

Moral Capitalism and the Unending Quest for Human Perfection

Remarks by

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What is the program of Moral Capitalism as advocated by the Caux Round Table?

You can think about it from two divergent points of view. First, from the perspective of business, of capitalism as traditionally presented in our political rhetoric, it is a strategic approach to increasing wealth and business success by taking care of the interests of key stakeholders in the business – customers, employees, owners, creditors, suppliers and communities. From this perspective, Moral Capitalism looks to the intangible assets of a business, its goodwill, and asks how can we build more goodwill?

Second, from the perspective of ethics, morality, and religion, from the related perspective of the left and progressive critics of capitalism, Moral Capitalism integrates concern for others – ethical reflection – into business decision-making.

Moral Capitalism presumes that our values count, that they determine outcomes. So, Moral Capitalism asks us to take our values into account and to apply them in our lives, even our business lives.

For example, much of the harshness of some capitalist orders and of some capitalists flows directly from their values of elevating self over others, a form of Social Darwinism. I argue in my book that any such system of brute capitalism is wrong, does not create maximum wealth for society, and should be shunned by well-meaning and right-thinking people. It is only one version of capitalism. Our challenge is to build a better version of capitalism, one that spreads its advantages throughout society.

The plan for a moral capitalism offered by the Caux Round Table rests on three core values: Kyosei, human dignity and stewardship. Each of these core values rests on religious teachings or intuitions.

Kyosei is a Japanese concept drawing on Buddhism, Taoism and Shintoism. Kyosei is a perception that all living organisms such as plants, animals, people and social structures like a business or a corporation live in an ecosystem and depend on many interactions with that larger organic system of life and energy. Mutuality and interdependence, reciprocity and symbiosis, make life possible. Isolation, conflict, exclusive appropriation without balanced recompense in some form lead to decay and death in such a life world.

Thus, a business needs customers and employees. They are in an important conceptual sense “part” of the business, on the inside, and can only be harmed or punished at a cost to the business. The health of a business depends on the health of those who provide it with money, labor, supplies, patronage and good reputation. Harm the inputs to the business and you damage its outcomes. This is only common sense.

The second core value is Human Dignity. This framework for living comes most explicitly from the social teachings of the Catholic Church, most tellingly from the Papal Encyclicals *Laborens*

Exercens and Centissimus Annus. I need not here in IberAmericano University elaborate on the theology supporting a commitment to human dignity, but I would like to point out a few important implications of this teaching.

Human Dignity complements Kyosei and brings new meaning to its perceptions of interdependence. Human Dignity deepens Kyosei by placing emphasis on the value in creation of the human. Those aspects of our work and our actions that impinge on Human Dignity have special importance. Living up to the potential of our own personal dignity and living with respect for the dignity of others gives a calling, a vocation, to the human person. It is our special place in the cosmos; it is our proper home where we can be masters and kind hosts, a state of mind where our powers can be graced by compassion and elegant self-restraint.

Because of this intellectual dependency of Moral Capitalism on the Church's teachings about Human Dignity, it seems to me that Catholics everywhere but especially in a country like Mexico would have a special ability to implement the business practices called for by a system of Moral Capitalism.

Moral Capitalism is a calling to bring values into the world; it stands on faith that we can develop virtuous habits of good character and thereby keep our dark side on a short leash. This work of improving the world through moral education is well known to Jesuits who have shown leadership in the demanding task for many centuries now.

Moral Capitalism holds that, through us, through our skills and temperament, profit and virtue can co-exist in the world. We can live in the world but not in the service of Mammon.

Third, Moral Capitalism draws on the fiduciary ideal of stewardship – the good shepherd who cares well for the flock. In the Judeo-Christian tradition and in the tradition of Roman law and Republican traditions, ethics and moral duties arise with power as daylight accompanies the Sun on its journey across the heavens. The possession of power places us in office – political office, social office, commercial office - and with the holding of office come responsibilities.

Cicero perhaps made the best classical case for this union of virtue and power in his series of essays *De Officiis* – “On Duty”. By the way, Cicero’s thinking on duty and ethics was a source for St. Thomas Aquinas when writing his *Summa Theologica*.

We at the Caux Round Table hold that business has a social office to perform. The powers – economic, social and political – that come with business success place upon business obligations to be wise and just with respect to those who stand to gain or suffer from the use of such powers.

Thus, the vision of a Moral Capitalism sees capitalism as: one, in relationship to stakeholders (Kyosei); two, needing to further Human Dignity; and, three, a steward for better outcomes of civilization.

I would like to note here that the process by which we can act on the principles of a Moral Capitalism, while consistent with the ethics of St Thomas Aquinas and Church practices, is really universal throughout the human community. The process of infusing values into our actions is part of our common human anthropology. We do it all the time, every day in every culture.

I find the explanation of this process provided by the contemporary German philosopher Jurgen Habermas to be comfortable and approachable. Habermas describes us as living in three realms simultaneously – a realm of thought, concept, insight, values and beliefs; second a material

realm of facts and actions, of physical causes and consequences; and third a mixed realm between the two where we process our thoughts and values and have them direct our actions in the realm of physical and corporeal being.

I think that the essence of the Church's work in this world is to help us align our spiritual understandings with the highest thoughts and values – God if you will - with our actions through the intermediate structures of character, habits and virtuous inclinations of the will.

Thus, we can arrive at common behaviors in the realm of action though we may start from different understandings in the realm of thought, religion and philosophical insights.

At the Caux Round Table, we have looked at our Principles for Business, the practical framework for implementation of Moral Capitalism, in the context of ethical teachings from 11 major religious traditions. And we are pleased to report that, in our analysis, believers from those different traditions – Islam, Hinduism, Mahayana Buddhism, Theravada Buddhism, Judaism, Catholicism, Protestantism, etc. – can find acceptable ways in their faith to justify the actions of a Moral Capitalism.

In particular with respect to the promotion of Moral Capitalism in Mexico, we looked at ethical teachings in one indigenous religious tradition, that of the Highland Maya in the text the Popul Vuh. And we find the teachings there consistent with the CRT Principles for Business.

What then prevents us from living up to the ethical precepts of a more Moral Capitalism? Is it a question of wrongful social institutions or, more simply, only a lack of human capacity to do good?

The argument that the fault lies not with ourselves but with our institutions is compelling and long-standing.

It is true that institutions accumulate power and that power is regularly abused by those who have it. Thus, to bring about more social justice recalcitrant institutions must at times be reformed or abolished.

The Prophet Samuel warned that ancient tribal leaders of Israel that instituting a king to rule over them was a mistake. God himself had noted that the setting up of human institutions of secular government was a turning away from the Lord and his justice. (1 Samuel 8)

And it is also true, especially from the perspective of Christian teachings, that human beings are hard to trust. Their capacity for grace, virtue, and compassion is limited and their inclination towards selfishness, indulgence, self-aggrandizement is strong.

And in Mexico, where the tradition of the Conquistador has shaped behaviors and ideals for some 500 years, it is easy to be pessimistic about possibilities for increased social justice arriving either at the level of the individual human or at the level of institutions. Both people and corporate bodies – both public and private – seem bent on a course of establishing their dominion over society. Power and submission dictate the rules of the social game, not morality.

So what is to be done?

It seems to me, first, that we cannot give up on the individual. If we do so, then all is indeed lost. Society is not mutual and a comfort for our afflictions, but only a mask for endless warfare. As the English political philosopher Thomas Hobbes famously noted: where people imitate the

beasts, the life of man is “solitary, poor, nasty, brutish and short.” A disruptive social order of war on war denies the reality of Kyosei where life in the world is mutual and reciprocal. And, insight should tell us that something like Kyosei prevails in the world around us, for us and for others. Global Warming, for example, is evidence of a Kyosei principle at work in our world.

But we do have a propensity for good. Human Dignity is not only a moral ideal, it is a worldly fact. We must grant the possibility of dignity to others and thenceforth hold them to behaviors worthy of that office.

So we must start by setting expectations for individuals. Then comes the hard work of helping them live up to these standards.

Beyond the need to shape the character, minds and hearts of people, lies the challenge of shaping institutions to act constructively and not destructively. This is a matter of decentralizing power, setting up checks and balances, keeping those in power within the limits of the law, using open architecture for organizations, avoiding monopolies and concentrations of judgmental authority, being deeply suspicious of bureaucratic solutions and structures.

The greatest challenge to me is that of leadership – getting the right people in position to check and reform institutional behaviors. The selfishness of the individual ego becomes more stubborn, more intractable, more determined as individuals come together in power structures. The whole becomes more resistant to the claims of social justice and more inherently recalcitrant than the sum of its constituent members, like some monster given life by Dr. Frankenstein. The well-being of the organization becomes the end for its members and principles of Kyosei, Human Dignity, and stewardship are abandoned in deference to that goal.

Moral Capitalism, for example, will not happen by itself; it must be made to happen. Leadership – the fidelity of our will to our values and to our understanding of truth – is the basis not only for all forms of social justice but for Moral Capitalism as well.

I should point out, here, that Moral Capitalism is insufficient to bring about the quality of social justice that many long for. First, Moral Capitalism without a moral government can't emerge. We must look to government to play its role in promoting principles of Kyosei, Human Dignity and social stewardship. Thus, the Caux Round Table also advocates a set of ethical principles for government.

There is, I think, an intimate dependency of social justice on a Moral Capitalism. Without a successful capitalism there can be no great increase in social justice. The demand for social justice is a modern political and intellectual movement. It seeks distributive justice – the allocation of material advantages throughout the social orders and among all people. Advocates of social justice have not, in the usual case, encouraged us to give up the things of this world for monastic, ascetic loneliness in the wilderness. No, it seems to me that they have asked that the poor share in the fortunes of the rich; that the gains of modern civilization be made more widely available. The cultural program seeking more social justice is, at bottom, very materialistic and practical. It requires wealth creation in the first place that there may be desirable goods and sophisticated services to distribute.

A sober moment of inquiry will quickly lead to the truth that only some form of capitalism can create the wealth we need to vindicate our human dignity in this life and in this world. Our relevant choice then is what form of capitalism shall we institute?

I for one see no better alternative for humanity, or for Mexico, than a Moral Capitalism.