

CATHOLIC SOCIAL TEACHING AND THE CAUX ROUND TABLE: POSSIBILITIES FOR PARTNERSHIP

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*“Thy Kingdom Come, Thy Will Be Done;
On Earth, as it is in Heaven”*

“It belongs to the laity to seek the kingdom of God by engaging in temporal affairs and directing them according to God’s will.”¹

“The Church’s social doctrine is a privileged instrument of dialogue between Christian communities and the civil and political community.”²

INTRODUCTION

A purely capitalistic consciousness of right order identifies the private creation and accrual of wealth as a central “good.” Though capitalism in application becomes much more complicated than this theoretical foundation, the beginning premise of capitalism remains straightforward: private market forces—not a centralized authority organizing around values of public wellbeing—should regulate economic activity towards the end goal of profit. And while market forces may effectively create an economic setting that allows human life to flourish³, they don’t take care for the myriad of other social factors necessary to promote a just human society.

¹ See the Compendium of the Social Doctrine of the Church, Libreria Editrice Vaticana, Vatican City, (2004) (hereafter “Compendium”), p. 306, #541.

² Ibid., p.303, #534.

³ The creation of capital and wealth lead to higher rates of employment, which leads to higher economic standards of living, and so on and so forth. CST recognizes the inherent good in this wealth creation under certain parameters. Compendium p. 97, #171, “The human person cannot do without the material goods that correspond to his primary needs and constitute the basic conditions for his existence; these goods are absolutely indispensable if he is to feed himself, grow, communicate, associate with others, and attain the highest purposes to which he is called.” Compendium p. 97, #172, “Each person must have access to the level of well-being necessary for his full development. The right to the common use of goods is the “first principle of the whole ethical and social order” ...All other rights, whatever they are, including property rights and the right of free trade must be subordinated to this norm [the universal destination of goods];”

When laid bare, capitalism is largely amoral. Thus capitalism activated in a moral vacuum can become a tremendous force for the immoral treatment of human life.

In response, both Catholic Social Teaching (“CST”) and the Caux Round Table (“CRT”) promote moral and ethical checks on the basic appetites of capitalism and its offspring, business. CST and CRT articulate these checks as aspirational standards of behavior that translate into a moral framework in which business may properly operate. CST insists that the economy has moral connotations essential to human flourishing.⁴ This paper confidently submits that CRT and CST promote congruent moral frameworks that will allow business, capitalism, and human society to flourish in partnership. The following discussion will present a brief overview of possible ways the CRT Principles for Business may implement the visions of CST in the public sphere.

SECTION I: Who is the Caux Round Table and What is Catholic Social Teaching?

A. The Caux Round Table

CRT is an international network of business leaders working together to promote principles of business behavior that will lead to a moral capitalism.⁵ Thus, at its core, CRT believes that a moral capitalism is both possible and imperative.⁶ This sets CRT in harmony with CST’s concept of economic activity in God’s plan for the world.⁷ CRT develops and promotes

⁴ Compendium, p. 188, #330, “The church’s social doctrine insists on the moral connotations of the economy.” And, Compendium p. 207, #369, “A financial economy that is an end unto itself is destined to contradict its goals, since it is no longer in touch with its roots and has lost sight of its essential role of serving the real economy and, ultimately, of contributing to the development of people and the human community.”

⁵ See the Online Homepage of CRT, where the organization self-describes itself as, “ an international network of principled business leaders working to promote a moral capitalism.” <http://www.cauxroundtable.org/about.html>, last accessed 12/14/06.

⁶ CRT Principles for Business, Section 1: Preamble to the CRT Principles for Business asserts, “[w]e affirm the necessity for moral values in business decision making. Without them, stable business relationships and a sustainable world economy are impossible.” Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>, last accessed 12/15/06.

⁷ Consider Compendium, p. 253, #448, “The spirit of international cooperation requires that, beyond the strict market mentality, there should be an awareness of the duty to solidarity, just and universal charity. In fact, there exists “something which is due to man because he is man, by reason of his lofty dignity.” Further, Compendium p. 190, #334, “The economy has as its object the development of wealth and its progressive increase, not only in quantity but also in quality; this is morally correct if it is directed to man’s overall development in solidarity and to that of the society in which people live and work.”

standards of ethics in business, government, and non-profit organizations. Further, CRT focuses on stakeholders in business, as opposed to simply shareholders. The concept of Human Dignity, articulated also in the Japanese concept of Kyosei⁸, serves as both foundation and compass for the principles advocated by CRT.

The CRT Principles for Business develop the ideals of Human Dignity and Kyosei into a set of principles that both explicate and activate these starting premises in the operations of business life.⁹ The Principles promote a vision of ethical and moral leadership in business that seeks to direct the economic impact and social capital of business leadership towards a collective understanding of acceptable business behavior.¹⁰ The Principles are divided into Seven Principles for Business, followed by a set of Stakeholder Principles directed at customers, employees, owners/investors, competitors, and communities.¹¹ The Seven Principles for Business are titled as follows:

Principle 1. The Responsibilities Of Businesses:

Beyond Shareholders toward Stakeholders

Principle 2. The Economic and Social Impact of Business:

Toward Innovation, Justice and World Community

Principle 3. Business Behavior:

Beyond the Letter of Law Toward a Spirit of Trust

Principle 4. Respect for Rules

Principle 5. Support for Multilateral Trade

Principle 6. Respect for the Environment

Principle 7. Avoidance of Illicit Operations

⁸ CRT Principles for Business, Section 1: Preamble to the CRT Principles for Business., which provides the following description of Kyosei: “The Japanese concept of kyosei means living and working together for the common good enabling cooperation and mutual prosperity to coexist with healthy and fair competition.” Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>., last accessed 12/15/06.

⁹ Ibid.

¹⁰ See the Introduction of the CRT Principles of Business, which states, “We seek to begin a process that identifies shared values, reconciles differing values, and thereby develops a shared perspective on business behavior acceptable to and honored by all.” The CRT Principles for Business are available in English at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>., last accessed 12/5/06.

¹¹ Ibid.

As noted, these Principles and the Stakeholder principles begin with and orient to the ideal of human dignity.¹² This orientation uniquely situates CRT and its Principles for Business in a position to activate CST in the secular, public sphere.

B. Catholic Social Teaching

CST asserts a worldview that strives to bring God’s order to human society. This worldview recognizes principles of social order that collectively direct action towards the principal value in CST: the dignity of the human person. CST presents a complex and refined articulation of Catholicism’s understanding of a moral world order—or, put another way, God’s will on earth. The Church calls all Catholics to work towards the integration of CST in the political and social world.¹³ Specifically, the Church calls Catholic laity to, in the exercise of God’s gift of free will¹⁴, act with responsibility¹⁵ and prudence to “discern the true good in every circumstance.”¹⁶

Catholic Social Teaching builds upon four primary, permanent principles of the Church’s doctrine:

- 1) The Dignity of the Human Person**
- 2) The Common Good**
- 3) Solidarity, and**
- 4) Subsidiarity.**¹⁷

¹² Ibid.

¹³ Ibid., at p. 302, #531. “The Church’s social doctrine must be the basis of an intense and constant work of formation, especially of the lay faithful. Such a formation should take into account their obligations in civil society.” Further, “It belongs to the laity to seek the kingdom of God by engaging in temporal affairs and directing them according to God’s will.” Compendium p. 306, #541.

¹⁴ Ibid, at p. 75, #135, “Man can turn to good only in freedom, which God has given to him as one of the highest signs of his image.” Compendium p. 76, #138 expounds, “In the exercise of their freedom, men and women perform morally good acts that are constructive for the person and for society when they are obedient to truth, that is, when they do not presume to be the creators and absolute masters of truth or of ethical norms.”

¹⁵ Ibid. at p. 65, #113, “[Men and women’s] dominion over the world requires the exercise of responsibility, it is not a freedom of arbitrary and selfish exploitation.”

¹⁶ Ibid. at p. 309, #547, “The lay faithful should act according to the dictates of prudence, the virtue that makes it possible to discern the true good in every circumstance and to choose the right means for achieving it. Thanks to this virtue, moral principles are applied correctly to particular cases.”

¹⁷ Ibid. at, p. 91, #160. Further, “[T]he Church presents [these] as the primary and fundamental parameters of reference for interpreting and evaluating social phenomena...” Compendium, p. 92, #161.

From these cornerstones springs an intricate development of the Church's understanding of God's will for the Kingdom on Earth. According to the Church, developing CST's core principles in society—with particular emphasis on the dignity of the human person—is the only way to achieve right order in society.¹⁸ CST declares, “A just society can become a reality only when it is based on the respect of the transcendent dignity of the human person. ...[S]ince the order of things is to be subordinate to the order of persons, and not the other way around.”¹⁹

C. Human Dignity the Central Focus of CST and CRT

As plainly evident, Human Dignity serves as the focal point for both CST and the CRT Principles for business.²⁰ Though CST begins with the intent of seeking and activating God's will on earth, while CRT pursues a non-deistic concept of social good, these starting points neither conflict with nor hinder the potential of CRT and CST working together for common purposes. Upon the most cursory analysis, these two visions of public order emerge as cooperative methods of promoting social welfare. Thus the CRT Principles for Business offer a tangible means of activating the Church's insistence on the “moral connotations” of economic activity in society.²¹

What follows will construct a basic framework for pursuing the common social goals of CST and CRT. In this way, CRT seeks to serve as a vehicle for CST to fulfill its purpose as, “a privileged instrument of dialogue between Christian communities and the civil and political

¹⁸ Ibid. at, p. 74, #132, “A just society can become a reality only when it is based on the respect of the transcendent dignity of the human person. ...[S]ince the order of things is to be subordinate to the order of persons, and not the other way around...[R]espect for human dignity can in no way be separated from obedience to this principle. It is necessary to “consider every neighbor without exception as another self, taking into account first his life and the means necessary for living it with dignity.” Every political, economic, social, scientific and cultural program must be inspired by the awareness of the primacy of each human being over society.”

¹⁹ Ibid.

²⁰ Ibid., ““Human dignity” refers to the sacredness or value of each person as an end, not simply as a mean to the fulfillment of others' purposes or even majority prescription.”

²¹ Ibid. at p. 188, #330. “The church's social doctrine insists on the moral connotations of the economy.”

community.”²² The following sections will examine the ways each pillar of CST intertwines with the CRT Principles for Business in an effort to explicate the compatibility of CRT and CST.

SECTION II: The Common Good and the Universal Destination of Goods

“The principle of the universal destination of goods is an invitation to develop an economic vision inspired by moral values that permit people not to lose sight of the origin or purpose of these goods, so as to bring about a world of fairness and solidarity.”²³

The importance of business and wealth creation to fulfilling the purpose of human life is central in CST.²⁴ But CST is also clear that wealth for wealth’s sake, or business operating purely for profit, does not comport to the Church’s vision of right economic order.²⁵ Instead, “[g]oods, even when legitimately owned, always have a universal destination; any type of improper accumulation is immoral because it openly contradicts the universal destination assigned to all goods by the Creator. ... [The Fathers of the Church] call on those who work in the economic sphere and who possess goods to consider themselves administrators of the goods that God has entrusted to them.”²⁶ In other words, goods must be used to create good.²⁷

The CRT Principles for Business both expressly and implicitly honor this value of wealth sharing. At the outset, the Principles state, “[s]hared values, including a commitment to shared

²² Ibid. at p. 303, #534. “The Church’s social doctrine is a privileged instrument of dialogue between Christian communities and the civil and political community. It is an appropriate tool for promoting and cultivating attitudes of authentic and productive cooperation in ways adapted to the circumstances.”

²³ Ibid at, p. 98, #174.

²⁴ Ibid. at p. 97, #171, “The human person cannot do without the material goods that correspond to his primary needs and constitute the basic conditions for his existence; these goods are absolutely indispensable if he is to feed himself, grow, communicate, associate with others, and attain the highest purposes to which he is called.”

²⁵ Ibid. at p. 187, #329, “Riches fulfill their function of service to man when they are destined to produce benefits for others and for society. ... The rich man—Saint Gregory the Great will later say—is only an administrator of what he possesses; giving what is required to the needy is a task that is to be performed with humility because the goods do not belong to the one who distributes them. He who retains riches only for himself is not innocent; giving to those in need means paying a debt.”

²⁶ Ibid. at p. 187, #328.

²⁷ Ibid at p. 192, #338, “[b]usinesses should be characterized by their capacity to serve the common good of society through the production of useful goods and services. In seeking to produce goods and services according to plans aimed at efficiency and at satisfying the interests of the different parties involved, businesses create wealth for all of society, not just for the owners but also for the other subjects involved in their activity. ... A business’ objective must be met in economic terms and according to economic criteria, but the authentic values that bring about the concrete development of the person and society must not be neglected

prosperity, are as important for a global community as for communities of smaller scale.”²⁸ Consistent with this explicit statement, the Principles embed each assertion of proper business behavior in a deep awareness of the communitarian effects and responsibilities of a business.²⁹ This communitarian awareness necessarily furthers CST’s concern for the universal destination of goods by keeping businesses focused on their role as international citizens, not simply profit machines.

CRT recognizes the concept of the universal destination of goods in its first principle of business behavior, subtitled “beyond shareholders toward stakeholders.”³⁰ The principle declares that businesses play a role in improving the lives of its stakeholders by, “sharing with them the wealth they have created.”³¹ Later on, CRT emphasizes the importance of the “prudent use of resources” to the development of human rights, education, and welfare of communities around the world.³² Recognizing an imperative in businesses using resources prudently and in a way that is respectful of others’ legitimate needs for those resources implicitly suggests that CRT recognizes that goods and resources have communitarian destinations. Asking businesses to refrain from being resource mercenaries—to refrain from seeking to simply accrue and hoard as many resources as possible to further their own interests—illuminates CRT’s understanding of CST’s concern for the common good and the universal destination of goods. CRT’s respect of the universal nature of goods also indicates that CRT’s Principles for Business understand a corporate citizen as part of a community, not an isolated entity in a sea of unsympathetic

²⁸ See the CRT Principles for Business, Section 1: Preamble to the CRT Principles for Business. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>, last accessed 12/15/06.

²⁹ See the CRT Principles for Business generally. Each principle explicates a particular way that business interacts with its exterior community, be it the environment, the law, international governments, or other foreign and domestic businesses. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>, last accessed 12/15/06.

³⁰ See the CRT Principles for Business, General Principles: Principle 1. The Responsibilities of Businesses: *Beyond Shareholders toward Stakeholders*. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>. Last accessed 12/15/06.

³¹ Ibid.

³² See the CRT Principles for Business, General Principles: Principle 2. The Economic and Social Impact of Business: *Toward Innovation, Justice, and World Community*, . Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>. Last accessed 12/15/06.

strangers. As such, the CRT Principles for business forward CST's value of solidarity among all people and in society.

SECTION III: Solidarity and CRT

“The moral dimension of the economy shows that economic efficiency and the promotion of human development in solidarity are not two separate or alternative aims but one indivisible goal.”³³

Genuine respect for human dignity naturally directs the individual heart and mind toward feelings of solidarity with her fellow humans. The Church explains solidarity as, “the need to recognize in the composite ties that unite men and social groups among themselves, the space given to human freedom for common growth in which all share and in which they participate. ... It translates into the willingness to give oneself for the good of one's neighbor, beyond any individual or particular interest.”³⁴ In other words, solidarity is a sense of sameness—of one's connection to and equal value with every other human on earth. This connection and sense of sameness suggest the unavoidable interdependence of human existence—solidarity indicates that human life is intrinsically social. In this way, solidarity simultaneously illuminates both the interdependence and the equal dignity of each human life.³⁵

Put differently, solidarity asks each individual to see a piece of herself viscerally present in every other human. Individual people are not simply similar to one another; instead we are connected, and we share something unique and essential by virtue of our “humanness” alone. The “something” that is unique and essential is the inherent dignity of human life, which is the starting point for a cohesive understanding of solidarity. Individuals who successfully integrate an understanding of solidarity into their consciousness unavoidably approach life in a dramatically different way than one who understands her existence as ‘an island unto itself.’³⁶

³³ Compendium, p. 189, #332.

³⁴ Ibid. at p. 111-12, #194, “The term “solidarity,” widely used by the Magisterium, expresses in summary fashion the need to recognize in the composite ties that unite men and social groups among themselves, the space given to human freedom for common growth in which all share and in which they participate. ... It translates into the willingness to give oneself for the good of one's neighbor, beyond any individual or particular interest.”

³⁵ Ibid.

³⁶ This metaphor for solidarity relies on John Donne's immortal phrase, “No man is an island, entire of itself; every man is a piece of the continent, a part of the main.” *“Devotions upon Emergent Occasions.”* XVII. NUNC LENTO

CST believes that one way solidarity asks people to live differently concerns the ordering of values in society. The Church asserts that a proper consideration of solidarity, as described above, leads individuals and societies to prioritize human dignity above all other considerations: “[a] just society can become a reality only when it is based on the respect of the transcendent dignity of the human person. . . . since the order of things is to be subordinate to the order of persons, and not the other way around.”³⁷ This prioritization of the human person called for by the Church has important implications for business behavior, which CRT addresses in its Principles for Business.

To begin, solidarity directs a business to understand its existence not in isolation, but as a member of a larger “social ecology.”³⁸ As such, a business must consider the variety of ways its behavior impacts human life, as well as the impact of its actions on the natural environment.³⁹ The CRT Principles for Business acknowledge that an individual may encounter business in a variety of roles: as customer, employee, owner/investor, supplier, competitor, or community member.⁴⁰ CRT calls for businesses to behave in ways that equally respect an individual in any of these capacities, thereby honoring the “sameness” the Church calls individuals to recognize between people in all positions in life. For instance, the stakeholder principle relating to suppliers declares that a business’s relationship with suppliers must be based on “mutual respect.”⁴¹ The principle expands this edict into specific behavioral expectations, including a mandate to seek fairness in pricing and licensing and encouragement to prefer suppliers whose,

SONITU DICUNT, MORIERIS, available at: <http://www.anglicanlibrary.org/donne/devotions/devotions17.htm>. Last accessed 12/15/06.

³⁷ Compendium, p. 74, #132. This same passage continues more radically, “It is necessary to “consider every neighbor without exception as another self, taking into account first his life and the means necessary for living it with dignity.” Every political, economic, social, scientific and cultural programme must be inspired by the awareness of the primacy of each human being over society.”

³⁸ Ibid. at p.194, #340. “A business enterprise must be a community of solidarity, that is not closed within its own company interests. It must move in the direction of a “social ecology” of work and contribute to the common good also by protecting the natural environment.”

³⁹ Ibid.

⁴⁰ See the CRT Principles for Business, Stakeholder Principles. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>. Last accessed 12/15/06.

⁴¹ Ibid, Stakeholder Principle “Suppliers.”

“employment practices respect human dignity.”⁴² This is but one example of the many ways the CRT Stakeholder principles take pains to consider the interconnected web of people involved in and affected by business behavior. These considerations honor the principle of solidarity in a way that significantly departs from the traditional business model that focuses on a company’s self-interest and profit first and foremost.

Finally, while a concern for human dignity may not immediately indicate an interest in the environment, a very brief reflection on the close relationship between human life and the natural world tells a story of mutual dependence. Human life intimately relies on the earth and her resources to achieve existence; in turn, the earth relies on humanity to be good stewards of her wellbeing, lest her fragile existence crumble beneath the weight of humanity’s apathy and neglect. The natural environment is an integral member of the interdependent web that solidarity demands each human to acknowledge and honor. CRT Principle for Business 6 declares that, “a business should protect and, where possible, improve the environment...and prevent the wasteful use of natural resources.”⁴³ Thus CRT directs that business’s live in union—or solidarity—with the natural environment, not in conflict with the earth as can often happen with industrial development. In this way CRT activates CST’s clear intention that human life must honor all creation, with particular emphasis on the natural world.

SECTION IV: Subsidiarity and the CRT Stakeholder Principles

As noted above, the CRT Stakeholder Principles focus on the practical application of the CRT General Principles of business.⁴⁴ The stakeholder principles consider business behavior in terms of the people it affects, not the profit it produces. By doing so, the stakeholder principles focus on human dignity while considering that dignity in a variety of business-relevant contexts. This consideration of the way business affects human dignity in the variety of low-level associations that businesses produce intrinsically relies on and promotes the CST principle of Subsidiarity. The principle of Subsidiarity calls for society to grant decision-making authority to

⁴² Ibid.

⁴³ See the CRT Principles for Business, General Principles: Principle 6. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>. Last accessed 12/15/06.

⁴⁴ See the Caux Round Table Principles for Business, Introduction. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>. Last accessed 12/14/06.

the lowest level or most immediate grouping in societies in order to respect the dignity and autonomy of the human person. The CRT principles for Business respect this value by demanding that businesses consider the impact of business behavior on the many low-level associations business encounters.⁴⁵

Concerning the concept of Subsidiarity, CST declares, “It is impossible to promote the dignity of the person without showing concern for the family, groups, associations, local territorial realities; ...[T]his is the realm of civil society, understood as the sum of the relationships between individuals and intermediate social groupings...”⁴⁶ In other words, one cannot properly understand human dignity without locating that understanding in the particular social organizations or groupings that define humans as individuals. Subsidiarity then requires that a person’s dignity be respected in each particular context and grouping. The CRT Stakeholder principles endeavor to do just this by calling on businesses to make decisions that reflect a concern for the impact on the human dignity of the many different constituencies that business behavior encounters.

CONCLUSION

Presented above are but a few ways the CRT Principles for Business can serve as a tool for CST to reach the secular world of business. This essay posits that CRT offers a unique opportunity for Catholic business people to forward the substance of CST in the secular world. While the interrelatedness of CST and CRT is much more comprehensive than the overview described above, the information herein at least begins to scratch the surface of how the CRT Principles for Business correlate to the four foundational principles of CST. In this way, this paper asserts a hopeful vision of future partnerships between the Caux Round Table and those who advocate the social teachings of the Catholic Church.

⁴⁵ These associations are identified as the “stakeholders” in Section 3 of the Principles. The stakeholders include customers, employees, owners/investors, suppliers, competitors, and communities. See the Caux Round Table Principles for Business, Section 3. Available at: <http://www.cauxroundtable.org/documents/Principles%20for%20Business.PDF>. Last accessed 12/15/06

⁴⁶ Compendium, p.104, #185.