

The Wittenberg Statement

CALLING FOR A REFORMATION OF CAPITALISM



A Call for a Reformation of Capitalism

'The community stagnates without the impulse of the individual. The impulse dies away without the sympathy of the community.'

- William James

Jointly, the Caux Round Table for Moral Capitalism and the Wittenberg Center for Global Ethics held a conference on the occasion of the 500th anniversary of Martin Luther posting his 95 Theses. Reflecting on this momentous event, we recognized the present necessity to reform free market capitalism. This reformation needs to focus on individual responsibility, respect for individuals and institutions and personal vocations.

Summary of Statement

Our global economy needs reformation.

The way our civilization produces energy needs reform. Ignoring conservation of our natural order must end. The concentration of wealth needs reform. The Trust Gap between elites and the common people, between rulers and the ruled, between the rich and those who need access to wealth, must be closed. The continued tendency of a now-wealthy and educated world towards intolerance and war needs correction.

The reformation of our global civilization must, in addition, address abuses of power, in both markets and governments. It must counteract the dystopian and narcissistic disruptions of digitalization – mindlessness, short-termism, other-directed “bubbles” of conformity in our choice of values and beliefs and the concentration of Big Data in a few hands. This essential reformation also must find and secure value in human talent to complement the coming achievements of artificial intelligence.

Luther proposed new ways of thinking about individual responsibility and an individual’s relationship to power which, in time, facilitated the rise of modern science, free market capitalism and constitutional democracy; truly new models of civilization rewarding rising expectations of progress, again and again.

Luther proposed two roads to living rightly: individual faith in God and personal engagement with the teachings of scripture. He further believed, as a Christian, that all persons could serve God in their various vocations from high to low. He claimed that all believers could serve as ministers of higher purpose in this world. Luther, thus, focused responsibility for the world on individuals and he ennobled their occupations as necessary to the accomplishment of God’s purposes.

No matter what the structural power of systems and institutions, the proximate cause of change is individual conviction, courage and leadership. Individual leaders use vision and mission to set in motion the acts which we later write up as history.

The Caux Round Table for Moral Capitalism and the Wittenberg Center for Global Ethics appreciate our individual claims to freedom but question whether freedom without responsibility can ever lead to constructive change.

Luther insisted on radical freedom of individual belief but only within a faithful willingness to serve God and love one’s neighbor. Luther asked the hard question of what is our freedom for?

Today, we still should ask the same difficult question. An individualism that asks only, “What’s in it for me?” cannot address the dangers before us. An unhealthy atomization of humanity cannot bring us closer to happiness.

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In our world today, individuals believe themselves to be uncared for and disempowered, while community elites are aloof and unsympathetic.

In 1517, Martin Luther challenged the propriety of selling false hopes for salvation to eager customers - setting in motion the Reformation. Today, our global economy nonetheless finances and sells – also to eager customers – goods and services which lead to inequalities of income and wealth and goods and services which put at serious hazard the long-term sustainability of our inhabited world.

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Since Luther's Reformation, powerfully successful institutions have accumulated many forms of capital to enable our modern world to produce this year US\$146 trillion in annual wealth, as measured by purchasing power parity.

Today, we need to think anew about how power is used and for what ends and about every individual's responsibility to reform the dynamics of modern civilization. Much as Luther sought to turn the Catholic Church away from autocratic practices, we recognize that there is malfeasance and inequity in the current deification of the market and, specifically, financial wealth. Starting from a strong belief in the efficacy and power of free markets and constitutional democracy, the Caux Round Table for Moral Capitalism calls for a Reformation of Capitalism.

But first, we note that, coincidentally, one hundred years ago on November 7th, 1917, another attempt was made at reformation of an old order. In that case, Lenin's Bolshevik revolution sought to change not individuals but systems. It turned out to have horrifically tragic consequences.

Luther proposed two roads to living rightly: individual faith in God and his son, Jesus Christ, and personal engagement with the teachings of scripture. He further believed, as a Christian, that all persons could serve God in their various vocations from high to low. He claimed that all believers could serve as ministers of higher purpose in this world. Luther, thus, focused responsibility for the world on individuals and he ennobled their occupations as necessary to the accomplishment of God's purposes. In this fashion, he found merit in worldly undertakings, such as the potentially more corruptible undertakings of technological innovation and industry, finance and commerce.

Today, we can renew and expand our appreciation for vocation by turning to contemporary resources as the U.N.'s Sustainable Development Goals, Pope Francis's encyclical, *Laudato Si*, and the Ethical Compass just proposed by the Wittenberg Center for Global Ethics. It is time, once again, for persons to become stewards of human integrity and agents of sustainable production and consumption.

We find it obvious that a new reformation of our systems and institutions is needed. We face three dangers flowing from the successes of modern capitalism: our reckless subjugation of nature has negative consequences; our creation of great wealth has not provided social justice for all; while the rise of computers and digitalization disrupts our ways of living and thinking and stimulates new forms of psycho-social alienation.

The way our civilization produces energy needs reform. Ignoring conservation of our natural order must end. The concentration of wealth needs reform. The Trust Gap between elites and the common people, between rulers and the ruled, between the rich and those who need access to wealth, must be closed. The continued tendency of a now-wealthy and educated world towards intolerance and war needs correction.

The reformation of our global civilization must, in addition, address abuses of power, in both markets and governments. It must counteract the dystopian and narcissistic disruptions of digitalization – mindlessness, short-termism, other-directed “bubbles” of conformity in our choice of values and beliefs and the concentration of Big Data in a few hands. This essential reformation also must find and secure value in human talent to complement the coming achievements of artificial intelligence.

No matter what the structural power of systems and institutions, the proximate cause of change is individual conviction, courage and leadership. Individual leaders use vision and mission to set in motion the acts which we later write up as history.

The Caux Round Table for Moral Capitalism appreciates individual claims to freedom but questions whether freedom without responsibility can ever lead to constructive change.

Luther insisted on radical freedom of individual belief but only within a faithful willingness to serve God and love one’s neighbor. Luther also cloaked his individualism in personal responsibility for one’s destiny, inside a moral dimension based on faith in the almighty and on learning from scripture.

Luther asked the hard question of what is our freedom for?

Today, we still should ask the same difficult question. An individualism that asks only, “What’s in it for me?” cannot address the dangers before us.

Somehow, the freedom to be “me” must be reconciled with the reality of “us” through respect for others. Shared agreement on what constitutes the common good is needed. Today, we also know that freedom of belief must take into consideration historical realities and the dignity of others.

Individuals need, first of all, to utilize their personal freedom to discern, as Luther insisted they do, their personal vocations which respond to ‘deeper, ethical callings.’ It is these vocations, rather than mere job descriptions, that are needed to promote ultimate human achievement.

A renewed appreciation of vocations - both private and public – will meet the aspirations of many Millennials for work with purpose. And putting personal vocation as a central good provided by our global civilization will appropriately concentrate our attention on jobs and employment opportunities.

While such reflection on vocation concerns all individuals, there are some individuals, however – those who hold positions of great power - who must assume greater stewardship responsibilities as part of their personal vocation.

Personal freedom alone guarantees nothing. There will be no reformation of our institutions and our structures unless we use our moral sense, seek to live honorably and find a vocation for our talents.

Today, technology provided by private markets has pushed our individualism more and more towards atomized isolation and harmful insularity – draining away the social strength of the engaged individual. Given this, the question becomes: How today can we meaningfully and comprehensively empower a reformed individualism that responds to a relevant moral almighty in which to place our faith and which has suitable scripture from which to learn?

The reality of the Sovereign good, standing over and above ourselves as mere individuals, is something Luther most powerfully affirmed. Such reality was a vital part of his understanding of God which can help us today as a corrective, one that our modern societies need to recover, if we are to reform the excesses of atomized individualism. This perspective will enable us better to understand that authentic vision of ourselves and of human flourishing that alone can ground the proper discernment of our true vocation.

Suitable standards constrain the use of power. Suitable self-reflection opens doors to finding such standards. Seek and ye shall find.

[The Wittenberg Center for Global Ethics was founded, with support from Andrew Young, to search for an economic reformation. The Caux Round Table for Moral Capitalism has worked for over 30 years advocating for responsible, respectful capitalism authoring the influential first set of ethical principles for global business, the "Caux Round Table Principles for Responsible Business"]

Endorsements

Endorsed by:

The Wittenberg Center for Global Ethics

Individual Endorsements:

“The Caux Round Table for Moral Capitalism and the Wittenberg Center for Global Ethics are to be congratulated on their initiative which deserves the support of the global community concerned with ethical issues in business as a whole.” – Tunku Abdul Aziz, Co-Chairman, Caux Round Table for Moral Capitalism

“Excellence in business follows from commitment to customers and employees especially. The core of commitment follows from our sense of meaning and purpose in our work. The Wittenberg Statement reminds us of that truth so important to Martin Luther’s vision of vocation.” – Brad Anderson, Co-Chairman, Caux Round Table for Moral Capitalism

“The current face of capitalism is increasingly being questioned, which is why the Wittenberg Statement from the Caux Round Table for Moral Capitalism is so important. The Statement calls for a reform of free market capitalism so prosperity and social justice for all can become a reality, and I wholeheartedly endorse it.” – Noel J. Purcell Ph.D., Chairman Emeritus, Caux Round Table for Moral Capitalism

“The Reformation of Capitalism is necessary for the world of today and tomorrow. Therefore, I wholeheartedly endorse the Wittenberg Statement from the Caux Round Table for Moral Capitalism. Interfaith dialogue and worldview on all aspects of life and community are very important conditions for responsible, inclusive capitalism. The work of the Caux Round Table and the Wittenberg Center for Global Ethics regarding moral capitalism deserve support.” – Jan Peter Balkenende Ph.D., former Prime Minister, The Netherlands

“Strong agreement with your statement.” – Antony Burgmans, Chairman, Akzo Nobel; former CEO, Unilever

“I endorse this declaration with my full support and grateful heart.” – John Dalla Costa, Founding Director, Centre for Ethical Orientation

Morihisa Kaneko, former Associate Director, Matsushita Electric Industrial Company; Co-author, Caux Round Table for Moral Capitalism's 1994 Principles for Business

Jean-Pierre Diserens, Secretary General, Convention of Independent Financial Advisors

Herman Wijffels, former CEO, Rabobank; former Chairman, Social and Economic Council of the Netherlands; former Executive Director, World Bank

Paul Polman, CEO, Unilever

Reverend Canon Alistair Macdonald-Radcliff, former Senior Advisor, World Economic Forum and C100

William A. Graham, Murray A. Alpertson Professor of Middle Eastern Studies, Harvard University; former Dean, Harvard Divinity School

Venerable Phra Dr. Anil Sakya, former Assistant Secretary, Supreme Patriarch of Thailand

Bertrand Collomb, Director, LaFargeHolcim; Member, Académie des Sciences Morale et Politique