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# PEGASUS

A NEWSLETTER FOR THE CAUX ROUND TABLE FOR MORAL CAPITALISM  
NETWORK LOOKING AT BUSINESS ABOVE THE CLUTTER AND CONFETTI



# *Pegasus*

Introduction by Dave Kansas	Page 2
What in Heaven's Name is in Store for Us in 2025? by Stephen B. Young	Page 3
Toward a Global Ethic: A Question of Design by Michael Hartonian	Page 7
Repairing our Stewardship of Creation: Abrahamic Social Thought and the Global Economic Crisis	Page 14

# Introduction

For this month's issue of *Pegasus*, we look ahead into 2025. Steve Young utilizes a reading of the Yijing to guide thoughts about what is up ahead in the Year of the (Wood) Snake, which began January 29.

Studying this ancient text has provided interesting forecasting insights. In 2024, reading the Yijing [led Steve to predict a Trump win and a sweep of the U.S. House of Representatives and Senate for Republicans](#) at a time when all three questions were subject to hot debate.

In 2025, the Yijing, which requires a discernment of its coded writings, anticipates that President Trump will have more success domestically and will face greater headwinds internationally. Coincidentally, the forecasted struggle on the world stage should coincide with a continued fragmentation of the global order, which has been underway for some time and was part of the 2024 predictions. While President Trump may have more success domestically, big changes in education and other aspects of our national culture will prove more difficult due to deeply entrenched counterforces.

For more on Steve's 2025 views, please read his essay, which leads this month's issue.

Michael Hartoonian pens an essay focused on place and design: "Toward a Global Ethic: A Question of Design." Indirectly, Michael's essay addresses the challenges of entrenched naysayers raised in Steve's forecast. In short, our sense of design and place fall short when defining an optimal global ethic. "This ethic is primarily an aesthetic design made possible by those who study beauty and attending values like truth and justice."

Michael's essay includes a trenchant thought on the self as it relates to design: "Tell me where you live (landscape) and for how long, the languages you speak, the house you live in (culture) and I'll tell you who you are." He also has a clever call-out to *The Music Man*.

Lastly, in a time of strife and global fragmentation, we republish a document that came together not long after the global economic turmoil of 2008-09: "Repairing our Stewardship of Creation: Abrahamic Social Thought and the Global Economic Crisis." The Mountain House Statement brings together scholars of the three main Abrahamic faiths to provide guidance coming out of the global economic calamity. The statement includes four major points and a substantial discourse on each item.

Thank you again for reading *Pegasus*. We'd love to hear your feedback.

*Dave Kansas*  
*Editor-at-Large*  
*Pegasus*



## What in Heaven's Name is in Store for Us in 2025?

Stephen B. Young

The lunar Year of the Snake began last week on January 29. What might we expect to happen to us, to our leaders and to our world during the next 12 lunar months?

Fortunately, we have a diagnostic tool which can help us uncover just how yin and yang will affect our lives during the coming year. It is the ancient Chinese text of the *Yijing*. The *Yi*, as it is called, consists of 64 sets of lines, six each, called hexagrams. Lines are either solid as a proxy for yang forces or broken as a proxy for yin forces.

Now, one can correlate each lunar year with a hexagram, so that analysis of that hexagram brings insight into the action probabilities and possibilities inherent in that year. The analysis can help us better place our energies and avoid contrary or unhelpful circumstantial modalities.

Last year, I sent my predictions for 2024 based on my reading of the *Yijing* hexagram applicable to that lunar year. My predictions were vindicated by events:

I predicted that 2024 “will reward vitality with success. Those with courage, tenacity, confidence and enthusiasm will do well. To me, this bodes well for Donald Trump in the forthcoming American November election, but not for Joe Biden. Trump is all energy and action. Biden is more and more slowing down.”

But I cautioned that 2024 “speaks to stalwartly taking a new direction, after recognizing the need to shift course in order to succeed, a breakthrough ending a long period of tensions. It infers that being decisive and resolute will lead to success. In the American presidential election, again, this environment would seem to favor Trump, the challenger, over Biden, an incumbent. Yet, will Trump provide a “sincere and truthful” message which will align with yang priorities? Or will he pout and focus on himself, which are behaviors and casts of mind more aligned with yin attributes and so be out of sync with the times?”

I correctly predicted the election results of our Senate and House of Representatives: “I do not see either major American political party “riding the dragon” to capture majorities in the Senate or the House of Representatives, each party having a yang deficit in the caliber of its candidates – too much posturing and not enough courage. The two major political parties would do well to heed the insights of hexagram 43 and concentrate on changing their ways of petty actionalism and grifting to speak to the great purposes of the American experiment in ordered liberty and to what Lincoln called “the better angels of our nature.”

In international affairs, I predicted more weakening and fragmentation of the post-World War II order centered on the United Nations and respect for international law. I noted that “The European Union will be challenged to “break” with its current ennui” and that Palestinians should break with their past demand for unilateral authority to rule the territory “from the river to the sea” and reach out to Jews, with the mercy and compassion called for in Quran.”

I noted that “Putin is already in a yang mode of resolute determination, so his position will not weaken” and that “2024 will not be fortuitous for Xi Jinping in China.

I concluded by asking “whether the innovative and creative yang qualities of AI will bring widespread adoption of that technology” and we ended lunar year 2024 with news of DeepSeek in China making AI more affordable for all.

Lunar year 2025 is a year of the wood snake.

One Chinese astrologer asserts that people born in the Year of the Snake have these special characteristics: they are self-respecting and steadfast. Therefore, external voices won’t shake their resolve. They’re goal-oriented and while they don’t often appear outwardly passionate, they’re blessed with a keen intuition and ample inspiration, making them very creative.

But, for consistent weaknesses, they are emotionally detached and can, at times, seem cold or selfish. Others distrust them, as they seem to be calculating and only concerned with their own welfare and snakes distrust others in return.

These predilections, to some extent, will influence everyone during this Year of the Snake. Thus, they augur well for the continued efficacy of Donald Trump, Vladimir Putin and Xi Jinping – each of whom display snake characteristics – steadfast in seeking their chosen goals, not listening to others, not trusted by those others for their self-centeredness and so ever distrusting all others.



For 2025, the *Yijing* hexagram is #44:



The lower three lines represent the powers of earth and the upper three lines – all yang – invoke the powers of Heaven. Earth is under Heaven, as it should be. But Heaven and earth complement each other to make a whole. Thus, the advantage during 2025 will go to those who encounter others, meet together, collaborate and couple.

Now, the lowest line is a yin line seeking to rise up, but confronts five yang lines. The implication is that, during 2025, yin energies will fail to overcome yang energies. Yin energy will be efficacious if it is bold and strong, coupling with yang energies. But yang energies too must be bold and strong to give the world good governance. Great and significant things can be accomplished in 2025.

The successful this year will rise about their personal fixations and self-referential desires to take advantage of primal forces. There is a preference for inspiration, for being energized, but with the mind giving leadership to the body. There is a hint of the unexpected that will bring forth opportunities that can be seized and turned to advantage. One should not seek to profit by greedily grasping at opportunity. Take big problems and deal with them piece by piece, one decision at a time. Use what is moving – blowing in the wind – in the present. Stand firm and spread out to the four directions what is functional and fateful. Be correct, in the center, not one-sided, biased or extreme.

So, what to expect?

The fissiparous nature of the world order will frustrate the emergence of leaders with the necessary yang energies to respond to the times with alliances and collaborations. We can expect petty squabbles, petulance, disobliging, stubborn, recalcitrant, beggar-thy-neighbor policies and decisions from all quarters. This will hinder ending the wars in Ukraine and between the Palestinians and the Jews of Israel.

In the U.S., President Trump, personally in line with yang energies, will find himself checked internationally by an unwillingness to see things his way or meet his demands. He would be better served if he backed away from threats and punitive responses which use yin and spread his concern and compassion for others far and wide, being a partner, not a boss. He should think of himself as a kind and gentle wind blowing freely everywhere to bring hope of change through team spirit to everyone. He should think big and wholesomely about moving Heaven and earth for the good of all.

In a very consequential mistake, going against this lunar year's auspicious energy flows, was Trump's decision in early February to impose tariffs on American imports from Canada and Mexico. The Canadians and Mexicans immediately retaliated, setting off a trade war that will raise hard feelings, provoke anger and resentment and prevent collaboration. Going against the yin/yang balance of this Year of the Snake will make it harder for Trump to get his way

and so confront him with a loss of power and influence.

Domestically, Trump will achieve more, as he has a team in place and he engages with them, allocating responsibilities for results to others. He is taking advantage of their willingness to work together on an agenda. His opponents – symbolized by the first line denoting yin energy – will be unable to obstruct him. The more he reaches out and engages (“couples,” as the hexagram says) with others, the more he will be successful. The more he tries to impose his will on others, the less he will accomplish. It is a year set to reward coalition building and finding the middle ground, giving advantages to all parties.



The Democratic Party, resting in the first line of the hexagram, will not get its act together. They are out of sync with the times. They have lost sight of Heaven and earth and are so prevented from using the great powers of those realms to further their aspirations and their efficacy. As Proverbs 28:19 tells us, “Where there is no vision, the people perish.”

The advantage will be to the small, the innovative, the trusting and the trustworthy, in the economy – not the behemoths of the great corporations. AI will assist collaborations, as it makes useful for small businesses and entrepreneurs data multiplied by data. Those who stand aside or refuse to align their efforts will stagnate or fail. The flow of forces should moderate inflation and keep equity markets optimistic. However, there will be no success in reducing debt levels.

I do not see reforms in American education, reversing recent trends of declining competence in reading, writing, mathematics and the ability to think rationally and effectively. Fixations on “my truths” and lack of respect for merit will prevent schools, colleges and universities from engaging with and inspiring their students to benefit from primal energies and soar in their ability and their aspirations. Those institutions too are stuck in the first line of the hexagram – a yin-bounded view towards life, cut off from greater yang possibilities.

*Stephen B. Young is Global Executive Director of the Caux Round Table for Moral Capitalism.*

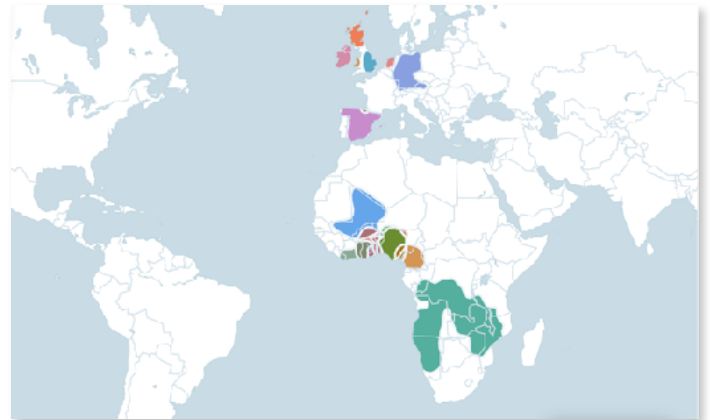
# Toward a Global Ethic *A Question of Design*

Michael Hartoonian

*The “ideas” space and place  
Require each other for definition.  
From the security and stability of place  
We are aware of the openness and  
Threats of space and vice versa.  
-Yi-Fu Tuan*

## Introduction

One of the fundamental purposes of the human imagination is to create places out of space. The essence of being human is the ability to design a better self, shelter and community; a better place. This work is fundamental to evolutionary survival and to finding meaning in the psychological calm that comes with the understanding of symmetry, hues, melodies and proportionalities of the world and of self. This awareness has made possible the slow journey from vulgar behavior to a more designed and civil environment. Of course, this higher path of life must be intentional and takes effort and courage. Our long evolutionary journey also highlights the path toward a global ethic. This ethic is primarily an aesthetic design made possible by those who study beauty and attending values like truth and justice. These same individuals are able to sustain concepts of the good and the beautiful, particularly when humankind is at its worst. Yes, we have a very checkered history.



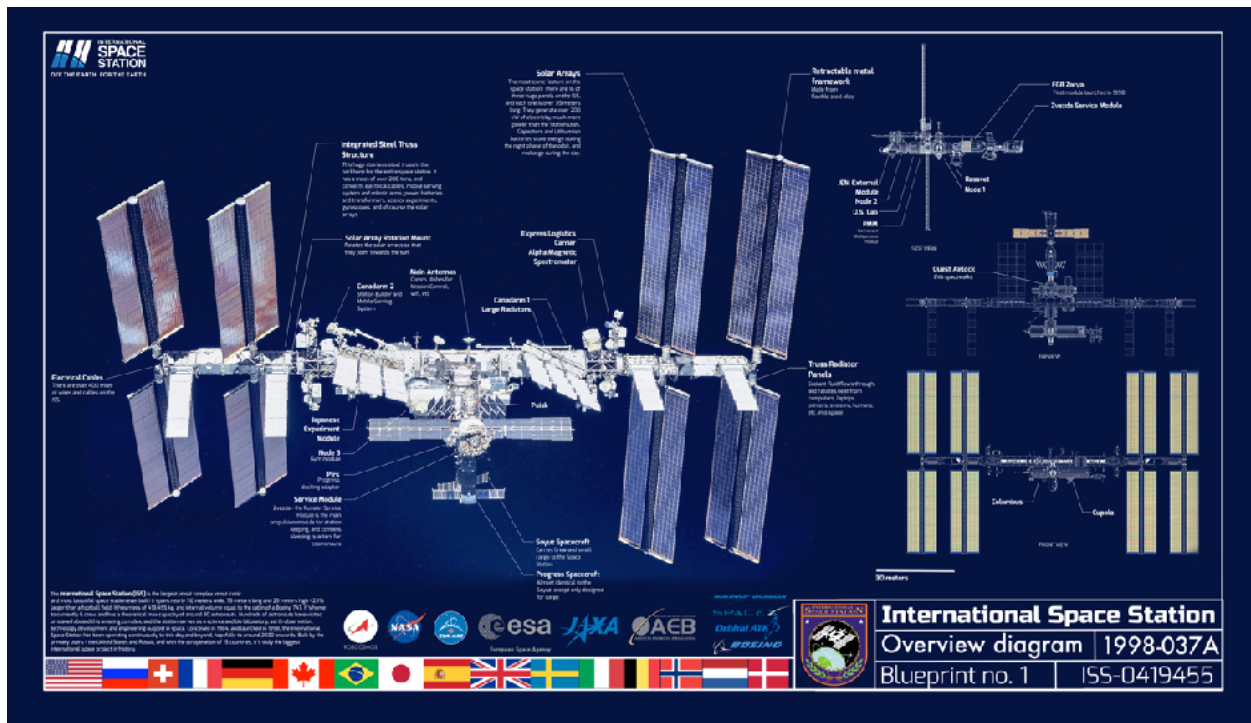
## The Space of Our Lives

The natural earth is a space of which most is unsuitable for human life. Seventy-one percent of the earth's surface is covered by water. Most often, the question of where to make our home is complicated by the earth being either too wet, too dry, too hot, too cold, too high or too low. This space, like all space, is frightening and dangerous. To survive, humans have to create a place in which to live. They need to create a home. A simple way to think about this, without being simple-minded, is to consider the Conestoga wagon moving across the Great Plains of



America in the 19<sup>th</sup> century – a great space. The pioneers might decide to stop in what is now western Nebraska and build a home. Of course, native peoples have been doing this for centuries and encountering the same issues. They all knew the attributes of home include esthetic, safety and life supporting material and moral infrastructures. These places or homes are developed, sustained and change through cultural evolution, invasions or innovation, which seem to protect, as well as victimize people. With culture as their guide, all people work to create a home. Some do and succeed and some don't. We all want to "get" home, like in baseball or great literature, but it takes effort and the cooperation of others. Most of all, it takes intelligence and courage to beat back the vices of arrogance, laziness, pride, power and gluttony.

The design of place (home/town/city/nation), like the character of the individual, which is also designed, foreshadows destiny. The quality of that design is a necessary requirement of any global ethic.



## Comprehending Ourselves and Our landscape

Our integrity, regarding the designs of landscapes (and waterscapes) and our ability to comprehend or understand the world and ourselves is primarily a function of our discernment of place, spatial knowledge (relationships) and our sense of temporal sequencing. “Tell me where you live (landscape) and for how long, the languages you speak, the house you live in (culture) and I’ll tell you who you are.”

In living our life, we acquire a critical mass of information (facts) filtered through structures (culture). We permit ourselves to construct a rough mental map (as in geography) of our knowledge and just as important, we ignore our knowledge gaps. We are often not aware that

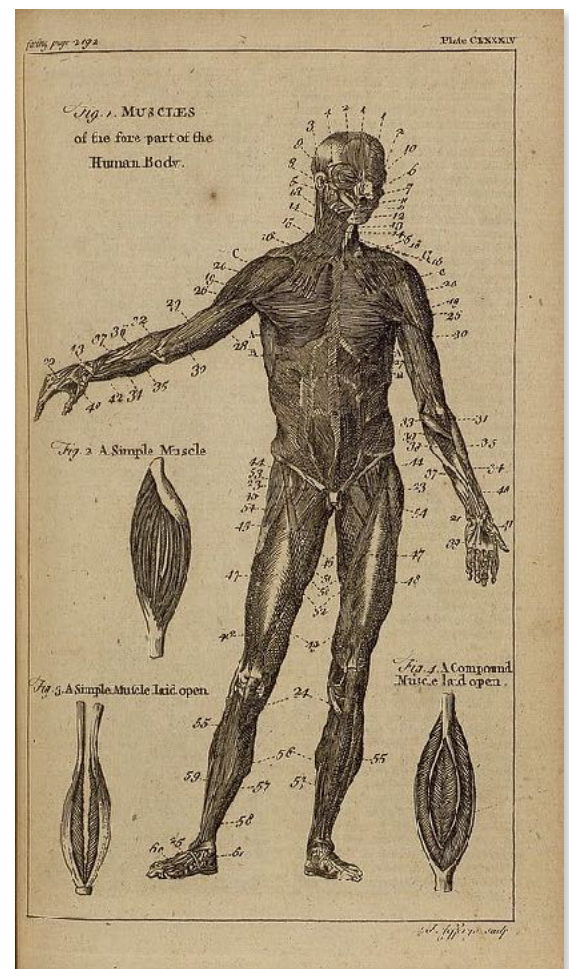
we are ignorant of our own ignorance. It is this ignorance that truncates our design abilities.

Our higher and more difficult task is to develop (learn) patience, thoughtfulness and humility to acknowledge our ignorance so we can enhance our imagination through critical communication with the tensions between human wants and nature's realities.

Comprehension always demands a critical examination of three elements, where each of us must consider the possibility that "I" could be wrong. Those elements are questions of facts, definitional problems and problems of beliefs. The other quality of comprehension is to realize that in order to comprehend anything, one must have a dynamic temporal and spatial context, as well as knowledge of the concepts and questions used in persuasive arguments with self and others. For example, I could give you a four-page text on bio-ethics research and after an hour, give you a test on the arguments presented therein. If you don't know the concepts, questions and arguments used in the disciplines of biology, ethics, history, statistics and the nature of those epistemologies, you will flunk the test. This is true of comprehension in general. What deep knowledge is needed in the construction of place out of space? At once, this is a design issue, informed by a necessary knowledge base and inspired by the human brain's affinity for spatial design. As the old sales imperative goes: "But, you got-to-know the territory."

## The Human Design of Place and Mind

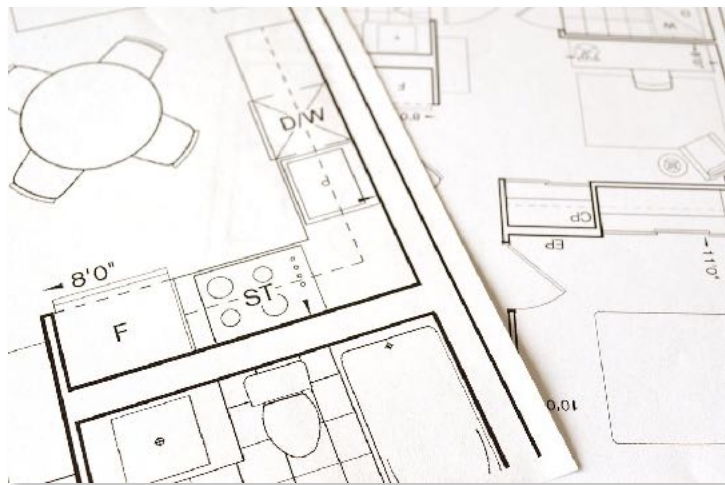
The important difference between building from habit and designing from deep wisdom is the difference between something simply appearing and something built from options of forms and aesthetics that free the human imagination. Make no mistake: our intellectual designs alter our bodies, our homes, our relationships and our nature. Do we design from habit and from the options laid out before us by our human/environmental interactions? An assumption made here is that our intellectual and psychological evolution makes clear that except for a few times in history and only in a few places, we have built ourselves and our homes from old habits, with little care for the possibilities of achieving universal ethics like benevolence, stewardship, love and excellence of mind, body and spirit. This condition is related to the separation we make between material and moral realities. We design places or homes from nature, both human and natural, but we must design our moral world, as well. Morality is first constructed through grace and humility for reasons most people are only dimly aware.



## The Design Element of the Moral Place

While moral sentiments are within us, morality is and must be a design element in any culture that values freedom, well-being, inclusiveness and harmony. These design elements can range from walking paths accessible to all, to language usage that does not victimize anyone and all items in between.

How are moral sentiments designed into moral relationships? Let's start with a proverb: "The temple of morality cannot be entered except through the courtyard of manners." The etymology of morals and manners is interesting and have a common operational definition. One has to do with the architecture of our behavior and the other with our internal architecture. For example, in the Ten Commandments, it says that you should not murder – which is an external behavior (architecture). But it also says that you should not covet your neighbor's wife, which is not behavior, but part of your internal architecture, a self-compliance with your better angels. In the absence of internal moral design, people cannot live in moral relationships and things and places are quickly drained of meaning. Their "home" becomes an irritation and not a comfort because it provides bizarre and relative notions of beauty, harmony, trust and truth. No amount of money or power can change this natural human desire for a place of beauty. This is altogether true. This is the case because the DNA of being human demands the pursuit of morality, place (community) and harmony, even when some work against it and work to claim a baser understanding of the human being. Without these moral elements, there would be no cooperative relationships and the human animal would have long disappeared from the face of the earth. Morality, place and harmony



are things that cannot be purchased or stolen. They must be learned and earned by grace available from the long wisdom of human history. It's interesting to see the ignorance of people when believing that a money-filled life can simply be extracted by transactions from others. These self-focused individuals, who the Greeks called idiots – being alone and ignorant – never are, nor can they be happy, except through the lies they tell themselves by remaining ignorant. Ignorance is not bliss. It is soul destroying.

Just an extra word about place and love. The value of a place is related to the intimacy of a human relationship (St. Augustine). Place itself offers little without the human bond. Have you ever been in love? The house, city or countryside takes on a new and lovely meaning when the one you love lives there. It's the relationships, above all else, that bring meaning/morality to place/home. The person without love of others will forever be "lost in space."

Homes and cities are and by right should be designed to foster benevolent relationships for all to use and come to love. In this case, love and beauty meet in sparking communication. Frank Lloyd Wright, the famed architect, claimed that if you get the aesthetics right, everything else will fall into place. Plato might say that there is music to place because there must be harmony. And Confucius would say that all pious behavior is made real in relationships of duty and love. But there is more. The design of place must also engage principles of morality, such as the ones delineated by the Caux Round Table in its [principles for government and business](#). That is, there is a moral obligation for those in business and government to behave in ways that foster harmony in institutions and firms allowing citizens of all institutions to create wealth by paying careful attention to the moral infrastructure/ethical relationships at work within and across institutions and among all people of responsible character.

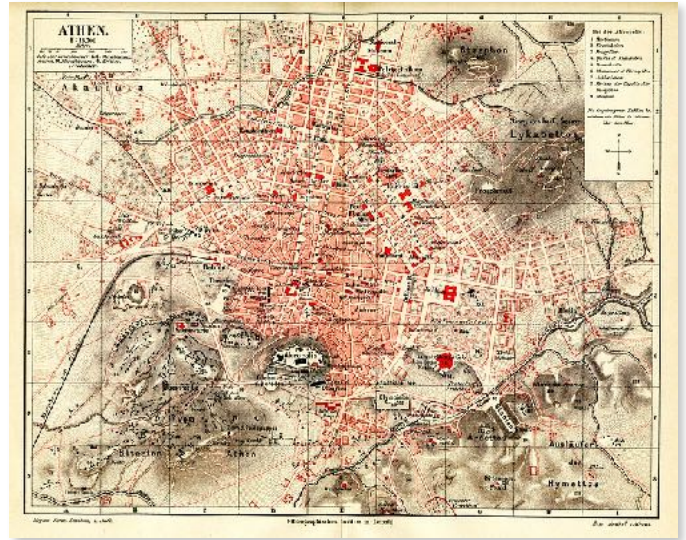
Like the creative design of place, the construction of moral principles and laws, as well as understanding the power of words therein, go directly to our creative imagination and ability to see designs of aesthetics and reason in the ways we shape and use our places, our laws and our language. Law and ethics are always in tension with each other. As Shakespeare said, the law is an ass, not for any other reason than the possible absence of moral relations. Laws allowing slavery makes assess of us all. So, also with laws that increase inequality, ignorance, exclusiveness and disrespect for the health of people, animals and the earth. Citizens of a just society understand that there are tensions among our values that must be balanced through debate and civic discourse. Freedom, seen as an absolute value by itself, is meaningless without attention to equality, just as diversity makes no sense without unity. There is no private wealth without common wealth – the material and moral infrastructure. All of this does not just happen. It takes intentional design work informed by human wisdom.

## **Design Teaches Us about Ourselves**

When we were children, we would often build a house or fort out of boxes or some blankets. These “structures” that we created gave us a place in which to “live” away from the world of adults and we could immerse ourselves in a make-believe world that was cozy and through which we could create new meanings and learn something about our imaginations, ourselves and each other. There is much truth to the statement attributed to Winston Churchill: “First we shape our dwellings, then our dwellings shape us.”

Every home, town, city or institution is a school. We get an education every time we walk down the streets of our city. Our home teaches us about beauty, civility and proper care of our immediate environment or not. If children grow to be adults with little beauty in their lives, they will never know love of self, others or country. Beauty starts with finding aesthetics in the design of the home, interiors and exteriors. The architecture of the city treats and trains everyone toward beauty or ugliness. Because of innate qualities, this training is then applied to people – individuals and groups. If the child does not learn beauty in even the worst of situations, she will never experience the relationships among truth,

beauty, harmony and love. To say that design is simply a nice thing to pursue misses the point. Where humans are concerned, the critical love of the aesthetic, when taught and learned, becomes the foundation of the meaningful life. All good things come by grace (Norman Maclean). Grace comes by beauty. And beauty (the aesthetic) does not come easy. Beauty, like truth, can only be approached through design, be that design in music, science, philosophy, art, mathematics, literature or a design of genius within us. Those unlucky souls who are denied access to aesthetic design will be condemned to journey over earth's landscape blind to the essence of what it means to be human.



## Design and the Human Spirit

People also can design places that are ugly and without that which most would call a soul. Over the years, I have traveled across regions of the old Soviet Union and contemporary China and was confronted with architecture that I would call “soulless.” There was little there that I could see which had any connection to beauty or respect for the environment. In this, as in all cases, to simply say that beauty is in the eye of the beholder is nonsense. It’s like saying that truth is idiosyncratic and belongs to the individual. The fact of the matter is that our spirit is impacted, in large measure, by the cocoon of beauty in which we grow. This beauty is not the work of an ignoble group of artists, architects or politicians, but by the people armed with an aesthetic and ethical education. This is particularly true of the common wealth. That is, the property owned in common – schools, government buildings, roads, streets, hospitals, etc. When a friend comes to visit you in your city, you show them the common wealth, which is a measure of the people’s love of city, each other and their future. Make no mistake – ugliness repels, while beauty attracts. Schools of beauty, for example, not only attract students who want to be in beauty, but it also attracts the pursuit of truth and wisdom. Within such places, students will come to know the difference between value and price, between learning and amusement, between relationship and transaction and between character and style. The spirit is nurtured by place. We should know this and make the most of this knowledge, for it points us toward the elusive global ethic.

## Conclusion

We know that design is hard wired into the DNA of human beings. We also know that the designs of habits are random and most often based on revenge, hate, ignorance and genetic mutations. On the other hand, the less often used design habits which are refined through

learning aesthetics, harmony, justice and love – these designs are few. The former, in which many believe and share, are made vulgar by “leaders,” who, in pursuit of power, become destructive of meaning and life. History has always called them self-serving tyrants, who are among us still and will never stop without checks and balances. James Madison’s words in Federalist #51 are a must read in understanding a republic’s power as manifested in checks and balances.

With the less often used habits, we witness large benefits to creations of art, science, government and architecture. People with even a modicum of grace can tell the difference between these two notions of habit and refined designs. The choice should be a “no-brainer.” But it’s not. Why?

As we move our discussion toward a global ethic, let’s consider the following questions about design:

1. Who is or should be responsible for the moral/material design of a government, business or religious institution? What attributes of mind and character are necessary?
2. Why must there be checks and balances in any moral/economic design of an institution?
3. To what extent does the designed social world help us maintain our freedom and life’s meaning? To what extent can the designed social world keep us in bondage?
4. How is it possible for people to have agency over their designed world? Should they?
5. Given the discussion above, would you say that you live in a place or space? Evidence?
6. Without designed places as defined in this essay, is it even possible to contemplate the notion of a global ethic?

*Michael Hartoonian is Associate Editor of Pegasus.*



Moral Capitalism at Work

## **Repairing our Stewardship of Creation: Abrahamic Social Thought and the Global Economic Crisis**

Caux Round Table Scholars' Retreat on Core Themes  
Of Abrahamic Social Thought

Mountain House  
Caux, Switzerland

September 24, 2010

### EXECUTIVE SUMMARY

The major Abrahamic faith traditions (Judaism, Christianity and Islam) offer a robust framework for improving the global economic system as it begins its third year of recovery from the September 2008 collapse of credit markets.

This is the conclusion of an interfaith group of scholars in theology and corporate social responsibility, listed below. They were convened in July 2010 by the Caux Round Table (an international organization of business leaders promoting global standards for organizational integrity and responsibility as part of a more moral capitalism), Theodore Cardinal McCarrick, retired Archbishop of Washington DC and member of the Caux Round Table World Advisory Council, Prof. Ronald Thiemann, former Dean of the Harvard Divinity School and member of the Caux Round Table World Advisory Council, and Prof. Ibrahim Zein, Dean of the International Institute of Islamic Thought and Civilization and Caux Round Table adviser.

The discussions at Mountain House in Caux, Switzerland, were productive and encouraging, culminating in the Mountain House Statement below urging these three traditions to promote principled and sustainable global markets.

While recognizing the distinctive theological differences of the Abrahamic traditions, the Mountain House Statement emphasizes significant resonances among their social teachings as a basis for cooperation in addressing economic, political, interpersonal and spiritual challenges in the global marketplace. The Mountain House Statement makes four points:

- (1) *Created and Working in God's Creation* – Each Abrahamic faith tradition holds that human beings are created not by accident but with special intent in an image of the divine, to participate in realizing the Creator's vision for a just and fruitful globe by applying their fallible human talents and creativity as stewards of the world.

- (2) *Uses and Abuses of Our Creative Powers* – We must be mindful, however, of our self-deceptive tendencies to overestimate human knowledge and control. Denying our limitations and feigning mastery of creation moves each of us toward abuse and away from responsibility to neighbors and to God. Such human shortcomings are not unexpected in the social thought advocated by the Abrahamic faiths, which understands the inherent limitations implicit in all human creativity, and so provides countervailing perspectives on the ever-present need for humility and servanthood. Exacerbating the recent economic failures and dysfunctions were driving forces of excessive self-interest and thoughtlessness. In short, the economic crisis in many ways expressed a preceding moral crisis. Therefore, moral responses will be as necessary as economic ones to restore global hopes and prosperity.
- (3) *The Causes of Recent Financial Market Dysfunction* – The recent market failures involved multiple individuals and institutions – certain government policies that encouraged excessive debt; financial institutions that also promoted excessive debt and created markets that discouraged transparency and accountability; sellers and buyers of securities who knowingly or negligently executed imprudent transactions; regulatory bodies and rating agencies that failed to exercise their duties properly; attorneys, accountants, and other advisors who failed to exercise independent professional judgment, including, where appropriate, professional skepticism; business and professional educators who emphasized short-term expediency over long-term sustainability; corporate boards that authorized executive compensation schemes rewarding destructive short-term behaviors; and religious communities that neither understood nor challenged marketplace activities detrimental to humanity’s common good.
- (4) *Responses to Abuse of Creation* – Each Abrahamic tradition has well-developed teachings that inform discernment, judgment, correction, and action in economic and financial matters. By insisting there are inherent social dimensions and cultural foundations sustaining economic life, these teachings provide a generous and expansive understanding of human community and a necessary appreciation of human possibilities and limitations. Responding to the global economic crisis and seeking sustainable arrangements for global prosperity, seven spiritual disciplines derived from these teachings are recommended for daily use:
- **Receiving** God’s often overlooked advice and guidance with thought, fidelity, humility and compassion.
  - **Responding** to the transcendent call for stewardship and so using our capacities in the service of higher ends.
  - **Repenting** for failing to accept appropriate responsibility for shortcomings, recognizing that repentance for wrong-doing constructively precedes and shapes rightly-directed action.
  - **Re-envisioning**, through renewed application of eternal wisdom to our times, in order to transcend short-sighted, self-referential paradigms.



- **Reminding** one another of our obligations to share with those who cannot speak effectively for themselves or otherwise exercise their claims for justice.
- **Reforming** the economic system by uplifting persons, reshaping organizations, and renewing energies through trust and collaboration,
- **Remembering** God's mercy in creating a world of possibilities, including human stewardship to achieve what is right and good, as well as the historical truth that all human systems require dynamic checks, balances and timely reformulations.
- **Rejuvenating** the economic system by uplifting persons, reshaping organizations, and renewing energies through trust and collaboration, understanding that responding efficiently and effectively to the social and ecological problems that define our age will require the imagination, investments, and methodologies of business enterprise.

We invite you, in light of your own tradition and present situation, to read and reflect on this statement, and as appropriate, put its ideas into action in your sphere of influence.

#### CONVENOR: THE CAUX ROUND TABLE

Since its founding in 1986, the Caux Round Table<sup>1</sup> has kindled vibrant global dialogues around the world among its members and with other senior leaders in business, government, the learned professions, nongovernmental organizations, religious organizations, and scholarly communities for the purpose of promoting principled leadership and the prudent stewardship of human, ecological, and financial capital.

In July 2010, the Caux Round Table hosted one such dialogue by welcoming us, scholars from the three Abrahamic faith traditions—Judaism, Christianity, and Islam—to the organization's birthplace in Caux, Switzerland, to discern and discuss core themes on social questions as a framework for assessing and responding to the global economic crisis that is affecting people, businesses, communities, and other institutions.

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<sup>1</sup> The Caux Round Table is an organization of senior business leaders from around the world that promotes global standards for organizational integrity and responsibility, including its landmark, *Principles for Responsible Business* (respect for stakeholders beyond shareholders; contributions to economic, social, and environmental development; building trust by going beyond the letter of the law; respecting rules and conventions; supporting responsible global integration; respecting the environment; and avoiding illicit activities). These principles draw on the transcultural themes of (1) *kyosei*, or social solidarity; (2) the dignity of the human person; and (3) stewardship (see [www.cauxroundtable.org](http://www.cauxroundtable.org)).

## THE MOUNTAIN HOUSE STATEMENT

### INTRODUCTION: The Economic Crisis, Abrahamic Resonances and Hope

In assessing the global economic crisis and its effects on individuals, communities, businesses, and other institutions, we recognized that economic circumstances have left many persons inside and outside of business feeling betrayed, wounded, and fearful. We also recognized that we ourselves as citizens, scholars, and consumers, have fallen short in anticipating the forces that have produced such frustration with markets and business as usual.

While an expanding global economy has benefited millions, failures in managing ethical as well as financial risk have destroyed wealth and caused harm to many people. The efforts of governments and businesses to promote economic recovery will not - in themselves - sufficiently address the dispiriting and disorienting vulnerability that so many people now experience as they lose faith in business, politics, and even religion itself.

With abiding respect for the distinctive beliefs of each of the Abrahamic traditions, we discerned in our discussions significant resonances among Jewish, Christian, and Islamic teachings that helped us reflect upon the many challenges that now beset the world community. These resonances build on a venerable and hopeful tradition of interfaith dialogue, provide a basis for restoring confidence in the daily work of all those who can contribute in their separate ways to global prosperity, and demonstrate the many benefits of respectful religious pluralism.

Religious scriptures, commentaries, and traditions provide profound resources for confronting anxieties, discerning wisdom, and finding constructive alternatives for action, especially when we have failed or find ourselves in despair. Yet religious perspectives have not always been welcome in business and economic discussions. This may be because many perceive an intellectually daunting gulf between the transcendent aspirations of religious approaches and the rational self-interest coupled with a mechanistic logic that so often is used to justify commercial activities and economic theories. Such rationalism does not yield readily to moral critiques and instead privileges a dogmatic market fundamentalism.

The indifference or even antipathy often given religious perspectives also might flow from skepticism over the role of religious ethics in pluralistic societies, not to mention acceptance of a deep antagonism between the spiritual and the material dimensions of our lives.

We readily acknowledge that there are many sources for knowledge and wisdom to serve the reformation of our global economy, including, the arts, humanities, the natural sciences, and the social sciences, including management and economics. Yet we believe that people of faith have unique resources to contribute to this dialogue, as well as an obligation to do so. Certainly in commerce, business, finance, and other economic activities human persons can be very appropriately engaged in the process of creation within the world that we have been given. The visions that spring from our faith traditions

speak through each of us, informing how we perform our work, measure our achievements, and earn our proper rewards.

In our discussions, we perceived that underlying recent economic failures and dysfunctions were driving forces of excessive self-interest and thoughtlessness. In short, the economic crisis arose from a preceding moral crisis. Therefore, moral responses will be as necessary as economic ones to restore global hopes and prosperity.

With faith, humility, and hope, we issue this statement to engage significant contemporary problems and to open conversations with marketplace leaders and other professionals that will draw upon the resources of the Abrahamic faith traditions to improve awareness, analysis, and remedial responses to the systemic and individual shortcomings that have surfaced in the economic crisis.

Our statement consists of four sections: (1) Created and Working in God's creation; (2) Uses and Abuses of our Creative Powers; (3) Causes of Recent Financial Market Dysfunction; and (4) Responses to Abuses of Creation.

## I. CREATED AND WORKING IN GOD'S CREATION

Each Abrahamic faith holds that human beings are created. In response to this gift of life, women and men are called to engage themselves with the Creator's vision for a just and fruitful world, using their talents and creativity as stewards. Stewardship comprises both opportunity and responsibility. Our Abrahamic traditions recognize and celebrate this human creativity and see it as a gift from God. Human creativity offers the potential for experiencing pleasure, for improving the world, and for advancing individual and collective human flourishing.

When properly employed, human creativity should reflect the greater purposes of a Creator, whose generative will aims for the maintenance and transformation of the world for the good of all creation. Human creativity—embodied in what we make, how we make it, how we distribute it, and how we use it—should express the thoughtful and responsible stewardship that comes with recognizing God's ultimate dominion over all things. We are, properly speaking, trustees of capacities, powers and wealth that spring from sources beyond our personal control. Our minds, our health, our labors, our properties are each held in trust by us for some very small part of time. As such, we must treat these trusts as part of a larger creative vision, one with redemptive moral dignity.

The call to engage with creation goes out to all. No job and no work can be dismissed as ordinary. Nothing in creation is merely ordinary, neither a blade of grass nor a drop of dew and no less each of us. Whatever human hands put together can be imbued with the purpose of a higher vision of contributing to God's creation.

Within God's creation, humanity has developed increasingly complex institutions, bending the world towards our use. Men and women everywhere have applied their

creative energies in diverse areas, including business and industry. We humans both participate in and re-shape the world.

However, nothing any person creates is perfect or eternal. The vital and distinguishing generative capacity of human beings is absolutely constrained by their finitude.

Our participation in the world and our powers within that world will always be constrained by the complexity of a creation that was not of our design and which exceeds our control. These limits—existing in all areas of creative human engagement—are the substance of our finitude, leaving us always vulnerable to circumstance, to the constraints of natural resources, and to the risks of ignorance and self-deception. To ignore these limits is to invite pain and destruction. Humanity’s creative projects are properly worldly and, therein, are as vulnerable to failure and decay as all else that is only of the world. Moreover, human intentionality does not escape this finitude. Moral failure and sin actively hinder our ability to act in the world in ways that serve the common good. Selfishness and self-centered aggression can erode even our most lofty projects.

Our faith traditions also recognize that in human finitude (and, therein, our vulnerability), our creative activity can veer, intentionally or unintentionally, toward either noble or foul ends. Given our natures, we cannot always pursue our creative projects thoughtfully or responsibly. We regularly fail to exercise proper caution in thinking through the implications of our creative actions. Our actions are constrained by finitude because our knowledge is always incomplete (sometimes tragically so) and our powers always have their limits.

Human creativity—embracing, on one side, divine creativity, but on the other, personal finitude, moral weakness, and sin—is inherently limited and subject to abuse. (The Hebrew term, *cheyt*; the Arabic term, *khata*; and the Greek term, *hamartia* render how this combination “misses the mark.”)

Our Abrahamic traditions insist that the human person, even in his or her finite vulnerability, as a creation of God, has the potential to reflect divine goodness. We write this statement to address those distortions or denials that arise from human failings—naïve falsehoods that mis-direct our creativity—and to suggest how our traditions can assist us in finding our proper place in creation.

## II. USES AND ABUSES OF OUR CREATIVE POWERS

A fundamental human pitfall is to reject or ignore the fact of our finitude. When this happens, we often reassure ourselves only with what we ourselves have created – in thought and in the world. Denying our limitations and assuming mastery of creation ironically closes us off from the wisdom of others, nature, and God, and pushes us toward abuse and away from our responsibilities toward our neighbors and thus alienates us from God.

Genesis 11 in the Jewish Torah and the Christian Bible tells of the unrestrained imagination of men and women and their ambition to build a great tower that would reach unto Heaven, and God’s rejection of such inappropriate excess with punishment.

In First Samuel 8, the text reports that when the people of Israel sought to choose for themselves a king, God concluded that, in their over-reliance on human power, they had actually rejected God. Qur'an affirms that God created the human person for worship of God alone (Qur'an 51:56; 59:22 – 24). Out of conceit, men and women may see themselves as better than they truly are: as masters of the house and not as servants tending to its residents and grounds.

For most of history, we experienced our fear of finitude in relationship to the capriciousness of nature as we faced threats from predators, crop failures, natural disasters, and disease. In response, we created various forms of defense, government, economy, and technology. The victories over vulnerability brought about by these creative human labors, while often of great benefit to humanity, have also been followed by new threats and anxieties. Finitude is sealed in our souls.

We now face a world that, in large measure, reflects our own activity but that, equally, seems out of our control. The errors and malfeasance of some unleashed an economic crisis that has shaken the whole world. The thoughtless acts of many economic actors have brought us to the brink of any number of market failures and serious ecological setbacks.

Together, we must continue to cultivate critical awareness of the limited and potentially flawed nature of all that we create. Even as we celebrate successes in promoting human well-being and alleviating suffering, we must remain mindful of the partial nature of these successes and not forget those who do not fully share such benefits. As we celebrate the great good we have achieved, we must also remain mindful that our systems are replete with coercion, corruption, destructive antagonism, and selfishness.

The power of our technologies and institutions makes the possibilities of positive and negative outcomes ever more profound. For this reason, use of these powers demands from us ever greater responsibility. Now the impact on the world of humanity's creative powers has grown so consequential that we are newly called to make long-term, prudential and fiduciary evaluations of just how well we serve God's vision for all of Creation.

### III. THE CAUSES OF RECENT FINANCIAL MARKET DYSFUNCTION

The "Great Recession" that began in 2007, brought global credit markets to their knees. Recovery from that collapse of private credit markets is proving uncertain, long, and painful. In these recent economic adventures and tragedies, our human finitude and our failings in prudential judgment expressed themselves in a series of mistakes, malfunctions, and mendacious pursuits that badly crippled the creative capacity of the global economy. Only dramatic intervention from public institutions, including massive taxpayer bailouts and credit commitments, protected the world from the destructive consequences of poorly examined economic systems, ineffective previous government policies, and the foolish excesses of financial opportunists.

What went wrong and why? How could humanity's good endowments and generative possibilities have become so distorted and misused? In marketplace terms, we can point

to numerous individual and institutional malfunctions and failures. Complex products were designed by financial institutions that allowed excessive debt and discouraged transparency and accountability. With government policies keeping the cost of capital close to zero, private actors were encouraged to seek higher levels of risk in order to earn higher returns (the so-called “chasing alpha” investment strategy). Some who calculated, packaged, and sold securitized debt products and other higher risk instruments either acted with negligence or did not always understand exactly what they were selling. Investors (sophisticated and simple alike) often did not recognize what they were buying. Even worse, sometimes both buyer and seller knew the deficiencies or wrongness of their transactions, but executed them anyway.

At the institutional level, we observed systemic failures: by banks, investment firms and other financial services companies, by regulatory and oversight bodies, by government monetary and housing agencies, by rating firms, corporate boards, legal and accounting professionals, and by MBA programs in universities.

In particular, the financial service industry lacked self-discipline and self-regulation and relied on a pervasive but misplaced belief that there were effective ways to “manage” risk out of investment portfolios, if not out of the system. Sophisticated investors and institutions securitized and shifted risk often without full disclosure to others, locking in upfront profits while ignoring tail risks and later losses.

Compensation packages and excessive bonuses were often misaligned with long term goals, leading to destructive short-term behaviors, and at times rewarding failure more than success. Institutional and personal fixation on increasing financial returns to the exclusion of other material, though often intangible, risk considerations, also reflected such dysfunctional misalignment of performance and pay. Board governance practices offered little relief from this disturbing trend.

At the individual level, we also saw numerous failures and misuse of creative powers. Whether at the hands of individual financial product developers, executives who approved these complex instruments, salespeople who sold them, portfolio managers who invested in them, or individual consumers who bought them, there was a systematic suspension of reality through a lack of prudence, common sense, due diligence, and awareness of limits. Some individual abuses were matters of incompetence or negligence while others crossed the line into malfeasance and fraud.

Throughout it all, religious communities were often silent—neither understanding nor challenging institutions that promoted the exuberance of the housing and credit bubble, nor teaching their congregants prudential attitudes toward money, risk, and consumerism. Sensitivity to appropriate separation of church and state often reinforced this disengagement of church concern from economic policy matters.

In theological terms, we can see the root of these market malfunctions and failures in the spiritual concept of human finitude. The Abrahamic traditions seek to present reality, not replace it with an illusory framework reflecting human vanity that only can lead to failure, suffering, and sadness. These traditions envision a marketplace that performs its rightful function within society with excellence and honesty; a marketplace that is not indifferent to, but fully cognizant of, how actions by some have an impact on others, particularly the

weak and the less fortunate. These traditions refuse to accept a market-driven world that is atomized and divisive.

While encouraging marketplace innovation and growth, these traditions acknowledge the devastating human impact of hubris and vanity that often accompanies—and eventually undermines—marketplace power and success. These faith traditions also understand that fear, uncertainty, and vulnerability often accompany ambitious human endeavors, and that they can lead to destructive behaviors. Yet these traditions simultaneously point to the folly of those who seek personal consolation in these market opportunities by imputing a salvific role to markets and other human institutions. Such idolatry compounds our difficulties by diverting us from a proper understanding of how best to use our creative capacities.

Finally, the Abrahamic traditions offer a different conception of time. Market participants face increasing pressure from consumers, investors, analysts, and others, to make short-term decisions to increase quarterly returns while sacrificing long-term stability, innovation, and organizational health. It is unfortunate that, at a time when the increased scope of our actions in the world requires us to make long-term, prudential, and fiduciary evaluations of how best to serve human well-being, the time horizon for evaluating our actions is all too often restricted to the next business quarter. In contrast, the Abrahamic traditions understand time not in terms of fiscal quarters but of generations, indeed eternity. Viewing marketplace actions from a different and more thoughtfully realistic sense of time would markedly improve business behavior.

The current market and regulatory system, left to its own devices and resources, has proven unable to detect, prevent, or remedy its own gross malfunctions and failures in a timely manner. So we believe we must seek fresh ideas and guidance from other sources of intellectual richness and venerable moral authority. Accordingly, we suggest a turn to theological resources, wisdom traditions, and reflection on the human condition, to rebuild the individual and institutional relationships with our neighbors, our work and with God.

#### IV. RESPONSE TO ABUSE OF CREATION

The Abrahamic faith traditions provide relevant knowledge and rich wisdom on the current crisis and where we should go from here. They provide, too, foundations for hope and reform that resonate quite constructively with other traditions, even secular ones shaped by pluralistic societies.

In response to these perennial challenges, the Abrahamic traditions have each developed principles for discernment, judgment, correction, and action in economic and financial matters. Even if the problems we face are as novel as the latest financial algorithm, genetic research or nanotechnology, these resources speak to managing our innate though often morally fallible human desires.

Our traditions counsel watchfulness and remembrance that the world is always greater than our communities and our projects. We can learn from and are responsible to others, the natural world, and God.

Our traditions insist that there is an inherent social dimension to the human experience of life. We should, therefore, construe those circles of community expansively and generously. Our traditions also caution that, within community, we serve God's aspirations as well as one another. Therefore, our undertakings cannot be reduced merely to strategic or instrumental manipulations of opportunity. The voices of the Prophets have long called all our communities to heed the overlooked voices of the powerless and the disadvantaged, and the too-often ignored voice of God.

Our task, essentially, is to understand our calling as human persons so that we look upon both people and things—both our work and our resources—as opportunities for fulfillment of our various roles in the stewardship of creation.

Each of our traditions provides for:

- **Receiving** and hearing God's often overlooked advice and guidance so that we may act as faithful servants of creation with thought, fidelity, humility, and compassion. As persons of finitude, we need to receive wisdom before we attempt any worthy achievement. Cultivation of humility, mindfulness, and thankfulness – which for many can be achieved with a practice of prayer or worship – permits constructive grappling with our finitude as God challenges us to do on behalf of creation.
- **Remembering** God's mercy in creating a world of possibilities, including human stewardship to achieve what is right and good, as well as the historical truth that all human systems require dynamic checks, balances and timely reformulations.
- **Responding** to the transcendent call for stewardship and so using our capacities in the service of higher ends.
- **Repenting** for failing to accept appropriate responsibility for shortcomings, recognizing that repentance for wrong-doing constructively precedes and shapes rightly-directed action.
- **Re-envisioning**, through renewed application of eternal wisdom to our times, in order to transcend short-sighted, self-referential paradigms and calls for a relentless Social Darwinism that overlooks the voices of those who suffer most from such thoughtless wealth seeking.
- **Reminding** one another of our obligations to share with those who cannot speak effectively for themselves or otherwise exercise their claims for justice.
- **Reforming** the economic system by uplifting persons, reshaping organizations, and renewing energies through trust and collaboration, understanding that responding efficiently and effectively to the social and ecological problems that define our age will require the imagination, investments, and methodologies of business enterprise.



## CONCLUSION: Let No One Stand Idly By

We, the undersigned, are aware of the numerous difficulties involved in expressing the perspectives of multiple religious traditions in a single brief statement and dealing accurately with complex economic matters. Nonetheless, the challenges posed by current global economic and environmental difficulties demand that we seek shared understandings and points of sympathetic resonance with which to take mutual and constructive action. We thus offer this statement for the purpose of prompting discussion and action consistent with the Caux Round Table *Principles for Responsible Business* ([www.cauxroundtable.org](http://www.cauxroundtable.org)).

We invite all members of the Abrahamic faith traditions (including institutional representatives from commerce, government, and business and theological education), and all other people of good will, to reflect on the issues raised in this statement, and to respond to the Caux Round Table with their own insights. We further encourage them to:

- Study and discuss this statement in their own churches, mosques, synagogues and other religious places.
- Use this statement as the basis for interfaith and inter-disciplinary dialogue in their own communities.
- Examine their own work in an attentive and watchful manner, seeking fresh ways to be open and faithful to God's will in and for the world.
- Prepare for prayer and worship by reflecting critically upon our current economic circumstances, their particular role in it, and a restored vision of the future.
- Encourage other people of faith to consider how the Abrahamic traditions may inform principled and sustainable ways of engaging in commerce in our increasingly complex global economy.
- Use this statement in secular educational, regulatory, and corporate settings to consider the wider contextual dimensions of markets.

Our promise is to create justice; our vocation is to work responsibly; our disappointment is that we fall short of what we might be. Let all who read this join us to seek righteousness, act morally, and seek healing for our mutual shortcomings.

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The logo features a large, thick, black brushstroke forming a partial circle on the left side. To the right of this stroke, the text "CAUX ROUND TABLE" is written in a teal, sans-serif font, and "FOR MORAL CAPITALISM" is written in a black, sans-serif font below it.

# CAUX ROUND TABLE FOR MORAL CAPITALISM

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