T& T Clark, 1995), 96 and 92.
- <sup>42</sup> Martin Luther, "Temporal Authority: To What Extent It Should Be Obeyed" in *Luther's Works*, vol. 45 (Philadelphia: Fortress Press, 1966), 89-90, quoted in Gill, *op. cit.*, 178-179.
- <sup>43</sup> William H. Lazareth, "Two Realms" in *The Westminster Dictionary of Christian Ethics*, ed. James F. Childress and John MacQuarrie (Philadelphia: Westminster Press, 1987), 634.
- <sup>44</sup> William H. Lazareth, "Lutheran Ethics" in *ibid.*, 362 – 363.
- <sup>45</sup> Martin Luther, "Trade and Usury" in *Luther's Works*, vol. 45, ed. W.I. Brandt and H.T. Lehmann, (Philadelphia: Muhlenberg Press, 1962), 245-272, quoted in *On Moral Business*, ed. Max L. Stackhouse *et al.* (Grand Rapids: William Eerdmans, 1995), 175.
- <sup>46</sup> Althaus, *op. cit.*, 28-34.
- <sup>47</sup> Gill, *op. cit.*, 189-190.
- <sup>48</sup> *ibid.*, 135-136.
- <sup>49</sup> Althaus, *op. cit.*, 131.
- <sup>50</sup> Martin Luther, "Whether Soldiers, Too, Can Be Saved" in *Luther's Works*, vol. 46, trans. Charles M. Jacobs and Robert C. Schultz (Philadelphia: Fortress Press, 1967), quoted in Gill, *op. cit.*, 296-297.
- <sup>51</sup> Ernst Troeltsch, *The Social Teaching of The Christian Churches* trans. Olive Wyon (London: George Allen & Unwin, 1931), 555, 562-3.
- <sup>52</sup> *ibid.*, 587-591.
- <sup>53</sup> *ibid.*, 609-611.
- <sup>54</sup> Long, *op. cit.*, 84-88.
- <sup>55</sup> John Calvin, "Commentary on Genesis (9:24 and 18:19)" in *Commentaries on the Old Testament* (Edinburgh: Calvin Translation Society, 1948), vol. 1, quoted in *A Calvin Reader: Reflections on Living*, ed. William F. Keesecker (Philadelphia: Westminster Press, 1985), 76.
- <sup>56</sup> John Calvin, *Institutes of the Christian Religion*, IV, 20:8, quoted in Gill, *op. cit.*, 146.
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- <sup>68</sup> Saint Augustine, *op. cit.*, 693-694.
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- <sup>70</sup> *ibid.*, 151, 152.
- <sup>71</sup> Pope Leo XIII *The Condition of the Working Classes: Encyclical Letter Rerum Novarum*, *op. cit.*, 227-228, 230, 239-240.
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- <sup>78</sup> *ibid.*, 193.
- <sup>79</sup> *ibid.*, 230; cf. 188.
- <sup>80</sup> *ibid.*

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- <sup>82</sup> *ibid.*, 268-269.
- <sup>83</sup> Althaus, *op. cit.*, 9.
- <sup>84</sup> *ibid.*, 46.
- <sup>85</sup> *ibid.*, 62.
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- <sup>89</sup> Althaus, *op. cit.*, 124-126.
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- <sup>91</sup> John Calvin, *Institutes of the Christian Religion* III, 19: 1-13, quoted in *John Calvin: the Christian Life*, ed. John H. Leith (San Francisco: Harper & Row, 1984), 35-37, 39, 45-46.
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- <sup>93</sup> Ulrich Stadler, "Cherished Instructions" in *Spiritual and Anabaptist Writers*, ed. G. H. Williams and Angel M. Mergal (Philadelphia: Westminster Press, 1957), 275-84, quoted in *On Moral Business*, *op. cit.*, 188-189.
- <sup>94</sup> Lutheran Church in America, *Economic Justice: Stewardship of Creation in Human Community*, in *On Moral Business*, *op. cit.*, 432-434.
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- <sup>98</sup> Reinhold Niebuhr, "The Christian Faith and the Economic Life of Liberal Society," *op. cit.*, 445, 450.
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- <sup>100</sup> John C. Bennett, "Protestantism and Corporations," in *The Judeo-Christian Vision and the Modern Corporation*, *op. cit.*, 97.
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- <sup>102</sup> *ibid.*, 73-74.
- <sup>103</sup> Saint Augustine, *op. cit.*, 383-384.

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- <sup>106</sup> *ibid.*, 28.
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- <sup>108</sup> Thomas of Celano's *Life of Saint Francis*, quoted in Edward A. Armstrong, *Saint Francis: Nature Mystic* (Berkeley: University of California Press, 1973; paperback, 1976), 9.
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- <sup>128</sup> World Council of Churches, *Signs of the Spirit: Official Report, Seventh Assembly* (Geneva: WCC Publications, 1991), 55, 58.
- <sup>129</sup> Anderson, *op. cit.*, 79-84.
- <sup>130</sup> Saint Augustine, *op. cit.*, 695.
- <sup>131</sup> Vatican Council II, *Gaudium et Spes*, *op. cit.*, 191.
- <sup>132</sup> Pope John XXIII, *Mater et Magistra*, *op. cit.*, 10.
- <sup>133</sup> Pope John XXIII, *Pacem in Terris*, *op. cit.*, 9-10.
- <sup>134</sup> Michael J. Naughton, Helen Alford and Bernard Brady, "The Common Good and the Purpose of the Firm: a Critique of the Shareholder and Stakeholder Models from the Catholic Social Tradition," in *Religion, Ethics and the Common Good*, ed. James Donahue and M. Theresa Moser, the annual publication of the College Theology Society, vol. 41 (Mystic, Ct.: Twenty-third Publications, 1996), 214.
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- <sup>136</sup> *ibid.*, 218, 231 (note 30)
- <sup>137</sup> Niebuhr, "The Christian Faith and Economic Life of Liberal Society, *op. cit.*, 446, 449, 455.
- <sup>138</sup> John C. Bennett, "Protestantism and Corporations," *op. cit.*, 86-87, 91, 97.
- <sup>139</sup> John C. Bennett, "Christian Ethics and Forms of Economic Power," *op. cit.*, 237-238.
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- <sup>147</sup> *ibid.*, 2-5.
- <sup>148</sup> National Conference of Catholic Bishops, *op. cit.*, 16-17.
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- <sup>150</sup> Pope Leo XIII, *Rerum Novarum*, *op. cit.*, 214.
- <sup>151</sup> Pope Pius XI, *Quadragesimo Anno*, *op. cit.*, 26.
- <sup>152</sup> Pope John XXIII, *Mater et Magistra*, *op. cit.*, 16, 17.
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- <sup>162</sup> World Council of Churches, *Gathered for Life: Official Report, Sixth Assembly* (Geneva: WCC Publications, 1983), 138-144.
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<sup>171</sup> *Catechism of the Catholic Church* (Ottawa: Canadian Conference of Catholic Bishops, 1994), paragraphs 1804, 1805, and 1810, pp. 381, 383.

<sup>172</sup> *ibid.*, paragraph 2407, 488-489.

<sup>173</sup> *ibid.*, 130-132.

<sup>174</sup> Thomas F. Schindler, *Ethics: the Social Dimension* (Wilmington, Del.: Michael Glazier, 87-89.

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<sup>177</sup> Althaus, *op. cit.*, 62-66.

<sup>178</sup> *ibid.*, 93.

<sup>179</sup> *ibid.*, 71-72, 77.

<sup>180</sup> *ibid.*, 135-136.

<sup>181</sup> Wallace, *op. cit.*, 170, 176, 178, 180, 181, 185, 186.

<sup>182</sup> Stadler, *op. cit.*, pp. 185-189.

<sup>183</sup> E. Wayne Nofziger, "Economics," in *The Mennonite Encyclopedia*, *op. cit.*, 255.

<sup>184</sup> Mennonite Church General Assembly, *op. cit.*, 29.

<sup>185</sup> *ibid.*, 13, 14, 32-33.

<sup>186</sup> Schindler, *op. cit.*, p. 86.

<sup>187</sup> Wogaman, 27 – 38.

<sup>188</sup> Stanley Hauerwas, *The Peaceable Kingdom* (Notre Dame: University of Notre Dame Press, 1983), 102-106.

<sup>189</sup> Pope Pius XI, *Quadragesimo Anno*, *op. cit.*, 40, 50, 52, 64-65.

<sup>190</sup> Pope John XXIII, *Mater et Magistra*, *op. cit.*, 13, 14.

<sup>191</sup> Pope Paul VI, *Octogesima Adveniens*, *op. cit.*, paragraph 1022 (no page numbers).

<sup>192</sup> Pope John Paul II, *Laborem Exercens*, *op. cit.*, 195.

<sup>193</sup> Pope John Paul II, *Centesimus Annus*, *op. cit.*, 608-609

<sup>194</sup> *ibid.*, 624.

<sup>195</sup> Tim Ryan, "The Legitimacy of the Large Modern Business Corporation and the Roman Catholic Social Teaching Tradition" (Ph. D. diss., University of St. Michael's College, Toronto School of Theology, 1983), 142-143.

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- <sup>197</sup> *ibid.*, 168-170.
- <sup>198</sup> *ibid.*, 158.
- <sup>199</sup> *ibid.*, 137-140, 175-177.
- <sup>200</sup> Michael Novak, *op. cit.*, 128.
- <sup>201</sup> *ibid.*, 136-143.
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- <sup>206</sup> *ibid.*, 96-97.
- <sup>207</sup> *ibid.*, 97.
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- <sup>209</sup> *ibid.*, 87.
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- <sup>212</sup> Stewart W. Herman, "The Potential for Building Covenants in Business Corporations" *Annual of the Society of Christian Ethics* (1992), 201-222, quoted in *On Moral Business*, *op. cit.* 514 – 520.
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- <sup>215</sup> Stacy Lee Patty, "Corporations as Moral Persons with Responsibility for the Environment: a Judeo-Christian Challenge" (Ph. D. diss., Baylor University, 1994), 188-189
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## Chapter Four Conclusion

### The Ground and Substance of Christian Normative Demands on Corporations

One objective of this thesis has been to examine the ground and substance of a variety of Christian ethical perspectives and principles that actually or potentially impose normative demands on corporations. This examination has clarified the range and variety of Christian ethical norms, which corporations might consider incorporating into their self-understanding and their decision-making processes.

Within the official Catholic social teaching, a continuity of thought is clearly evident, from the theological wellsprings of Augustine and Aquinas to the most recent papal encyclicals on social issues. The modern social teaching of the Church (since *Rerum Novarum* 1891) clearly reflects the highly integrated, balanced, holistic perspective of Aquinas with respect to the norms of love, justice, freedom and the common good, such that a statement is rarely made with respect to one ethical principle which is not quickly connected to the others.

The official Catholic social teaching shows considerable coherence in its perspective on the organic nature of society (families, communities and voluntary associations), which must be preserved and protected for the sake of human freedom, on the actualization of human potential, and on the spiritual advancement of individuals and communities. Within the traditional perspective the Church has enunciated the principles of *subsidiarity* and *socialisation*. Similarly, consistent with the fundamental Christian precept of love, the modern social teaching has

elaborated the principles of *solidarity* and the *preferential option for the poor*. Only in the category of human rights, does the modern social teaching of the church appear to go beyond the perspective of Aquinas; but while adopting the concept of rights as an attribute of human dignity, the official teaching has scrupulously refrained from making rights absolute, referring constantly to the higher norms of love, justice and the common good.

It has been noted that the official social teaching has been subjected to conflicting interpretations by different Catholic ethicists. Some emphasize the moral deficiencies in the market economy and the behaviour of corporations, which are admittedly among the concerns that prompt the various official pronouncements. They conclude that radical changes in the socio-economic system are required. Others emphasize the potential of the free market and corporations to conform to ethical principles and to contribute to the moral and spiritual advancement of mankind, which is clearly consistent with the most recent encyclicals. They, therefore, advocate a reprioritizing of the objectives of the market economy and a new self-understanding of corporations. The latter view appears, to the author, to be consistent with the direction of the church's official teaching; but until some future papal or conciliar pronouncement reconciles the conflicting interpretations of the social teaching, corporations will be subjected to apparently inconsistent demands and expectations by different Catholic ethicists claiming that their contrary views are grounded in the official teaching.

There are also, of course, unofficial teachings within the Catholic tradition that give rise to normative demands on corporations, which may not be consistent with the official teaching. The liberation theology of Gutierrez and the related social ecology of Boff, the nature mysticism of Saint Francis of Assisi, and the collective evolutionary consciousness of Teilhard de Chardin, all provide the basis for distinctive sets of norms for corporations, which may claim some ground

in the Catholic tradition. It remains to be seen, whether future official pronouncements of the church will integrate these peripheral perspectives into the official social teaching.

As noted at the beginning of Chapter Three, there is no official Protestant social teaching, although pronouncements of the World Council of Churches may be approaching that status. There are evident variations of emphasis among statements on social issues by Protestant churches and by Protestant ethicists, which, as the examination of the views of the reformers shows, are grounded in the different perspectives of Luther, Calvin and the Anabaptists, particularly on the relation of the Christian to the secular world.

Modern statements in the Lutheran tradition clearly reflect Luther's scepticism as to the ultimate perfectibility, in a Christian sense, of secular institutions or as to the possibility of fully reconciling love and justice in the secular domain. This is not to say that Christian love is irrelevant to the secular domain, since it motivates one towards achieving ever higher forms of justice in the discharge of one's official duties and in the performance of secular institutions; but in the public realm the perfection of love, expressed through justice, while it may be approached cannot be fully achieved. Thus, within the Lutheran perspective, one might doubt whether enlightened corporate self-interest could ever achieve justice in the secular world, for the fundamental reason that self-interest, however enlightened, is essentially flawed by sin.

In contrast, statements in the Calvinist tradition by Protestant churches and ethicists (such as Max Stackhouse) evince an optimism that the market economy can be brought into conformity with Christian ethical norms and that corporations can be transformed into ethical institutions. They propose that it is a Christian duty to work towards achieving that outcome. The Mennonite perspective on social issues appears to be evolving beyond the basic views of the Anabaptist

reformers, as contemporary churches and ethicists in that tradition are clearly moving from isolation towards engagement with the market economy and corporations, though with an inclination to withdraw therefrom whenever economic and social justice are overwhelmed by inferior values.

An interesting distinction can be made with respect to different Christian perspectives on the capacity of corporations to act ethically and on the relative necessity for government regulation. One view is held by those Catholic ethicists who emphasize deficiencies in the market economy and in the moral agency of corporations and those churches and ethicists in the Lutheran tradition who similarly emphasize the imperfectability of secular institutions. They tend to espouse the view that only government can prevent corporations from acting unjustly and compel them to act for the good of society. The other view is espoused by those Catholic ethicists who emphasize the potential of corporations to become true intermediary communities in society, such that each member and all collectively are characterized by significant virtues, and those churches and ethicists of the Calvinist tradition, who emphasize the perfectibility of secular institutions according to Christian norms and the potentially covenantal nature of corporations. They seek to transform corporations into effective moral agents, which act in conformity with Christian norms, such that only a modicum of governmental regulation is necessary.

Thus, corporations encounter, not only conflicting normative demands, grounded in different perspectives of both the Catholic and the Protestant traditions, but also different expectations as to the corporate capacity to decide and act as truly effective moral agents without the constraint of government regulations.

## **Corporate Reactions to Secular and Christian Ethical Perspectives and Principles**

The other objective of this thesis has been to describe the putative reaction of corporations, in light of their current perceptions and practices, on the basis of the author's personal experience in the corporate world, to secular and Christian ethical perspectives and principles.

In contrasting the various ethical perspectives and principles with the current perceptions and practices of corporation, a deficiency became apparent in the corporate capacity to understand, accept and apply various norms, particularly those based on Christian perspectives and principles. It became evident that corporations are conventionally most comfortable only with secular ethical perspectives and principles in the categories of the common good, freedom, and the right of property.

Conventional decision making by corporations, insofar as it has an ethical dimension, would appear to involve some combination of optimizing utility (creating the greatest possible wealth for the corporation, its owners and by extension society overall), maximizing freedom (reducing constraints on corporate autonomy arising from competition or from governments), and protecting property (preventing the erosion of corporate ownership rights, in goods produced, profits earned, or assets possessed, which might be caused by the impositions of others, especially government).

Enlightened corporations, however, have begun to expand their ethical horizon beyond the narrow set of norms consisting of freedom, utility, and property rights. Motivated largely by self-interest, namely the need to respond to stakeholder expectations and demands, some corporations are embracing ethical norms related to the trusteeship of nature (sustainable

development) and to communal virtues (corporate values). Such corporations have not abandoned the traditional normative framework but have only enlarged it through the integration of these two additional sets of principles. Corporate decisions and actions taken within the context of this expanded normative framework can be expected to differ, markedly in certain cases, from decisions and actions taken within the narrower traditional set of ethical perspectives and principles.

In the secular domain, the gap between ethical perspectives and principles and current corporate perceptions and practices relates primarily to the categories of justice and rights. The language, logic, and conclusions of secular ethicists on matters of justice and rights remain largely foreign to corporate thought processes and decision-making practices. The next expansion of the corporate ethical framework, if it is to occur, will necessarily be in the direction of integrating norms related to justice and rights.

With respect to Christian ethical perspectives, the formal capacity of corporations to respond positively, for example, to a perspective on human spirituality or a principle of love is limited by the empirical, quantitative, rational and consequentialist character of corporate decision-making processes. It should be noted, however, that corporations are able to relate to certain Christian perspectives and principles as being the subjective preferences of certain key constituencies, which need to be respected in corporate decisions and actions that may affect those constituencies. To respond to stakeholder preferences, however, while it may result in corporate actions that are demonstrably more ethical, is purely a matter of pragmatism, and does not represent an effective integration of related ethical perspectives and principles into corporate decision-making processes.

What then is the potential for expanding the corporate capacity for integrating Christian ethical perspectives and principles into decision-making processes? And where might such a process begin?

### **Prospects for Expanding Corporate Ethical Capacity**

It is evident from the variety of ethical perspectives and principles, both secular and Christian, that individuals and corporations have a range of options to choose from, should they seek to develop a comprehensive normative framework, spanning all the categories in Anderson's methodological framework. There does not appear to be one single coherent and compelling set of ethical perspectives and principles that individuals and corporations would have no choice but to accept. Rather, there is a universe of ethical discourse with significant possible implications for corporations, which they need to understand and take seriously, if for no other reason than their enlightened self-interest. Developing an understanding of the ground, substance and implications of various ethical perspectives and principles, particularly those related to the nature and role of the corporation itself, may possibly inspire new strategies for enhancing and actualizing the potential of corporations as institutions. The effort alone of understanding ethical perspectives and principles, particularly in the zones of relative discomfort, such as justice and rights, will challenge corporate thought processes and may raise the corporate intelligence quotient. This should have a beneficial effect on corporate performance, irrespective of the extent to which ethical norms, such as justice and rights, are explicitly integrated into corporate decisions and actions. Ultimately, however, the real benefit for corporations will be the development of a decision-making framework that effectively integrates the full range of ethical norms, including justice and rights, thus enabling corporations to defend the ethics of their actions and to take their place among ethical institutions.

If corporations have been able to make progress in the areas of sustainable development and collective values, it is conceivable that they might similarly venture forward in the areas of justice and rights. If so, what starting point or firm foothold might enable corporations to advance towards such an expansion of the corporation capacity for ethical decision-making?

One potential starting point for a corporate entry into the ethical domains of justice and rights, as suggested in Chapter Two, is the recognition by corporations of the importance of these norms to key constituencies (or stakeholders), such as consumers, communities, and employees. Enlightened corporate self-interest, with respect to strengthening the relationship with stakeholders, might induce the articulation of certain principles related to distributive and procedural justice and to rights. This approach would base corporate commitments with respect to justice and rights on the extent to which these norms resonated with the interests and ideals of members of key constituencies, who might not themselves adhere to consistent or coherent ethical principles.

Such a subjective rationale for adopting norms related to justice and rights risks, in the first instance, being criticized by anyone suspicious of corporate motives and intentions as being corporate opportunism and a less than genuine commitment. Over the longer turn, norms adopted in this manner may prove too flexible by far, as justice and rights will invariably be interpreted so as to win the greatest possible public support, in the context of evolving public opinion. Discussions with stakeholders aimed at elucidating the context and content of normative demands related to justice and rights may deepen the corporate understanding of ethical issues and options. However, concluding such discussions with an implicit or explicit negotiated agreement on a set of principles related to justice and rights, designed to command the

broadest stakeholder support, only provides a weak, and possibly risky, expansion of corporate capacity for ethical decision-making.

The traditional corporate ethical comfort zones of freedom and the common good might provide a different basis for elaborating norms dealing with justice and rights. To be certain, the utilitarian ethicists, on whose views the libertarian economists base much of their thinking, started such a project. It appears, however, from a review of the literature, that ethicists (much less corporations) have given scant attention to constructing a solid and significant set of ethical principles related to justice and rights grounded in liberty and utility. Perhaps, ethicists regard the utilitarian and libertarian perspectives as too limited in their potential to yield norms that would satisfactorily address the range and variety of distributive and procedural issues and conflicts in society, or that would clarify, prioritize and strengthen human rights. Moreover, as the examples in Chapter Two indicated, the secular ethical principles for freedom and the common good have already been subjected to a certain degree of theoretical evisceration, and may be too jejune to support a substantial structure of norms related to justice and rights.

The two categories where corporations have recently made progress in expanding their capacity for ethical decision-making (though not formally acknowledged as such), trusteeship of nature and collective virtues, may provide a stronger base for the development of corporate ethical norms in the categories of justice and rights. Among the principles of sustainable development, one already finds mention of the fair distribution of the benefits of development and of fair procedures for consulting stakeholders and reaching decisions. Surely, such principles invite a further elaboration of the norms of distributive and procedural justice, as well as of the rights of stakeholders, and from there perhaps ultimately of universal human rights.

Similarly, the recent evolution of shared corporate values, accompanied by a deepening insight into their significance, leads one to anticipate the possibility that the virtue of justice may eventually assume its traditional pre-eminence among the norms of (corporate) being. The members of the corporation, as a community characterized by significant shared values (virtues), may make the leap from justice as a virtue to justice as a norm for action, to the obligations of distributive and procedural justice. In other words, if justice is a shared corporate value, which characterizes corporate decision-makers, which in a community includes all employees, then surely they will implicitly or explicitly incorporate the norm of justice into the decisions and actions of the corporation. Likewise, the virtue of justice may lead corporations towards comprehending what is owed to others, stakeholder's initially, and ultimately all humans, not only their legal entitlements but their natural rights as well. Thus, might arise a structure of human rights recognized and respected by the corporation, whose roots are planted firmly in the shared values of the corporation, most importantly the virtue of justice.

Still another point of entry for corporate development of a comprehensive ethical framework might be the right of property. Corporations tend to consider that right absolute and indefeasible, as well as indisputably ethical. The preservation and strengthening of the property right, which is not universally recognized and respected, could conceivably lead corporations to deepen their understanding of the ethical obligations imposed by the right of property, not only on others with respect to honouring the corporate right, but on corporations themselves with respect to the utilization of that right. The right to property could form the bedrock on which corporations might erect an ethical framework embracing other rights, along with distributive and procedural justice, as well as the more familiar norms of freedom, the common good, trusteeship of nature and virtue. Such a project could be pursued entirely within the domain of

secular ethical reasoning, and might minimize the use of specifically ethical terminology (as is the case of sustainable development and corporate values). However, the Christian tradition of obligations towards others incurred by property holders would provide a better base for elaborating a more extensive set of ethical obligations than might be achievable strictly within the secular ethical domain.

There thus appears to be a number of approaches to expanding the corporate capacity for ethical decision-making within the bounds of the empirical, quantitative, rational and consequentialist corporate mindset. To do so would undoubtedly enhance the ethical quality of corporate decisions and actions. Moreover, it seems certain that the image of corporations and their acceptability among segments of the public, including some Christian churches, would be improved by a plausible and therefore credible corporate commitment to a comprehensive set of ethical norms grounded on principles that the corporation firmly adheres to, such as sustainability or corporate values, or the right of property.

What are the deficiencies of this approach? Firstly, it is arguable that if corporations, motivated by self-interest, however enlightened, construct a comprehensive ethical system, or set of norms, they will find their choice of norms to some extent determined by the congruence test. They will find, for example, that Raul's theory of justice as equality based on fairness cannot be reconciled with the differentiation of rewards which occurs within the ethical category of freedom, as conventionally understood and accepted by corporations. Freedom that fosters the differentiation of rewards is a fundamental norm for corporations, being essential to their function as competitive institutions, and corporations will, therefore, opt for other theories of justice more congruent with their understanding of freedom.

Secondly, corporations that construct ethical systems out of the motivation of self-interest may be criticized for being incapable of giving due consideration to each ethical norm on the basis of its merit alone. Self-interest may be a valuable instigator of the corporate quest for a comprehensive set of ethical norms, but once on the path corporations may need to proceed beyond the limitations of self-interest to consider what makes sense, what is rational, and what is empirically compelling.

Thirdly, there is another test which a system of norms developed and adopted by a corporation, as a secular institution with a history of ethical agnosticism, must pass, namely its public credibility. Would it be credible, for example, to employees, consumers, communities and shareholders, for a corporation to announce that it had adopted Raul's two principles of justice because it agreed that rational human beings deciding behind a veil of ignorance would choose those principles? In other words, there is a limit to how far corporations can go towards embracing abstract ethical theory. Realistically, corporations intent on developing and implementing a credible ethical system will need to position themselves somewhere between the poles of concrete pragmatism (relating all ethical norms to traditional concepts of corporate self-interest) and abstract ethical theory. Neither pole can be ignored, but neither can by itself appropriately dictate the corporation's choice of norms.

Finally, for a system of corporate norms embracing all the ethical categories to be considered meaningful and valid, it would seem necessary that decision-making processes should conform to Anderson's criteria for ethical decision making. Not only must the corporation understand and accept a comprehensive set of ethical norms, but the application of those norms must be comprehensive and congruent, which means that all the various norms in the system must be given their due weight and related one to the other. It must be remembered, however,

that Anderson proposes that each ethical decision, given the context and situation, may not be a simple application of the normative system but may require an adjustment of the interrelationship of the norms within the system. Thus, the weight assigned to various norms might vary in response to the circumstances surrounding a decision, and not be dictated by the normative system as such.

If corporations succeed in becoming effective moral agents, armed with a comprehensive set of secular ethical principles, how much further would they need to expand their decision-making capacity in order to effectively incorporate Christian ethical principles? This question leads us beyond the scope of this thesis to consider tentatively the distance between Christian ethical principles and their secular counterparts.

The Christian ethical perspectives and principles examined in Chapter Three manifest a significant variety. However, while there is no unanimity among Christian churches and ethicists on the relative merits of specific ethical norms, there is a commonality among the various Christian perspectives that distinguishes them from the secular.

The supreme ethical norm for Christians, the greatest commandment, is love. For Christians, justice can only be fully understood in terms of its relationship to love. For some Christians, justice derives from love; for others it is tempered by love; for still others it exists in tension with love; but for all love is the norm which to some extent defines justice.

For Christians, freedom refers not only to an absence of social, economic and political constraints, nor to an autonomous or unconstrained ability to make moral choices. Most importantly, for Christians, freedom has a spiritual dimension. Indeed, for Christians generally, spiritual freedom is intimately associated with a human being's relationship with God. Some

emphasize the freedom from sin; others the freedom found in conformity to divine law; still others the sharing in divine freedom. Moreover, to many Christians, freedom has not only an individual but also a communal dimension, such that members of a community freely give to one another for the mutual benefit, and spiritual advancement, of all.

The common good, for Christians, refers not so much to the greatest aggregate well-being of all members of a community, as to the improved well-being of the least advantaged members of the community. For Christians endeavouring to achieve the common good means directing one's efforts most towards helping those that have the least. The common good also has an essentially spiritual dimension for Christians, such that the collective well being of members of the community refers to each person's actualisation of his or her spiritual potential.

The trusteeship of nature for Christians implies a sharing in the responsibility of the Creator for his creation, recognising the imprint of God in all of nature. While the traditional Christian view of nature is anthropocentric, regarding the non-human creation as existing for the benefit of human beings, a stream of Christian belief is ecocentric, perceiving intrinsic worth, even spirituality, in all of nature.

Human rights, as generally understood, bestow entitlements on the holders of rights and impose obligations on others to respect those entitlements; but for Christians human rights are also understood to impose obligations on the holders of rights. For Christians, human beings receive rights by virtue of their dignity as creatures of a divine father. While thus grounded in human nature, however, rights are not absolute, as for most Christians the obligations of love, justice, and the common good may constrain or circumscribe rights in some manner. For some Christians, freedom may offset the claims of some rights.

Virtues, for Christians, do not consist solely of human habits developed through practice, but are also gifts of the spirit, infusions of divine love. The primary (theological) virtues for Christians, faith, hope, and love, cannot be attained by human effort alone, but are divine gifts. For some Christians, all virtues, even those deemed most secular, such as frugality, sobriety, and honesty, are ultimately dependent on the grace of God, whether perceived as such or not.

Finally, for some Christians, the potential of corporations to be communities, may imply a covenantal relationship among its members and between them and God, may incorporate as communal virtues not only justice and the common good, but also love, particularly for the least advantage members of the community, and may even imply a spiritual dimension to the corporate collectively. Thus for some Christians, “corporate spirit” may be understood less as a metaphor than a reality. This concept of the corporation, if it can be brought into reality, contains significant potential for establishing “moral space” at the core of corporate decision making and for enhancing the capacity of the corporation to relate ethically to other communities (including churches) in society.

The challenge to corporations to accommodate such Christian perspectives and principles in the corporate ethical decision-making framework is indeed daunting.

## **The Way Forward**

As stated in the Introduction, this thesis is an exercise in applied ethics, an examination of the actual relationship of current corporate perceptions and practices, particularly corporate decision-making processes, to a range and variety of Christian ethical perspectives and principles. The ultimate practical questions are: Can corporations expand their capacity to

understand, accept and apply Christian ethical perspectives and principles; and what would be the initial steps in that direction?

It was proposed as the reason for first examining secular ethical perspectives and principles, that these would be more plausible to corporations, as secular institutions, and hence more readily adopted and applied. It is apparent from the consideration of putative corporate reactions to secular ethical perspectives and principles, that corporations can be classified according to whether they decide and act within a narrow sphere of ethical reference, consisting of freedom, the common good (utility) and the right of property, or within a broader sphere that embraces the trusteeship of nature (sustainability) and collective virtues (corporate values). In the consideration of the potential of corporations to expand their ethical capacity with respect to the various categories of justice and rights, diverse strategies, all stimulated by enlightened self-interest but leading logically beyond pure self-interest, were proposed. However, Christian ethical perspectives and principles clearly present a much larger challenge with respect to expanding the corporate capacity for ethical decision-making. They seem to challenge the empirical, quantitative, rational and consequentialist thought processes of corporations (though Aquinas and his adherents might disagree).

Any corporation that considers the matter seriously will immediately notice a chasm between ethical perspectives and principles that are secular in origin and those grounded in religion. Many Christians would notice this chasm no less. For most Christians are engaged in a continuous struggle to relate their understanding and experience of a spiritual dimension of reality to a world that does not truly acknowledge spirit, to a world confined to the dimensions of space and time, matter and energy, mind and body. Yet, for the Christian, human individuals and human communities (even corporations), whether the world acknowledges it or not, have a

spiritual as well as a physical dimension, and in some mysterious manner are directly in contact with that which is infinite, eternal and ineffable, capable of being encountered and experienced, but beyond human comprehension or expression.

Corporations may be expected to refrain, because of the constraints of their secular thought processes, from seeking a better understanding these Christian perspectives and principles, which supposedly are the source of so many normative demands from Christian churches and ethicists. Yet dialogue is certainly possible, at the very least as an exercise in cross-cultural communication, and should be seen by both parties as having the potential to be enlightening. Who knows where such dialogue might lead? Dialogue is clearly the first step in the direction of developing a corporate understanding, and ultimately a possible acceptance and application, of at least some Christian ethical perspectives and principles.

Successful dialogue however will require that all parties, corporations and Christian churches and ethicists, be open and transparent about their inspiration, their point of view, and their interests. It does not help corporations to understand Christian perspectives and principles, if the normative demands of Christian churches and ethicists are presented in a manner indistinguishable from secular normative demands. How useful it would be for the understanding of corporations, if the *Principles for Global Corporate Responsibility* of the Task Force on the Churches and Corporate Responsibility (TCCR), for example, were presented in a manner that clearly related that extensive set of normative demands to the underlying Christian ethical perspectives and principles.

This examination of Christian ethical perspectives and principles and of the putative reactions of corporations is proffered as a contribution to that dialogue. Moreover, it is presented

as a possible curriculum for a course of self-education by corporations concerning the ground, substance, variety, and implication of Christian ethical perspectives and principles that may relate to corporate decisions and actions.

The second step that might be taken is for corporations to consider the possibilities and the approaches for transforming themselves into true communities. As noted in the examination of secular theories of virtue, some progress in this direction may already be occurring in the re-design of corporate value systems. A vision of the corporation as a community is clearly emerging within Christian ethical discourse. Further corporate experimentation and academic research would surely deepen our understanding of the corporation as a community, and of the corporate community as a moral agent in society.

Finally, as a third step it is quite apparent that there is considerable scope for further research related to topics touched upon in this thesis. In the first instance, those subjects ruled outside the parameters of the thesis provide avenues of a potentially fruitful enquiry in both applied and theoretical ethics: (1) the inter-relationship of ethical norms across the spectrum of categories considered in this thesis; (2) the relationship of the Christian ethical perspectives and principles to the secular; (3) alternative models for corporate ethical decision-making, of which Anderson's holistic methodology is one example, and their potential for being integrated into conventional corporate decision-making practices; and (4) the relative roles and responsibilities of individuals and the collectivities (corporations) of which they are part with respect to the ethics of collective decisions and actions.

Corporations have the potential to evolve beyond their currently limited capacity for integrating ethical norms into their decision-making processes. The Christian ethical tradition

has an abundance of insightful perspectives and cogent principles to contribute to a new ethical framework for corporate decisions and actions. The means to move forward are at hand; all that is required is the will.

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## **Annex**

**A Comparison of the Principles for Corporations of the Task Force on the Churches and Corporate Responsibility and of the International Council on Metals and the Environment**

Since its inception in 1991, the International Council on Metals and the Environment (ICME) has focussed its activities on issues of environment and health related to mining and metals. Recently, the ICME has broadened its orientation to encompass issues of mining and sustainable development. As a consequence, the ICME is engaged in a process of incorporating into its *Environmental Charter*, which currently consists principally of environmental principles along with a small number of social principles, additional principles related to sustainable development. As part of this exercise, the author completed a comparison between the principles contained in the current ICME *Charter* and their nearest counterparts in the *Bench Marks* document issued by the Canadian Taskforce on the Churches and Corporate Responsibility.<sup>1</sup>

The two documents compared in the following table are:

- *Environmental Charter*, Expanded to Include Social Principles and Re-issued in 1998, of the International Council on Metals and the Environment (ICME).
- *Principles for Global Corporate Responsibility: Bench Marks for Measuring Corporate Performance*, Round Two Text, Revised and Released in 1998, Prepared by the Taskforce on the Churches and Corporate Responsibility (Canada) (TCCR), the Interfaith Center on Corporate Responsibility (United States) and the Ecumenical Council for Corporate Responsibility (United Kingdom)

The two texts are comparable in that they both provide norms for the behavior of multinational corporations. However, there are evident differences. The principles in the TCCR document are addressed to all corporations irrespective of industrial sector, while the ICME

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<sup>1</sup> The author acknowledges with appreciation the assistance of John A. Barber, P. Eng. in compiling the table of comparisons.

principles are addressed only to corporations in the non-ferrous mining and smelting industries. The TCCR principles relate both to the corporation's impact on the biophysical and social (community and national) environment and to its internal functioning (treatment of employees, financial integrity, and so forth), while the ICME principles relate only to the external impacts of mining and metals companies.

The principles of the TCCR are presented in three tiers: (1) principles, which refer to statements of business philosophy fundamental to a responsible corporation's actions; (2) criteria, which refer to particular policies and practices of the corporation consistent with the principles; and (3) bench marks, which refer to specific reference points of measurement to be used in assessing a corporation's performance in relation to the criteria. The bench marks frequently relate to a corporation's adherence to one or more external documents attached as appendices to TCCR's *Principles*. ICME's *Charter* presents principles that can be compared with both the principles and the criteria in TCCR's document. Therefore, the attached comparison proceeds in order through TCCR's principles and associated criteria, noting any referenced appendices. For each TCCR principle or criterion, conceptually related ICME principles are presented for comparison. Suggestions are made for minimal additions to the ICME Charter that would be required to narrow or close the gap between the two documents.

The worldviews of the TCCR and the ICME, which motivate them to express principles for corporations are noticeably different. The Task Force is primarily concerned that corporations are not effectively regulated, with respect to the environmental and social impact of their activities, either by external agencies or by internal controls, and that consequently society is at risk. These concerns are expressed in the Introduction to its document:

Today's increasingly "globalized economy" with its dominant climate of "deregulation" has drastically eroded the capacity of individual government's to effectively impose standards and controls on corporations – these ever expanding multinational and transnational structures increasingly organized along free market lines. International standards which would replace or supplement the traditional role of national governments remain largely elusive. Some corporate leaders and even neo-liberal economists have begun to publicly worry that the pendulum has swung too far toward a simple reliance on narrow market mechanisms. They fear that concerns regarding increasing social disparities will inevitably spark a public backlash which will force a renewed examination of how issues of social equity, quality of life and environmental standards are to be more effectively factored into national, regional and global economic structures.

The Taskforce has supported a number of possible approaches to building a more effective system of global checks and balances on markets ranging from reinvigorated UN involvement to expanding the role of environmental, labour and social charter standards in regional and international trade frameworks. Steadily rising societal expectations include an assumption that business corporations must also work toward finding a new balance between social goals and market mechanisms. Honest corporate engagement in this search will mean that resources can be focused on finding a new balance, rather than fending off an inevitable crisis.

As an important actor within society, and for as long as they exist, corporations have a clear stake in society's survival and good health and therefore can, and must, have a broadly focused corporate conscience.

If corporations are unable to demonstrate to contemporary society that they are able to incorporate broader perspectives, values and objectives into their corporate goals and performance beyond what the radical liberal view of maximizing profits would allow, then the very concept of autonomous, responsible "corporate citizenship" will simply have to cede all such responsibility to overarching political structures.

If the premise that corporations have a broader social responsibility is granted, then it is important to think through how corporate internal structures and systems can be structured so as to do justice to that responsibility. It is clearly not sufficient to simply focus on individuals within a firm, alerting and encouraging them to be "ethical". Corporate governance structures must articulate some agreement on principles and establish a system whereby such principles can be factored into the firm's decision-making process. There must be a means of monitoring performance and assuring conformity with stated principles.

On the other hand, ICME is intent on demonstrating that its member corporations act for the good of society by discovering, extracting and producing metals in a responsible manner. In the ICME worldview, metals and the wealth associated with their production and application

contribute directly and indirectly to human economic and social progress. Corporate responsibility consists in being efficient in the use of resources and energy, in contributing to human progress and scientific knowledge, and in preventing risk to the environment or the community. These views are expressed in the preamble to ICME's *Charter*:

Everywhere in the world, the progress and prosperity of individuals, communities and societies depend on the economic production and availability of a broad range of metals. In coming years, population growth and expectations of improvement in the quality of life, notably in developing countries, will necessitate additional assured supplies of metals.

In response to the world's growing need for metals, ICME members seek high-quality ore bodies in all parts of the globe. The discovery of deposits and their subsequent development provide members of ICME with an opportunity to foster sustainable improvements in health, education and prosperity. In addition, members' commitment to the recycling of metals extends the use of these materials, conserves resources, reduces energy usage, minimizes waste disposal and contributes to the needs of future generations.

ICME members have the capacity not only to meet the increasing requirements for metals but also to add to human progress and scientific knowledge. They are determined to achieve and demonstrate progress in environmental performance consistent with the improving standards people everywhere expect in today's world. Neither their operations nor their products should present unacceptable risks to employees, customers, the general public or the environment. Members of ICME accept the importance of responsibly managing their operations and products. They will adopt appropriate measures and implement enhanced risk management strategies, in current and future activities, to foster environmentally and socially sustainable economic development.

Finally, unlike the ICME, the Taskforce identifies certain basic beliefs, related to religious faith, as the foundation for its concerns and its objectives. In essence, the intrinsic value or "dignity" of all creation, of all human beings and of the human community justifies the specific "beliefs" with respect to distributive justice and human rights.

From a perspective of faith, the context for all human activity is the totality of creation. Therefore, we need to use our power to live in harmony with creation, affirm the interdependence of everything on earth and the dignity of all parts of creation.

Faith communities evaluate companies, not only by what they produce and their impact on the environment, but also by how companies contribute to sustainable community and protect or undermine the dignity of the human person. We believe these companies carry responsibility for the human and moral consequences of their economic decisions.

We believe the challenge for both companies and individuals in the global economy is to ensure that the distribution of economic benefits is equitable, supports sustainable community and preserves the integrity of creation.

We believe the promotion and protection of human rights – civil, political, social, religious, cultural and economic – are minimum standards for all social institutions including companies.

We believe all people and institutions have a responsibility to work for a just society marked by love, compassion and peace. Justice requires that we stand with those oppressed by poverty and exploitation and we work to change the structures and policies which support their oppression. Justice also requires the allocation of income, wealth and power be evaluated in the light of their impact on the poorest and most vulnerable in the world.

Our religious institutions as shareholders have an obligation to take into account not only the financial return but also the impact of a company's activities on the human community and all creation.

## **TCCR Principles and Criteria**

### **The Wider Community**

- 1.1 Ecosystems**
- 1.2 National Communities**
- 1.3 Local Communities**
- 1.4 Indigenous Communities**

### **The Corporate Business Community**

- 2.1 The Employed – Conditions**
- 2.2 The Employed – Persons**
- 2.3 Suppliers**
- 2.4 Financial Integrity**
- 2.5 Ethical Integrity**
- 2.6 Shareholders**
- 2.7 Joint Ventures/Partnerships/Subsidiaries**
- 2.8 Customers and Consumers**

### **Appendices**

- I Business Charter for Sustainable Development**
- II CERES Principles on the Environment**
- III Principles and Criteria for Forest Stewardship**
- IV Bellagio Principles toward Sustainable Development**
- V ILO Convention (No 169) on Indigenous and Tribal Peoples**
- VI Amoco Canada Petroleum Co. Aboriginal Policy**
- VII International Code of Ethics for Canadian Business**
- VIII General Motors Board Guidelines on Corporate Governance**
- IX Code of Best Practice (Cadbury Code)**
- X International Labour Organisation (ILO) Standards**
- XI Convention on the Rights of the Child**
- XII Convention on the Elimination of All Forms of Racial Discrimination**
- XIII Wood-Sheppard Principles for Race Equality in Employment**
- XIV International Covenant on Economic, Social and Cultural Rights**
- XV Convention on Elimination of Discrimination against Women**
- XVI Beijing Declaration**
- XVII Equal Opportunity of Employment for Women**
- XVIII United Nations Draft Declaration on Gender Equity**
- XIX Code of Practice for the Employment of Disabled People**
- XX International Labour Organisation Conventions (Selections)**
- XXI MacBride Principles for Northern Ireland**
- XXII White House Apparel Industry Code of Conduct**
- XXIII Advertising Code**

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## COMPARISON OF ICME PRINCIPLES WITH TCCR PRINCIPLES

TCCR Principle	ICME Principles	To close gap:
<p>Careful attention is paid to ensure that the company's actions do not damage the global environment. Issues such as climate change, bio-diversity and pollution prevention are central to this. The company adopts high standards and ensures that they are implemented universally regardless of any legal enforcement or lack thereof in any jurisdiction and continually seeks to improve its performance.</p> <p>Category: The Wider Community, Ecosystems, Para 1.1.P.1</p> <p>Associated Appendices: II</p>	<p>Make environmental management a high corporate priority and the integration of environmental policies, programs and practices an essential element of management (Environmental Stewardship)</p> <p>Meet all applicable environmental laws and regulations and, in jurisdictions where these are absent or inadequate, apply cost effective management practices to advance environmental protection and to minimize environmental risks. (Environmental Stewardship)</p> <p>Review and take account of environmental effects of each activity, whether exploration, mining or processing, and plan and conduct the design, development, operation, and closure of any facility in a manner that optimizes the economic use of resources while reducing adverse environmental effects. (Environmental Stewardship)</p> <p>Employ risk management strategies in design, operation, and decommissioning, including the handling and disposal of waste. (Environmental Stewardship)</p> <p>Develop, maintain and test emergency procedures in conjunction with the provider of emergency services, relevant authorities and local communities. (Environmental Stewardship)</p> <p>Work with governments and other relevant parties in developing scientifically sound, economic and equitable environmental standards and procedures based on reliable and predictable criteria. (Environmental Stewardship)</p>	<p>To close gap:</p> <p>Introduce a statement to include the key terms of "climate change" "biodiversity" and "pollution prevention".</p>

<p><b>TCCR Principle</b></p> <p>To minimise environmental degradation and health impacts, the 'precautionary principle' is the overriding principle guiding action, shifting the burden of proof from one of proving environmental harm to one of proving environmental safety. The precautionary principle states that where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation (Agenda 21, Principle 15 – JAB Note: Agenda not seen)</p> <p>Category: The Wider Community, Ecosystems, Para 1.1.P.2.</p> <p>Associated Appendices: I</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>	<p><b>To close the gap:</b></p> <p>A statement about the "precautionary principle".</p>
<p><b>TCCR Principle</b></p> <p>The presence of unused, unexploited, non-renewable natural resources within a particular area is recognized as an asset of the community of that area.</p> <p>Category: The Wider Community, Ecosystems – Para 1.1.P.3</p> <p>Associated Appendices: V</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Note that mineral and other resources are assets of the local communities in the vicinity of the resource, which are consequently entitled to a return on the development of a mineral resource or compensation for losses of other resources caused by development.</p>

<p><b>TCCR Principle</b></p> <p>The company has responsibility for the environmental impact of its products and services throughout the life cycle of these products and services.</p> <p>Category: The Wider Community, Ecosystems – Para 1.1.P.4.</p> <p>Associated Appendices: II</p>	<p><b>ICME Principles</b></p> <p>Develop or promote metal products, systems and technologies that minimize the risk of accidental or harmful discharges into the environment. (Product Stewardship)</p> <p>Advance the understanding of the properties of metals and their effects on human health and the environment. (Product Stewardship)</p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Conduct or support research and promote the application of new technologies to further the safe use of metals. (Product Stewardship)</p> <p>Encourage product design and uses that promote the recyclability and recycling of metal products. (Product Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Define the life cycle of metals and specify the responsibilities for environmental impacts at each stage in the cycle, from exploration to recycling or disposal.</p>
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<p><b>TCCR Criteria</b></p> <p>A company-wide environmental code has been adopted and implemented.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.1</p>	<p><b>ICME Principles</b></p> <p>Make environmental management a high corporate priority and the integration of environmental policies, programs and practices an essential element of management. (Environmental Stewardship)</p> <p>Provide adequate resources, staff and requisite training so that employees at all levels are able to fulfill their environmental responsibilities. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Include a statement about “a company-wide environmental code” as being “the integration of environmental policies, programs and practices”.</p>
<p><b>TCCR Criteria</b></p> <p>An active environmental committee has been established by and reports to the Board of Directors.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.2</p>	<p><b>ICME Principle</b></p> <p>Make environmental management a high corporate priority and the integration of environmental policies, programs and practices an essential element of management. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Include a statement about board level “environmental committees” as part of environmental management.</p>
<p><b>TCCR Criteria</b></p> <p>The company has in place appropriate management systems to implement its policies.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.3</p>	<p><b>ICME Principles</b></p> <p>Make environmental management a high corporate priority and the integration of environmental policies, programs and practices an essential part of management. (Environmental Stewardship)</p> <p>Provide adequate resources, staff and requisite training so that employees at all levels are able to fulfill their environmental responsibilities. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Include the concept of “appropriate management systems to implement its policies” as part of making “environmental management a high corporate priority”.</p>

<p><b>TCCR Criteria</b></p> <p>Environmental assessments are completed by the company in which the unused, unexploited natural resources are stated as assets of the community.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.4</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Include an evaluation of all resources of the community in social impact assessments..</p>
<p><b>TCCR Criteria</b></p> <p>The company provides to the public regular reports on its environmental performance and future plans. These are based on a pattern of environmental auditing and reporting according to a recognised standard (such as CERES, ICC Business Charter for Sustainable Development or any other appropriate standardised format) and include data for each facility.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.5</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Identify an acceptable reporting standard and make a statement that such reports will be regularly made available.</p>
<p><b>TCCR Criteria</b></p> <p>The company holds public consultations and seeks collaboration from interested individuals and groups to review both its past performance and its future plans, including the location of new facilities.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.6</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility Principles)</p>	<p><b>No gap.</b></p>
<p><b>TCCR Criteria</b></p> <p>Where environmental damage does occur, every effort is made by the company to reduce its impact immediately, to provide technical data to those working on the containment and repair, to restore the damaged ecosystem and to ensure appropriate measures are taken to redress injuries to persons caused by environmental hazards created by the company.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.7</p>	<p><b>ICME Principles</b></p> <p>Provide adequate resources, staff and requisite training so that employees at all levels are able to fulfill their environmental responsibilities. (Environmental Stewardship)</p> <p>Review and take account of the environmental effects of each activity, whether exploration, mining or processing, and plan and conduct the design, development, operation, and closure of any facility in a manner that optimizes the economic use of resources while reducing adverse environmental effects. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Include a commitment to restore damaged ecosystems and redress personal injuries caused by accidental events.</p>

<p><b>TCCR Criteria</b> The company has policies, practices and procedures to prevent pollution, reduce resources and energy use in each stage of the product or service life-cycle.</p> <p>Category: The Wider Community – Ecosystems – Para 1.1.C.8</p>	<p><b>ICME Principles</b></p> <p>Review and take account of the environmental effects of each activity, whether exploration, mining or processing, and plan and conduct the design, development, operation, and closure of any facility in a manner that optimizes the economic use of resources which reducing the adverse environmental effects. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Introduce the concepts of “prevent pollution, reduce resources and energy use” into the concepts of “review and take account”.</p>
<p><b>TCCR Principle</b></p> <p>The company values being a good corporate citizen in all its locations and holds it to be the responsibility of every employee to ensure that there is full compliance with all internationally recognised labour, health, environment and safety standards.</p> <p>Category: National Communities – Para 1.2.P.1</p> <p>Associated Appendices: III, VI, VII</p>	<p><b>ICME Principles</b></p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Meet all applicable environmental laws and regulations and, in jurisdictions where these are absent or inadequate, apply cost-effective management practices to advance environmental protection and to minimize environmental risk. (Environmental Stewardship)</p> <p>Provide adequate resources, staff and requisite training so that employees at all levels are able to fulfill their environmental responsibilities. (Environmental Stewardship)</p> <p>Advance the understanding of the properties of metals and their effects on human health and the environment. (Product Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Expand the statement on meeting “all applicable laws” to include labour health and safety.</p>

<p><b>TCCR Principle</b></p> <p>The company makes a commitment to be a good corporate citizen in each and every country in which it operates.</p> <p>Category: National Communities – Para 1.2.P.2</p> <p>Associated Appendices: II, VI, VII</p>	<p><b>ICME Principles</b></p> <p>Work with government agencies, downstream users and others in the development of sound, scientifically based legislation, regulations and product standards that protect and benefit employees, the community and the environment. (Product Stewardship)</p> <p>Work with governments and other relevant parties in developing scientifically sound, economic and equitable environmental standards and procedures, based on reliable and predictable criteria. (Environmental Stewardship)</p> <p>Develop, maintain and test emergency procedures in conjunction with the provider of emergency services, relevant authorities and local communities. (Environmental Stewardship)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Contribute and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p> <p>Respect the authority of national and regional governments and integrate activities with development objectives. (Community Responsibility)</p> <p>Meet all applicable environmental laws and regulations and, in jurisdictions where these are absent or inadequate, apply cost-effective management practices to advance environmental protection and to minimize environmental risks. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Use the term “corporate citizen” and identify the Principles as the actions of a “good corporate citizen”.</p>
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<p><b>TCCR Principle</b></p> <p>The company contributes in a responsible and transparent way to each society's efforts to promote full human development for all its members.</p> <p>Category: National Communities – Para 1.2.P.3</p> <p>Associated Appendices: II, III, VI, VII</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p> <p>Respect the authority of national and regional governments and integrate activities with their development objectives (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Specify how ICME members will “contribute” with a reference to “full human development”.</p>
<p><b>TCCR Principle</b></p> <p>The company respects the political jurisdiction of national communities.</p> <p>Category: National Communities – Para 1.2.P.4</p> <p>Associated Appendices: V, X</p>	<p><b>ICME Principles</b></p> <p>Respect the authority of national and regional governments and integrate activities with development objectives. (Community Responsibility)</p> <p>Work with governments and other relevant parties in developing scientifically sound, economic and equitable environmental standards and procedures, based on reliable and predictable criteria. (Environmental Stewardship)</p>	<p><b>No gap.</b></p>
<p><b>TCCR Principle</b></p> <p>The company is fully committed to respecting internationally recognised human rights standards, including the Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, corresponding international covenants adopted by the General Assembly of the United Nations, and Internal Labour Organisation Conventions.</p> <p>Category: National Communities – Para 1.2.P.5</p> <p>Associated Appendices: V, VII, X to XXIII</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>	<p><b>To close the gap:</b></p> <p>A statement about “human rights” with reference to international declarations.</p>

<p><b>TCCR Principle</b></p> <p>The company does not use the mobility of capital and the immobility of labour as a tool against workers.</p> <p>Category: National Communities – Para 1.2.P.6</p> <p>Associated Appendices: X</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>	<p><b>To close the gap:</b></p> <p>Work this concept into the “community responsibility principles”.</p>
<p><b>TCCR Criteria</b></p> <p>The company pays appropriate taxes and uses not covert means (such as inflated internal or transfer prices) for removing profits from a host jurisdiction.</p> <p>Category: The Wider Community – National Communities – Para 1.2.C.1</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A statement to include these concepts.</p>
<p><b>TCCR Criteria</b></p> <p>In instances where legislation or the actual practices of any public institution violate fundamental human rights, the company does everything in its power to maintain respect for those fundamental rights in its own operations. The company also seeks to exercise its corporate influence to contribute to the establishment of such fundamental rights.</p> <p>Category: The Wider Community – National Communities – Para 1.2.C.2</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A statement on responsibilities with respect to rights.</p>
<p><b>TCCR Criteria</b></p> <p>The company has a policy that it will withdraw from a country in instances where there are gross and systematic violations of human rights and when there is a recognised movement from within the country calling for withdrawal.</p> <p>Category: The Wider Community – National Communities – Para 1.2.C.3</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A statement on corporate responsibility in countries of human rights violations.</p>
<p><b>TCCR Criteria</b></p> <p>An active human rights committee has been established by and reports to the Board of Directors.</p> <p>Category: The Wider Community – National Communities – Para 1.2.C.4</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A statement about the company and the Board of Directors concern for human rights in business decisions.</p>

<p><b>TCCR Principle</b></p> <p>The company recognises its political and economic impact on local communities especially where it is the principal or key employer. Its programme, policies and practices help promote a broad spectrum of human rights within each community where it operates.</p> <p>Category: Local Communities – Para 1.3.P.1</p> <p>Associated Appendices: I, II, III, V, VI, VII, X</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economics and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Introduce the concept of “human rights” and ICME respect for human rights within communities.</p>
<p><b>TCCR Principle</b></p> <p>The company takes account of local culture in its decision-making processes while not condoning patterns which denigrate human beings on the basis of gender, class, race, culture, ethnicity, religion, tribe or disability.</p> <p>Category: Local Communities – Para 1.3.P.2</p> <p>Associated Appendices: VII, X</p>	<p><b>ICME Principles</b></p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic, social and other benefits resulting from development. (Environmental Stewardship)</p> <p>Support research to expand scientific knowledge and develop improved technologies to protect the environment, promote the international transfer of technologies, and use technologies and practices which take due account of local cultures, customs and economic and environmental needs. (Environmental Stewardship)</p> <p>Respects the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p>	<p><b>No gap.</b></p>

<p><b>TCCR Principle</b></p> <p>The company strives to contribute to the long term environmental, social, cultural, and economic sustainability of the local communities in which it operates.</p> <p>Category: Local Communities – Para 1.3.P.3</p> <p>Associated Appendices: I, II, III, V, VI, VII, X</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p> <p>Respect the cultures, customs and values of individuals and groups whose livelihood may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic, social and other benefits resulting from development. (Environmental Stewardship)</p> <p>Support research to expand scientific knowledge and develop improved technologies to protect the environment, promote the international transfer of technologies that mitigate adverse environmental effects, and use technologies and practices which take due account of local cultures, customs and economic and environmental needs. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Introduce the key concepts of “long term sustainability” into the ICME principles.</p>
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<p><b>TCCR Criteria</b></p> <p>Respect is shown by the company for the local community, especially with regard to water, land, air, food, energy, religion, and culture.</p> <p>Category: The Wider Community – Local Communities – Para 1.3.C.1</p>	<p><b>ICME Principles</b></p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Include references to "water, land, air, food, energy, religion" in the ICME principle.</p>
<p><b>TCCR Criteria</b></p> <p>The company consults with the local community and gives support for activities which enhance the quality of community life.</p> <p>Category; The Wider Community – Indigenous Communities – Para 1.3.C.2</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities. (Community Responsibility)</p>	<p><b>No gap.</b></p>
<p><b>TCCR Criteria</b></p> <p>Employees are encouraged to participate in local community activities and organisations.</p> <p>Category: The Wider Community – Local Communities – Para 1.3.C.3</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p>	<p><b>No gap.</b></p>
<p><b>TCCR Criteria</b></p> <p>The company seeks to develop long-term business relationships in local communities and does not terminate its operations without assessing the social, economic and environmental impact on the local community.</p> <p>Category: The Wider Community – Local Communities – Para 1.3.C.4</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects to the greatest practical extent. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Include a reference to the contribution to local business development and the responsibilities of the company at the closure of an operation.</p>
<p><b>TCCR Criteria</b></p> <p>The company is careful of the impact of its power and influence especially in its use of the local media and its advertising strategies.</p> <p>Category: The Wider Community – Local Communities – Para 1.3.C.5</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Acknowledge the impact that the company can have on a community and make a commitment not to misuse the power through the manipulation of information.</p>

<p><b>TCCR Principle</b></p> <p>The company only pursues economic development upon prior resolution and completion of the settlement of land claims between the indigenous people (or First Nation) and the appropriate government(s).</p> <p>Category: Indigenous Communities – Para 1.4.P.1</p> <p>Associated Appendices: V</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>	<p><b>To close the gap:</b></p> <p>A reference to the “land claims” in the Community Responsibility principles.</p>
<p><b>TCCR Principle</b></p> <p>The company is committed to respecting fully the rights of indigenous peoples as they are recognised by the appropriate jurisdictions and laws.</p> <p>Category: Indigenous Communities – Para 1.4.P.2</p> <p>Associated Appendices: III, V, VII</p>	<p><b>ICME Principles</b></p> <p>Respect the authority of national and regional governments and integrate activities with development objectives. (Community Responsibility)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communications. (Community Responsibility)</p> <p>Work with governments and other relevant parties in developing scientifically sound, economic and equitable environmental standards and procedures, based on reliable and predictable criteria. (Environmental Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Define “local communities” to include those that are “indigenous”.</p>

<p><b>TCCR Principle</b></p> <p>Indigenous peoples, by virtue of their inherent rights, are entitled to full participation in the business decisions which pertain to their ancestral lands and their way of life.</p> <p>Category: Indigenous Communities – Para. 1.4.P.3</p> <p>Associated Appendices: III, V, VII, X</p>	<p><b>ICME Principles</b></p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic, social and other benefits resulting from development. (Environmental Stewardship)</p> <p>Work with government agencies, downstream users, and others in the development of sound, scientifically based legislation, regulations and product standards that protect and benefit employees, the community and the environment. (Product Stewardship)</p> <p>Develop, maintain, and test emergency procedures in conjunction with the provider of emergency services, relevant authorities, and local communities. (Environmental Stewardship)</p> <p>Work with governments and other relevant parties in developing scientifically sound, economic and equitable environmental standards and procedures, based on reliable and predictable criteria. (Environmental Stewardship)</p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Make a statement in the ICME principles that the interests of indigenous peoples will be incorporated in “business decisions” that impact on them and will be asked for their input.</p>
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<p><b>TCCR Principle</b></p> <p>The company respects the cultural, religious, and social customs and traditional knowledge of members of indigenous communities.</p> <p>Category: Indigenous Communities – Para 1.4.P.4</p> <p>Associated Appendices: III, V, X</p>	<p><b>ICME Principle</b></p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic, social and other benefits resulting from development. (Environmental Stewardship)</p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Include the key term “traditional knowledge” in the ICME principles.</p>
<p><b>TCCR Principle</b></p> <p>The development of joint working agreements between indigenous communities and companies is a prerequisite to building business relationships and commitments.</p> <p>Category: Indigenous Communities – Para 1.4.P.5</p> <p>Associated Appendices: III, V, VII, X</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effect in these communities to the greatest practical extent. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Include the key terms “joint working agreements” and “business relationships” in the ICME principles.</p>

<p><b>TCCR Principle</b></p> <p>The company respects the bio-cultural integrity of indigenous peoples and their lands.</p> <p>Category: Indigenous Communities – Para 1.4.P.6</p> <p>Associated Appendices: III, V, VII, X</p>	<p><b>ICME Principles</b></p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic, social, and other benefits resulting from development. (Environmental Stewardship)</p> <p>Respect the cultures, customs, and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk-management measures. (Product Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Use the term “bio-cultural” in describing the characteristics of “certain areas”</p>
<p><b>TCCR Criteria</b></p> <p>The company communicates its business plans in a way that the local indigenous community can understand.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.1</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Expand the concept of “communication” to include the commitment to explain business plans so that all communities understand them.</p>

<p><b>TCCR Criteria</b></p> <p>The company seeks and receives approval from the legitimate local indigenous leadership prior to beginning any business activities.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.2</p>	<p><b>ICME Principles</b></p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Recognize the authority of national and regional governments and integrate activities with their development objectives. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Include the concepts of seeking and receiving approval before beginning business activities in the ICME principles.</p>
<p><b>TCCR Criteria</b></p> <p>The company, with the co-operation of the indigenous peoples concerned, performs a holistic comprehensive study of its potential environmental, physical, social, economic, cultural and spiritual impact on the community and modifies its business plan to ameliorate potential harm.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.3</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Make a statement that all developments are preceded by “holistic comprehensive” studies.</p>
<p><b>TCCR Criteria</b></p> <p>The company provides employment and training opportunities to, and actively recruits from, indigenous communities for all levels of employment.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.4</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Make such a statement in the Community Responsibility principles.</p>
<p><b>TCCR Criteria</b></p> <p>The company’s employment policies and practices fully accommodate the cultural, spiritual and social needs of employees who are members of indigenous communities.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.5</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Indicate in the Community Responsible principles that ICME acknowledges such “needs”.</p>

<p><b>TCCR Criteria</b></p> <p>The company develops a transparent process for the inclusion of indigenous peoples as full participants in business decisions.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.6</p>	<p><b>ICME Principles</b></p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p>	<p><b>To close the gap:</b></p> <p>Include the concept of “a transparent process” in the Community Responsibility principles and indicate the procedures of such a process.</p>
<p><b>TCCR Criteria</b></p> <p>The company negotiates a just and equitable economic settlement with the indigenous community(ies) involved.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.7</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Include the key terms “just and equitable” in a Community Responsibility principle.</p>
<p><b>TCCR Criteria</b></p> <p>The company provides opportunities for all its employees to obtain an understanding of indigenous culture, treaties, history and current issues.</p> <p>Category: The Wider Community – Indigenous Communities – Para 1.4.C.8</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>	<p><b>To close the gap:</b></p> <p>Include such a statement as part of how ICME will “participate” in the development of a community</p>
<p><b>TCCR Principle</b></p> <p>The company values all its employees and their contributions in every sector of its operations.</p> <p>Category: The Employed – Conditions – Para 2.1.P.1</p> <p>Associated Appendices: X to XX11</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>The ICME <i>Charter</i> lacks a complete set of principles focusing on employees and covering all the concepts under this TCCR category of the Employed, Paras 2.1.P.1 to 2.2d.P.4. Possibly, a catchall statement could cover the same concepts in the Preamble.</p>
<p><b>TCCR Principle</b></p> <p>The company ensures that each employee is treated with respect and dignity.</p> <p>Category: The Employed – Conditions – Para 2.1.P.2</p> <p>Associated Appendices: X to XXII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	

<p><b>TCCR Principle</b></p> <p>The company has a global standard governing its employment practices and industrial relations. This standard includes genuine respect for employees' right to freedom of association, labour organisation, free collective bargaining, non-discrimination in employment and safe and healthy working environment provided for all employees.</p> <p>Category: The Employed – Conditions – Para 2.1.P.3</p> <p>Associated Appendices: X to XXII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company does not discriminate on the basis of gender, race, social or ethnic origin, culture, religion, age, disability, sexual orientation, nationality, citizenship, or political opinion.</p> <p>Category: The Employed – Conditions – Para 2.1.P.4</p> <p>Associated Appendices: X to XXII</p>	<p><b>ICME Principles</b></p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic, social and other benefits resulting from development. (Environmental Stewardship)</p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are location and mitigate adverse effects in these communities to the greatest possible extent. (Community Responsibility)</p>
<p><b>TCCR Principle</b></p> <p>The company seeks to maximise long term contractual relationships with its employees and to safeguard employees' future employability.</p> <p>Category: The Employed – Conditions – Para 2.1.P.6</p> <p>Associated Appendices: III, V, VI, X</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>

<p><b>TCCR Principle</b></p> <p>The company pays sustainable community wages which enable employees to meet the basic needs of themselves and their families, as well as to invest in the on-going sustainability of local communities through the use discretionary income.</p> <p>Category: The Employed – Conditions – Para 2.1.P.7</p> <p>Associated Appendices: X</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. ( Community Responsibility)</p>
<p><b>TCCR Principle</b></p> <p>The company provides equal pay for work of equal value.</p> <p>Category: The Employed – Conditions – Para 2.1.P.8</p> <p>Associated Appendices: VII, X, XV, XVI, XVII, XVIII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company ensures work schedules that are reasonable and enable employees and their families to live in a sustained and healthful manner.</p> <p>Category: The Employed – Conditions – Para 2.1.P.9</p> <p>Associated Appendices: X</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company recognises the need for supporting and/or providing the essential social infrastructure of child care, elder care, and community service in order to facilitate access to employment and full participation of employees in the workplace.</p> <p>Category: The Employed – Conditions – Para 2.1.P.10</p> <p>Associated Appendices: X</p>	<p><b>ICME Principles</b></p> <p>Contribute to and participate in the social, economic and institutional development of the communities where operations are located and mitigate adverse effects in these communities to the greatest practical extent. (Community Responsibility)</p>

<p><b>TCCR Principle</b></p> <p>The company values women as a vital group of employees who have a significant contribution to make to the work of all companies.</p> <p>Category: The Employed – Persons – Women in the Workforce – Para 2.2a.P.1</p> <p>Associated Appendices: XV, XVII, XVII, XVIII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company is aware that the rights of women are often violated by business policies and practices which contribute to the 'feminisation of poverty' and exacerbate gender inequalities. It seeks to neutralise the impact of any such policies or practices on their employees.</p> <p>Category: The Employed – Persons – Women in the Workforce – Para 2.2a.P.2</p> <p>Associated Appendices: XV, XVI, XVII, XVIII</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>
<p><b>TCCR Principle</b></p> <p>The company ensures that there is equal remuneration for work of equal value.</p> <p>Category: The Employed – Persons – Women in the Workforce – Para 2.2a.P.3</p> <p>Associated Appendices: XV, XVI, XVII, XVIII</p>	<p><b>ICME Principles</b></p> <p>No equivalent.</p>
<p><b>TCCR Principle</b></p> <p>The company ensures that social and biological determinants that affect women because of gender are addressed by appropriate policies within the workplace, including, but not limited to, pregnancy leave, maternity leave, medical leave.</p> <p>Category: The Employed – Persons – Women in the Workforce – Para 2.2a.P.4</p> <p>Associated Appendices: XV, XVI, XVII, XVIII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>

<p><b>TCCR Principle</b></p> <p>The company does not discriminate on grounds of race, ethnicity, or culture.</p> <p>Category: The Employed – Persons – Minority Groups – Para 2.2b.P.1</p> <p>Associated Appendices: XII, XIII, XIV</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company ensures that persons with disabilities who apply for jobs with the company receive fair treatment and are considered solely on their ability to do the job with or without workplace modifications.</p> <p>Category: The Employed – Persons – Persons with Disabilities – Para 2.2c.P.1</p> <p>Associated Appendices: XIX</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company values persons with physical and/or mental disabilities as full participants in the workforce.</p> <p>Category: The Employed – Persons – Persons with Disabilities – Para 2.2c.P.2</p> <p>Associated Appendices: XIX</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company does not exploit children as workers.</p> <p>Category: The Employed – Persons – Child Labour – Para 2.2d.P.1</p> <p>Associated Appendices: XI, XX, XXII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company guarantees that neither it nor its contractors employ children in conditions that violate the rights of the child.</p> <p>Category: The Employed – Persons – Child Labour – Para 2.2d.P.2</p> <p>Associated Appendices: XI, XXII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>

<p><b>TCCR Principle</b></p> <p>The company:</p> <ul style="list-style-type: none"> <li>- does not interfere with the right of a child to an education</li> <li>- agrees to abide by minimum age requirements for admission of children to employment as stated in the International Convention on the Rights of the Child</li> <li>- accepts appropriate regulation of hours and conditions regarding employment of children</li> <li>- safeguards the health, safety, and morals of child workers.</li> </ul> <p>Category: The Employed – Persons – Child Labour – Para 2.2d.P.3</p> <p>Associated Appendices: XI, XX, XXII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>
<p><b>TCCR Principle</b></p> <p>The company does not employ persons under the age of majority as a means of avoiding the payment of full adult wages for doing the same work.</p> <p>Category: The Employed – Persons – Child Labour – Para 2.2d.P.4</p> <p>Associated Appendices: X, XI</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>

<p><b>TCCR Principle</b></p> <p>The company accepts responsibility for all those whom it employs either directly or indirectly through contract suppliers, sub-contractors, vendors, and suppliers.</p> <p>Category: Suppliers – Para 2.3.P.1</p> <p>Associated Appendices: I, VII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A statement indicating that the ICME holds all its suppliers to the ICME principles.</p>
<p><b>TCCR Principle</b></p> <p>The company is responsible for the labour conditions under which and in which its products and services are produced, provided, and advertised, or marketed under licensing agreement.</p> <p>Category: Suppliers – Para 2.3.P.2</p> <p>Associated Appendices: I</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A statement accepting such responsibility with respect to suppliers</p>
<p><b>TCCR Principle</b></p> <p>The company insists on honesty and integrity in all aspects of its business wherever business is conducted.</p> <p>Category: Financial Integrity – Para 2.4.P.1</p> <p>Associated Appendices: VII</p>	<p><b>ICME Principles</b></p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Advance understanding of the properties of metals and their effect on human health and the environment. (Product Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Use the key terms “honesty” and “integrity” in the ICME principles.</p>
<p><b>TCCR Principle</b></p> <p>The company does not offer, pay, solicit or accept bribes in any form.</p> <p>Category: Financial Integrity – Para 2.4.P.2</p> <p>Associated Appendices: VII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Include a principle of transparency in transactions with governments</p>

<p><b>TCCR Principle</b></p> <p>The company recognises that its directors and employees have a central role in upholding the company's ethical standards and codes of conduct.</p> <p>Category: Ethical Integrity – Para 2.5.P.1</p> <p>Associated Appendices: VII</p>	<p><b>ICME Principles</b></p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Provide adequate resources, staff and requisite training so that employees at all levels are able to fulfill their environmental responsibilities. (Environmental Stewardship)</p> <p>Ensure information provided is candid, accurate and based on sound technical, economic and scientific data. (Objective)</p> <p>Provide a free flow of information on international, environmental and developmental issues affecting the industry. (Objective)</p>	<p><b>To close the gap:</b></p> <p>Make statement acknowledging the “central role” of directors and employees for ethical standards.</p>
<p><b>TCCR Principle</b></p> <p>The company actively seeks to participate in all voluntary codes and standards that pertain to its operations.</p> <p>Category: Ethical Integrity – Para 2.5.P.2</p> <p>Associated Appendices: I, VII</p>	<p><b>ICME Principles</b></p> <p>Probably every one of the ICME principles and objectives satisfies this TCCR principle.</p>	<p><b>To close the gap:</b></p> <p>A statement in the Preamble committing the ICME to such actions.</p>

<p><b>TCCR Principle</b></p> <p>The company's corporate governance policies balance the interests of managers, employees, shareholders, and other interested and affected parties.</p> <p>Category: The Shareholders – Para 2.6.P.1</p> <p>Associated Appendices: I, II, III, IV, VI, VIII, IX</p>	<p><b>ICME Principles</b></p> <p>Work with government agencies, downstream users, and others in the development of sound, scientifically based legislation, regulations and product standards that protect and benefit employees, the community, and the environment. (Product Stewardship)</p> <p>Acknowledge that certain areas may have particular ecological or cultural values alongside developmental potential and, in such instances, consider these values along with the economic social and other benefits resulting from development. (Environmental Stewardship)</p> <p>Support research to expand scientific knowledge and develop improved technologies to protect the environment promote the international transfer of technologies that mitigate adverse environmental effects, and use technologies and practices which take account of local cultures, customs and economic and environmental needs. (Environmental Stewardship)</p> <p>Respect the cultures, customs and values of individuals and groups whose livelihoods may be affected by exploration, mining and processing. (Community Responsibility)</p> <p>Recognize local communities as stakeholders and engage with them in an effective process of consultation and communication. (Community Responsibility)</p> <p>Respect the authority of national and regional governments and integrate activities with development objectives. (Community Responsibility)</p> <p>Develop and implement programmes that communicate the benefits of a balanced consideration of environment, economic and social factors. (Objective)</p>	<p><b>To close the gap:</b></p> <p>Include the concepts of "corporate governance" and "balancing interests"</p>
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<p><b>TCCR Principle</b></p> <p>Information which enables shareholders to understand corporate compliance with these 'Principles of Global Corporate Responsibility' as evidenced in the Criteria and Bench Marks of this document is fully available.</p> <p>Category: The Shareholders – Para 2.6.P.2</p> <p>Associated Appendices: II, III, VI, VIII</p>	<p><b>ICME Principles</b></p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Provide a free flow of information on international, environmental and developmental issues affecting the industry. (Objective)</p> <p>Listen and respond to the public about metals and the environment. (Objective)</p>	<p><b>To close the gap:</b></p> <p>Make a commitment to report on the implementation of and compliance with ICME principles.</p>
<p><b>TCCR Principle</b></p> <p>The company neither restricts nor obstructs the legal rights of shareholders.</p> <p>Category: The Shareholders – Para 2.6.P.3</p> <p>Associated Appendices: I</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>A reference to the "legal rights of shareholders" in the Preamble.</p>
<p><b>TCCR Principle</b></p> <p>When entering into and throughout the duration of joint ventures and partnerships, the company takes into account the ethical implications as well as the financial implications of those relationships.</p> <p>Category: Joint Ventures/Partnerships/Subsidiaries – Para 2.7.P.1</p> <p>Associated Appendices: III, V, VI, VII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Introduce the concepts in the "Community Responsibility" principles.</p>
<p><b>TCCR Principle</b></p> <p>All parts of the company, associated companies, divisions and units and subsidiary companies abide by the same code of ethics and conduct as the parent company as a minimum standard.</p> <p>Category: Joint Ventures/Partnerships/Subsidiaries – Para 2.7.P.2</p> <p>Associated Appendices: I, VI, VII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Make such a statement similar to that about Suppliers (2.3.P1).</p>

<p><b>TCCR Principle</b></p> <p>The company accepts a responsibility to promote its code of ethics and of conduct with licensees and franchisees.</p> <p>Category: Joint Ventures/Partnerships/Subsidiaries – Para 2.7.P.3</p> <p>Associated Appendices: I, VII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>a similar statement to that about suppliers (2.3.P1).</p>
<p><b>TCCR Principle</b></p> <p>The company adheres to international standards and protocols relevant to its products and services.</p> <p>Category: Customers &amp; Consumers – Par 2.8.P.1</p> <p>Associated Appendices: I, VII, X</p>	<p><b>ICME Principles</b></p> <p>Work with government agencies, downstream users and others in the development of sound, scientifically based legislation, regulations and product standards that protect and benefit employees, the community and the environment. (Product Stewardship)</p>	<p><b>To close the gap:</b></p> <p>Add this principle as under Product Stewardship.</p>
<p><b>TCCR Principle</b></p> <p>The company ensures that its products and services meet customer requirements and product specifications.</p> <p>Category: Customers &amp; Consumers – Par 2.8.P.2</p> <p>Associated Appendices: I, VII</p>	<p><b>ICME Principles</b></p> <p>Work with government agencies, downstream users and others in the development of sound, scientifically based legislation, regulations and product standards that protect and benefit employees, the community and the environment. (Product Stewardship)</p> <p>Inform employees, customers and other relevant parties concerning metal-related health or environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Conduct or support research and promote the application of new technologies to further the safe use of metals. (Product Stewardship)</p> <p>Listen and respond to the public about metals and the environment. (Objective)</p> <p>Present products, processes or services as being environmentally sound only when supported by well-founded contemporary data. (Objective)</p> <p>Ensure information provided is candid, accurate and based on sound technical, economic and scientific data. (Objective)</p>	<p><b>To close the gap:</b></p> <p>The key term here is “ensure”. Include it in the ICME principles.</p>

<p><b>TCCR Principle</b></p> <p>The company is committed to marketing practices which protect consumers and which ensure the safety of all products.</p> <p>Category: Customers &amp; Consumers – Para 2.8.P.3</p> <p>Associated Appendices: I, VII, XXIII</p>	<p><b>ICME Principles</b></p> <p>Inform employees, customers and other relevant parties concerning metal-related health and environmental hazards and recommend improved risk management measures. (Product Stewardship)</p> <p>Work with government agencies, downstream users and others in the development of sound, scientifically based legislation, regulations and product standards that protect and benefit employees, the community and the environment. (Product Stewardship)</p> <p>Present products, processes or services as being environmentally sound only when supported by well-founded contemporary data. (Objective)</p> <p>Ensure information provided is candid, accurate and based on sound technical, economic and scientific data. (Objective)</p>	<p><b>To close the gap:</b></p> <p>Include the key term “marketing practices”. in the principles.</p>
<p><b>TCCR Principle</b></p> <p>The company is fully committed to fair trading practices.</p> <p>Category: Customers &amp; Consumers – Para 2.8.P.4</p> <p>Associated Appendices: I, VII</p>	<p><b>ICME Principles</b></p> <p>No equivalent</p>	<p><b>To close the gap:</b></p> <p>Include a definition and statement about “fair trading” in the Preamble.</p>