

BUSINESS ETHICS AND WEALTH CREATION: A RESPONSE TO GEORGES ENDERLE

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Preliminary Observations of the Question of Wealth in Catholic Environments

The paper of Professor Enderle regarding Business Ethics and wealth creation, after discussing the various meanings of wealth and creation, goes on to highlight the author's personal experience of the poverty condition of the marginalized persons in South America, a subcontinent with a predominant Catholic population.

He notes that, despite the Social Doctrine of the Church regarding justice and concern for the plight of the poor, the people of these countries remain poor in their majority. He wonders why this should be so considering that the Catholic tradition has always comprehensively upheld the notion of the common good. In my understanding, he seems to be advancing three theories:

1. That there seems to be a kind of fear or suspicion that wealth creation is something evil and consequently, business is not a valid occupation for a good Catholic Christian.
2. That this fear stems from the erroneous idea that business is 'just making money' where making money is understood in the terms of Milton Friedman's theory of maximization of profits and the incompatibility of ethics and business and that of Adam Smith where self-interest is the bottom line of all economic activity.
3. Against this backdrop, Professor Enderle wonders whether there might not be a deficit in the Catholic approach to business. This forms his present inquiry with the premise that Our Lord Jesus' option for the poor never meant "to accept the fact of poverty in resignation and to give up the hope to essentially eradicate it".

Before I proceed to make my contribution I want to share with you three brief African experiences.

Case One: A widow's business

I wish first to acknowledge that my earliest understanding of 'business' as a child was negative. When I was growing up, Kenya was experiencing the Mau Mau Revolt that resulted in whole sections of people of my ethnic group being confined in concentration camp type of villages apparently for security reasons. Mine was and still is a staunchly Catholic family. As such my parents engaged in what was believed to be good honest forms of work: a civil servant father and a mother who besides taking care of us also produced and sold crops from our small farm or 'shamba'. But that was not considered to be business. Business -- biashara-- , was what our neighbor was doing. We knew even as children that the people of 'biashara' are never really honest, they tend to be greedy and to cheat and therefore we ought to shun their company lest we got influenced by their

tricks and corrupt tendencies. One could buy their groceries or sell homemade things to them, but any involvement beyond that was not advisable.

The business of our neighbor, a widow, consisted in the purchase and resale of agricultural products. With that business she made a living, which included the education of her twin daughters.

Case Two: In a village visitation exercise..

During the years of the Mau Mau Revolt just described, the whole population of my ethnic group which forms the majority of the population of the country had to be kept under watch in specific villages. My mother who spent several hours weekly working with the Red Cross as a Home Visitor would sometimes take one of her children with her on her visitations. It was during such visitations that I noticed that our village had two sections: on one section dwelt the Protestants. Their houses were bigger and better, they usually had better clothes and it appeared that they even had better food (this was a time of drought and food shortage). These people had not only better houses but more and better schools. In the other section of the village where the Catholics and other people collectively called 'pagans' dwelt, we also had schools but they did not have as many facilities. Our houses and all our material possessions were also certainly much poorer. My country was a British colony.

Case Three: School Admissions

Years later, I worked for some years in a Secondary School where, among other things, I was involved in Admissions. The School was a private one but its management, composed mostly of Catholic parents and teachers, wanted to have a certain percentage of Catholic pupils. In a country with stiff academic competition, it was a necessary requirement that the pupils must have a certain cut point in their overall Primary School marks scores. After a period working in that job I observed that many of the applicants who satisfied the academic requirement and who therefore qualified to be called for an oral interview also tended to portray many human virtues. However, when it came to filling in the Application Form the slot for "Religion" they would put in either 'Christian' or 'Protestant'. This used to disturb me for I wondered why it should be so because it reminded me of my childhood experience in the village.

A Catholic Deficit?

Over the years I those three cases remained in my mind. Take for instance, the first case. Why would one form of selling be alright and the other suspect? Certainly the attitude of my parents reflected the kind of education they had received which, as Prof. Enderle points out, presents the hunt for riches as intoxicating and bound to lead a Christian astray. Business turned people's minds from thinking about right and wrong such that once one engaged in it, one became more like the Banyani, a community that is held in very poor repute because of their exploitative tendencies. Similarly people who form partnership with them automatically become suspects of corruption: heartless

moneymaking individuals who cared nothing to break God's commandments if they could but make an extra shilling.

On the other hand, this suspicion was not without reason for once one engagement in 'biashara' it would soon be noticed how such persons' lifestyle and physiognomy changed. They built better houses, bought a bicycle, or a car and married another wife etc., all without appearing to spend as much energy as did the farmer and the craftsman from whom they bought the wares they resold.

On the other hand there was never a doubt as to the nobility of the occupation of the farmer, the teacher, doctor, nurse, dentist, plumber, tailor or the mason, all of them occupations in which money also changes hands. Quite to the contrary those people who engaged in them were seen to be making an honorable contribution for the welfare of the whole community.

An Inquiry Into the Catholic Teaching Regarding Wealth Creation

I have focused my attention to the paper of Prof. Enderle where he wonders whether there might not be a Catholic Deficit. In doing so I have looked at the following points:

1. If there is such a deficit, what could be its origin? Is it biblical or from the Magisterium?
2. Possible Western Philosophical and Religious origin of the Problem.
3. The Western Cultural Deficit in the Theology and Philosophy of Work.
4. The Cultural Deficit and its corrective in the Philosophy and Theology of work.
5. Prof. Enderle's positive suggestions and recent Church Teachings on the eradication of poverty.

The origin of the deficit if it exists, is it biblical?

It is true that many business-people find themselves in an ambiguous position when they try to consider their professional activity in the light of their faith. As business people they are aware that they are engaged in the creation of economic (or worldly goods) goods and services or the production of wealth. At the same time, they are well aware of the fact that there are many uncomplimentary things said in the Bible about those who love money or who place their hearts in riches. Unfortunately this has resulted in the suspicion that one who aspires to be a truly good Christian could not at the same time be engaged in 'money making'. Thus business as an occupation is perceived as automatically relegating the person to a second or third rate Christianity, in an occupation fraught with temptations and sins. This also explains the impression often found among even philosophers and business peoples that ethics and business do not mix.

An examination of some of the more relevant texts in their contexts shows that both the Old and New Testaments teach two fundamental ideas:

- That material goods in themselves are good.
- That they are also dangerous.

There is a difference of emphasis though; while the Old Testament seems to stress more on the goodness of material goods, the New tends to lay more emphasis on the danger that riches pose for salvation of man.

Two other teachings in both the Old and New Testaments further show that there is consistency regarding material goods presented throughout Scripture.

- That even if material goods are good in themselves, they are certainly not the most important for man.
- That in order to use them well, a basic attitude of detachment from them is required.

Material goods are good in themselves

Economic development and creation of wealth are both related to the understanding of the value of work in God's plan of salvation. That plan is clear in the Book of Genesis 1:13. This reaches a climax at the completion of creation when God, surveying the sum total of his work, concludes that it is "very good". From this it appears that whatever men may afterwards make of it, the material world, as it was created by God, and considered in itself, is very good.

Within this good creation of God, man is assigned an activity with economic implications during his sojourn in paradise. First he is created in the image and likeness of God (Gen 1: 26-31) of a God who as Creator worked and saw all that He had done was very good, and now man, made to that likeness is given the earth to cultivate, master it and make it fructify (prosper). Hence, mankind is called (*vocatio*) to recreate the world and assure its dynamic management beyond just mere subsistence. In fact material goods are often presented as God's blessing, a fact that Calvinists would later distort.

Social nature of wealth

Yet, from the very moment of creation, the sense of 'having' or prosperity is linked to a sense of love and sharing. God does not create just an individual (Adam) but a pair, "for it is not good for man to be alone", hence "male and female he created them", and from there the family institution and of society is born.

Note though that love and work are united. There are no divisions between the man of work and efficiency (economist/businessman) and the man of spirit, of love and of leisure as two distinct modes of existence. Consequently, the 'economic man' is not separated from the 'social man' of the theology of liberation.

For Biblical support of the above one can consult: Gen 26: 12-13; Ps 144: 13-15; Ps 119: 35-36.

In the New Testament even though the danger of riches is more prominent, nevertheless the need of material things is not overlooked. Our Lords Prayer teaches us to ask for "our

daily bread” and St. Paul advises: “God is able to provide you with every blessing in abundance, so that you may always have enough” (2 Cor. 9:),

Their relative unimportance is also highlighted

Scripture stresses the subordinate role of material things to those of the spirit, such that:

- “Better is a little that the righteous has than the abundance of many wicked” (Ps 37:16)
- “Better is a little with the fear of the Lord than great treasure and trouble with it. Better is a dinner of herbs where love is than a fatted ox and hatred with it” (Prb 15: 16-17)

Or: “For what does it profit a man if he gains the whole world and loses or forfeits himself” (Lk 9:25) Or again,

“Happy are the poor in spirit, for theirs is the Kingdom of Heaven” (Mark 6:20.)

That is to say, within the hierarchy of human goods, riches have a subordinate importance. Being external goods their relative importance is dependent on the place that they occupy in one’s whole hierarchy of values. Material goods are shown to be means to an end. Hence, their pursuit should retain that balance, a means, not an end.

Material things can also be dangerous

That wealth, though good, can easily lead to the danger of self-sufficiency and the rapture of the social significance of happiness as well as the forgetfulness that in many ways wealth is a gift, is also spelt out. So is the fact that the rich man easily forgets God: Dt. 8: 12-14, Hos. 13: 6 and in the New: Mk 10:23-25. Saint Paul repeats the same idea several times as in 1 Tim 6:9-10.

Wealth and detachment from it

A good example of this is the case of Solomon, in Kings 1:11-12. While Scripture, and most especially the New Testament insists on the importance of not loving money, it also recommends that we pray for our ‘daily bread’ and stress the need to earn a living and provide for the needs of one’s dependents. Examples of this are 1 Tm 5:8. St. Thomas Aquinas also reflects on this need: S. T. II-II, q. 118, a.1 among others. But the danger is not in money, or wealth but in the attachment that a person may come to have to it thus producing a whole list of vices because money gives power.

If the confusion which Prof. Enderle alludes to does indeed exist, which seems to be the case, then it does not stem from the Bible or from the Church mainstream teaching. Where then could it have originated from? My brief enquiry due to the interest I have had all along in this question leads me to three possible sources as I will show in the next section. These are Philosophical, Cultural and Religious.

Western Philosophical, Cultural and Religious Roots of the Problem

A Flawed philosophical and cultural view paves the way for a myth

The concerns raised by Professor Enderle regarding attitudes to be found in some predominantly Catholic countries like South America is, unfortunately a fact largely based on Western pre-modern tradition with roots in Greek philosophers including even Plato and Aristotle. In Greek culture it will be remembered that some occupations were not considered as being worthy of human dignity. In essence that philosophy supported the idea that craftsmen and merchants could not become virtuous because the occupations they engaged in were not geared towards the promotion of the good proper to man. That is to say the moral and spiritual good. In this way persons engaged in commerce were excluded from the circle of those who could become virtuous.

With that parochial attitude it is possible that some people read scripture with one eye understanding Jesus saying that 'you'll always have the poor with you' to mean that poverty was a position in life. As Prof. Enderle points out, "that could never have meant to accept the fact of poverty in resignation and to give up the hope to essentially eradicate it".

That flawed view explains in part why it would later be rejected by the Enlightenment philosophers of Europe and North America. But that rejection paved the way for another myth: **that business is all about self-interest and that business ethics is only about how to reap more personal benefits.** This myth gained even more force from the belief that commerce is associated with greed, and since greed is clearly an evil, commerce and virtue were seen to be rivals.

Monastic life, and the diminishment of the importance of work in the world

The profession of evangelical vows that include poverty, chastity and obedience come to be emulated as the ideal way to holiness within the Church. That in itself was a wonderful step in the ascetical life. However it is possible that the monastic life may have led to a view of work as something to be done simply as a means to provide the basic minimum for life and to avoid idleness, which is a source of temptations, thus in an indirect way perhaps diminishing the value of work -- a means of wealth production. From there on the life of the 'professed' to poverty and indigence come to be understood by some people as the ideal state for any one aspiring to holiness. Thus the ordinary person, the unprofessed was left out with a need to fend for his family yet with the suspicion that to get involved in economic activities was something too worldly to be pleasing to God.

Protestant revisionism and self image

When writing my doctoral thesis, researching on the origin of the concept of profession, I found in Weber, an explanation that seemed to open my eyes to the question I had all along asked myself regarding the plight of Catholic communities described in the

introduction to this response. Without the need to go to all the details regarding the historical developments of the concept of work and profession described by Weber, it is clear that Luther's rebellion and his subsequent break away from the Church gave a new interpretation to 'profession' that emptied it of its original transcendental significance. For salvation, in Luther's teaching all one needs was faith (*sola fides*). He abolished the notion of 'good and meritorious works' so that now man should work because he should, as a duty imposed on him by his Creator. Each one's station in life becomes his '*Beruf*' or vocation where he must remain and from there work with a sense of duty.

With both Calvin and Zwingli, this teaching is further refined such that by that "Beruf" or call one's fate is determined or predestined. The predestined, the man submitted to divine will is then free on earth, but his liberty is there so that he can show with it that he has been 'elected'. The most efficacious way of manifesting this on earth is through his capacity to conquer everything earthly for the use of man. That manifestation is carried out specifically through material signs: the capacity to accumulate visible goods for his use and that of society.

The favored of God, therefore, fare well in their work and through that work because they believe they are blessed with riches, with prosperity and health. Poverty is suspected to be a sign that God is not quite pleased with someone.

In the consideration of Social and Professional Ethics, including Business Ethics, particularly in the doctrines of Zwinglian roots, two distinct kinds of social orders result:

- An *interior order* which theorizes about perfect society. But this order is considered to be utopian, an order only possible in a society of saints. Therefore it is hardly realizable in this life.
- Since the world and all humanity is just too sinful, what we have in this world is an *external order* in which it is indispensable for man to have property as the thing that guarantees one's natural and individual sphere of activity.

Work motivation and wealth creation

--This belief becomes a wonderful motivator not only to work but to work hard, in an orderly manner, thus learning to observe many human virtues. The target is to excel as a way to show that one is among the chosen ones of God.

--This spirit of hard work, of industriousness and innovative spirit end up, with time, by characterizing the peoples of the Reformed countries of Northern Europe and the Anglo-American world. Work and the good use of time become almost the defining characteristics of being rational.

--This spirit of hard work and determination eventually lead to the conquest of nature and the environment for the betterment of man's habitat. As a result, there is faster economic and material development in those countries.

--Hard work, combined with the zeal to learn in order to conquer nature bring about modern science and technology with the many material comforts and facilities which are today associated with wealth and prosperity.

--With time, globalization makes the use of such goods equivalent to affluence in such a way that poor countries are those countries which have not yet industrialized.

Industrialization and economic advancement

Weber contends that because the Mediterranean countries, such as Italy, Spain, Portugal which were predominantly Catholic, did not get this influence, their industrialization took longer to happen.

This is further explained by the fact that the theology of work preached there and in the countries with Catholic influence such as Latin America, had a completely different vision of man and his salvation.

When not fostering poverty or misery, the Catholic religious orientation led man more to the things of the spirit than to those of the body because wealth creation, being a secular matter belongs more to civil authority than to the Church.

However, whereas this is so, I think that this matter still leaves room for a much better understanding in the philosophy and theology of work.

Cultural Deficit and Its Corrective in the Theology and Philosophy of Work

Reasons for the suspicion

There are two approaches to wealth: one, which is healthy and compatible to virtue and, another, which is unhealthy and incompatible to virtue. We saw that at the beginning of this response.

The reason why serious Catholics are often suspicious of wealth creation is rooted in the approach to wealth which is unhealthy and dangerous, unaware perhaps that there is also the healthy kind which, as we saw earlier has biblical support. However, it is not only some Catholics who are suspicious of business and wealth creation (note I do not touch on the approved wealth Western Classical tradition, as mentioned by Prof. Mele, such as inheritance loot or gift).

There is sufficient evidence to show that a whole section of economists and businessmen of any denomination also believe in the incompatibility of business and ethics. They do so not only for biblical reasons, but also on the grounds of the theory attributed to Adam Smith that capitalism is basically based upon 'self-interest'.

The fundamental problem of this outlook is to be found in the 'invisible hand' theory forwarded by Adam Smith in his famous work *The Wealth of Nations* that capitalism is a kind of alchemy, which converts avarice and greed through an invisible hand, into capitalist prosperity.

That belief automatically suggests that prosperity can only be achieved through an amoral and immoral system, which leaves no room for benevolence, friendship, charity, solidarity or any form of 'other' mindedness.

This theory, just like the religious one of Luther, and others from which it stems, rests on a wrong and contradictory premise for it implies that economic prosperity derives from a different set of values from those which produce human prosperity in our personal relations and family life.

The thesis is wrong again because one cannot altogether separate economic life from family life, or from social and spiritual life, because all these form one single unity in a person's existence. There is, therefore, need to understand the unity of man as a person and thence to appreciate his human dignity through the recognition of his spiritual and bodily needs.

Professor Enderle's Positive Suggestions and Recent Church Teachings on Eradication of Poverty..

Church doctrine

The Social doctrine of the Church, when not speaking directly about wealth creation, does indeed imply that there is nothing wrong with it.

- When I read that 'those who have property need to share with those who do not', I understand that it is good and healthy that some people have wealth whether it be through their hard work, inheritance or as a gift. I do not understand sharing it as meaning to give it away as gifts. Some ways of sharing it could be by remunerating those people who work for them fairly, justly and even generously. See for instance Vatican II : *Gaudium et Spes*, no. 67.
- Therefore, Professor Enderle correctly says that "Business Ethics would be incomplete if it did not also focus on political and public and personal services that create an enabling environment for meaningful creation of sustainable wealth". This is the same concern that is echoed in *Octogesima Adveniens*, 15 May 1971, no. 48.
- Creation of Wealth, as Enderle again points out, has many dimensions. Thus, I quote, "if to create is to make something better, all the actions that help to improve the lives of people are modes of wealth creation." That question is also touched by the Social Teaching by indicating that wealth creation comes about

when man forms a network of bonds with other men. See for example *Laborem Exercens*, 14 Sept 1981, no. 10).

- John Paul II does not only explain the Church's concern for the welfare of the poor and marginalized of society but he also focuses on how they themselves should work: *Laborem Exercens* 14 Sept. 1981, no.3.
- Finally John XXIII exhorts the workers towards an 'Ethics of Responsibility': *Pacem in terris*, 11th Apr 1963, no. 64.

Sanctification of work and the need for professional formation.

We started by affirming that material things in themselves are good. Money similarly is good because with it one can do so much good. One can also do harm. We should concentrate on the good that can be done rather than only focusing on the negative aspects. Material things contribute to a life with more human dignity: think for example of medicine, clothing, warmth in winter, transport, communications, electrodomestics, etc. God would have nothing against all these if people used them to serve Him and their neighbour better. Because man is rational it is fit that he explores ways and means to live more humanly, more comfortably and expending less energy so long as that comfort does not lead him to evil. So technology is good and it brings wealth.

- Human work is the normal and usual source of the material needs for subsistence and of the creation of wealth. Work, be it business or any other profession is the medium by which an ordinary Christian will normally create that wealth. But creation of wealth through work has another dimension. In the process of doing so one can offer his services to God at the same time as he provides for needs of the customers and clients.
- Work is thus a means of finding God in the world. This doctrine is absolutely biblical and, as one saint of our times has said, it is as old as the gospel, but just as the gospel it is still new.
- I believe therefore that one way of sending this message is through the teaching of Business Ethics.
- It is true too that the key to the question of wealth creation on part of the poorer countries has many complications. Some of them are political, others climatic others simply due to our human condition but it is also true that some of them are of a social and religious making.
- One solution to this problem lies in a better assimilation of the role and importance of work. We could achieve this assimilation in different ways. One of them is to teach people to work with the zeal of the 'predestined mentality' but with the belief that all work done well is pleasing to God and that it is an ambit for the practice of many Christian virtues.

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