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The Challenge of Solidarity in a Competitive Business Environment

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INTRODUCTION

Outside of select social justice circles, *solidarity* is a word that is used sparingly, to the extent that many might struggle to come up with an adequate definition on the spot. Students of recent European history, or people who were alive at the time, would likely remember the term being used to name a trade union formed by Gdansk shipyard workers in Poland. In fact, this is good place to begin this discussion because the widespread adoption of solidarity as a central theme of Catholic social theory was shepherded by a Polish Pope, who has been credited with being a staunch supporter of Lech Walesa and the Solidarity movement, which eventually ushered in the downfall of the Polish Communist State.¹ It is assumed by most scholars that the encyclical, *Sollicitudo Rei Socialis*, promulgated by John Paul II in 1987, had the situation in his own country in mind when he defined in detail and expounded at length on the theme of solidarity.²

In common usage, the word itself elicits a sense of unity among a select group of people. It is often used to describe a kind of social harmony existing between individuals and groups that have formed an unusual, or unexpected bond. Solidarity uses the kind of language normally reserved to describe the concord and mutual support found among small, close-knit groups, like extended families. However, the term is normally applied in cases where blood relationships don’t necessarily or obviously exist. In this way, solidarity connotes a form of social adoption between individuals and groups, who do not, as a matter of course, share any kinship association. So, for instance, when family members sacrifice themselves for others in the family and passionately defend one another, this is certainly a sign of solidarity, but it is not normally singled-out as an exceptional example of this virtue because this kind of behavior is the general expectation between people sharing an intimate familial bond. However, when 10 million people, representing virtually all classes and ethnicities in a society, come together to form a peaceful, united, opposition movement, as the Poles did in the 1980’s, then this massive, cohesive, cooperative and like-minded social phenomena warrants being labeled a special kind of *solidarity*.³

Like the rest of the themes in Catholic social thought, this relatively new idea is very closely related to the other themes and has been integrated into the constellation of principles that constitute this social theory. It is closely allied with

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¹ For more information about this moment in Polish history see, Timothy Garton Ash, *The Polish Revolution: Solidarity* (New Haven, CT: Yale University Press, 2002)


the concepts of the common good and the option for the poor. Like the common good, solidarity prioritizes the good of others over self-centered goods. Since the Church calls for universal solidarity among all peoples, then it also shares the concern for achieving a greater good on a global scale in ways that closely mirror the goals of the common good. The phrase, “we are all really responsible to all,” is one that could equally be ascribed to solidarity or the common good.

In a similar way, the notion of solidarity overlaps with and reproduces aspects of the preferential option for the poor. This is particularly true in specific cases when solidarity is being encouraged among poor and marginalized groups. For these reasons, the preferential option for the poor and solidarity are often accused of being biased and exclusionary, when in reality the intention of the outreach to marginal groups is precisely to include those people who have been excluded from full social participation. Both the preferential option for the poor and solidarity are part and parcel of the same conversation many Catholics are having around listening to voices that have not been heard, and various campaigns for social justice.

For instance, much has been written lately in Catholic theology about U.S. immigration policy and immigrant rights due to the significant increase in migration across the southern border of the U.S. over the last few decades. Catholic theologians have generally been critical of the deterrence policies of the U.S. government and the use of police and military power to intimidate potential Latin American immigrants and to deport those who are arrested without documentation. Patricia A. Lamoureux calls on Catholics to form bonds of solidarity with immigrants by avoiding discrimination and welcoming them into full participation in the U.S. economy. Other theologians like Kristin Heyer echo Lamoureux, blaming free trade agreements for destroying the livelihoods of small farmers in Latin America, as well as the consumerist lifestyles of North Americans that create the demand for the cheap labor, which these underemployed people from the south provide. Heyer concludes that, “in the light of the biblical call to live like foreigners, uprooted in this world, as a sign of

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4 Himes et al. 429-30.
5 Ibid., 432.
the new creation that makes itself present,’ our solidarity with contemporary sojourners must become a genuine reality.”

While immigration is one very important issue that clearly calls for the development of new social bonds between strangers, other social justice causes have been addressed using solidarity as both a norm and a method. For instance, social justice advocates have spent a great deal of time and effort getting to know sex workers around the world to better understand how they live and work, and how they characterize their role in society. This is a group that has traditionally been ignored or silenced by Western culture on top of being exploited and denigrated.

Another example of the many ways solidarity is being employed as a norm and practice are the reconciliation processes in war torn areas of the world that foster healing and peace in the wake of civil wars. In places like South Africa, Rwanda, Bosnia and Chile, truth and reconciliation commissions have been set up to invite both perpetrators and victims to give public statements about their experiences of the conflict at public hearings. The point of these hearings is not to prosecute or punish criminals, but to reestablish bonds of solidarity that were sundered by the violence.

**History and Development of the Idea of Solidarity**

Like most other concepts of social philosophy in Western culture, solidarity has its roots in ancient Greek philosophy. Aristotle first used this notion to describe the virtues underlying relations of reciprocity and good will that were necessary for a properly ordered society to function smoothly. According to Aristotle, citizens had to view one another as political equals in order for democratic institutions to avoid deteriorating into chaos and mutually exclusive camps. Solidarity was the glue that held individuals and identity groups together in a unified whole. The Romans picked up on this concept of solidarity and codified it into Roman Law as the *obligation in solidum*, which defined a joint liability for a debt. In the hands of the Romans, solidarity began to connote advocacy and taking up the burden of others.

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10 Ibid., 451.
In more modern times, solidarity was a theme chosen by liberal revolutionaries as one of the three key virtues of the liberated French republic as can be seen in the tripartite slogan of the French Revolution, “liberté, égalité, fraternité.” This 18th Century ideal of solidarity as fraternity was reflected in Immanuel Kant’s categorical imperative, especially his concept of the Kingdom of Ends.15 From the perspective of the Kingdom of Ends, a person was obligated to always treat other persons as ends unto themselves and never merely as a means to one’s own ends. Later, in the 19th Century, fraternité, or solidarity, would be taken up by Marx and other more radical thinkers in order to describe the principle that a revolutionary vanguard should share in the experience of oppression with the working class and other marginal groups in society.16 It was only in this intimate sharing of fates that the revolutionaries would come to fully appreciate the suffering they were working to overcome.

Today solidarity is a rich concept that can refer to both a normative orientation as well as a practice of engagement. Therefore, in common usage solidarity is held up as a principle or a virtue that ought to be honored, while, at the same time, it is used to describe the types of actions a person or a group should pursue. “It refers to the citizenly capacity to act in ways characterized by public spiritedness or reciprocity,” according to Juliet Hooker, in her book Race and the Politics of Solidarity. “The concept of political solidarity as it is generally understood thus denotes the ability of individuals to engage in relations of trust and obligation with fellow members of a political community whom they may see as inherently ‘other’ in some fundamental way.”17 It refers to relations of trust and obligation developed between individuals and groups who are not normally understood as having close personal connections.18

THEOLOGICAL DEVELOPMENT OF SOLIDARITY

One of the first steps toward rearranging the ethical landscape, according to Catholic theologian, Christopher Vogt, is to rediscover the paradigm of covenant as an organizing principle for human community. The current organizing paradigm is the contract, which views persons as isolatable individuals who have no prior relationship or obligations toward one another. In contract theory, persons are solitary vessels, who hold interests that have no necessary connection to the interests of others, and who occasionally compete with other’s interests. Hence, the need for contracts, which regulate and adjudicate these various

15 Ibid., 2.
16 Ibid., 7.
17 Hooker, 1.
18 Ibid., 22-23.
completing interests. The idea of covenant that has been developed out of an analysis of many religious traditions, counters the individualistic claims of contract theory and contends that people are formed in community and our nature is, therefore, essentially social.\textsuperscript{19} The social does not obliterate the individual, but it does, by necessity, place individual selves within a context and never allows human beings to divorce themselves entirely from the constellation of relationships that have formed them.

Because human beings are essentially social according to traditional Catholic theology, the virtues are not character traits that can be formed in isolation from a broader social context. The virtues are formed in solidarity with others, and solidarity – our capacity to feel compassion for others and act upon that compassion in community – therefore, becomes a virtue in-and-of-itself.\textsuperscript{20} In a global context where solidarity is understood as a virtue, but where progressively larger numbers of people from very distinct cultures are finding it increasingly difficult to talk meaningfully to one another, dialogue is also being recognized as a type of ethic unto itself. As James Fredericks puts it, “interreligious dialogue, now and in the foreseeable future, needs to be recognized as a civic virtue.”\textsuperscript{21} In the face of greater religious and cultural diversity, a world that is becoming increasingly interdependent must begin to recognize the work of dialogue as an essential part of the moral landscape.\textsuperscript{22} “Interreligious dialogue should be seen as a concrete way to put into practice the virtue of solidarity.”\textsuperscript{23}

According to many Catholic theologians, the close bonds that are formed in a community of dialogue are akin to the bonds of love.\textsuperscript{24} In solidarity we come to intimately know each other and our communities in the same way our own family members can claim to know us better than we know ourselves. Like any real family, the types of families created in solidarity are filled with both love and tension, both joy and frustration, but never apathy or indifference.\textsuperscript{25} Indifference, not hate, is the opposite of genuine solidarity.\textsuperscript{26} In coming to know the actual,

\textsuperscript{20} Ibid., 398-400.
\textsuperscript{22} Ibid., 60-62. See also Heyer, 447.
\textsuperscript{23} Ibid., 63.
\textsuperscript{24} Vogt, 404.
\textsuperscript{26} Cowley, 32.
specific, and concrete injustices suffered by people around the world, love is fostered and a shared experience of oppression is developed along with a concern for those least well off. Those who enter into relationships of solidarity “share ‘a common fight’ and ‘a common sense of suffering,’ in the face of which religious distinctions tend to ‘melt away.’” In this way it can be asserted that solidarity is a necessary precondition for justice. “Solidarity demands the universal and symmetrical inclusion of persons into an ever-expanding community of reciprocal recognition.”

The unity, or solidus, that individuals should feel toward one another and toward the whole of society is built on a foundation of compassion, which, according to Vogt, “is a prerequisite for the ability to develop solidarity.” The empathetic feelings associated with compassion provide “the motivation for a person to act to dismantle injustice and relieve the suffering of other people.” A dialogue can then be established between the privileged and the oppressed in which feelings of mutuality develop and genuine solidarity becomes established. Once solidarity takes hold, it has the power to shatter the old ethic based in more selfish and individualistic notions of the human person. In their place new notions of the common good and a proactive universal respect for human dignity establish themselves.

Catholic theologians believe it is important to stress that authentic solidarity is not a kind of noblesse oblige – an attitude of charitable condescension by those with greater privilege towards those who are least well off. According to Catholic pedagogue Joseph Gerics, this kind of attitude has the potential to demean those it intends to serve, tends to inculcate an overly

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30 Pensky, 182.
31 Njoku, 526.
32 Vogt, 405.
33 Ibid., 408.
34 Ibid., 409.
35 Ibid., 410.
36 For a more in depth reflection on the relationship between solidarity and the sense of human dignity see, Lamoureux, 110.
personalistic and individualistic understanding of justice, and legitimates the status quo rather than challenging a social order that fosters injustice.\textsuperscript{38} Instead, solidarity should instruct Catholics about the social nature of the human person, “the equality of all in dignity and rights, and the common path of individuals and peoples toward an ever more committed unity.”\textsuperscript{39} It makes clear our intersubjectivity by emphasizing the ways that persons are bound together in definite relationships that fulfill real and perceived needs.\textsuperscript{40} From this perspective, human communities are not merely a collection of individuals thrown together haphazardly, rather they are people who belong together and whose togetherness has a purpose.

Along with other Christians around the world, Catholics claim that their most basic principles can be traced back to scriptural witness, and more particularly, to the example of Christ himself. “As the New Testament portrays it, discipleship entails the concrete and practical reconfiguration of social relations under images such as love of neighbor, love of enemy, forgiveness, mercy, cross, resurrection, body of Christ, and brothers and sisters in Christ.”\textsuperscript{41} In short, discipleship implies solidarity. William O’Neill, among others, looks to the parable of the Good Samaritan as a paradigm of good discipleship and solidarity.\textsuperscript{42} In this story, a person is robbed, beaten and left to die at the side of the road. A number of other travelers come along and pass by without assisting the man because they are either too busy or too afraid. After a while, a Samaritan – a member of a hated and blasphemous sect – comes along and takes pity on the man, mends his wounds, places him on his donkey and takes him to the nearest inn where he puts him up for the night. This parable is used to highlight what O’Neill refers to as “anamnestic solidarity,” a kind of Christ-like solidarity that overlooks differences and injuries of the past in order to seek new relationships of compassion, hospitality and reciprocity.\textsuperscript{43}

The Catholic tradition also looks to its long theological history, and especially to the philosophy of Thomas Aquinas, in order to make sense of the virtue of solidarity. Aquinas begins by reaffirming that human beings are, by

\textsuperscript{38} Joseph Gerics, “From Orthodoxy to Orthopraxis: Community Service as Noblesse Oblige and as Solidarity with the Poor,” \textit{Religious Education} 86.2 (1991), 58-60.

\textsuperscript{39} \textit{Compendium of the Social Doctrine of the Church} (Vatican City: Pontifical Council for Justice and Peace, 2004), 84.

\textsuperscript{40} Pensky, 9.

\textsuperscript{41} Cahill, 184.


\textsuperscript{43} Ibid., 151.
nature, social creatures. “Solidarism in its Thomistic sense is a term which connotes the golden mean between individualism and collectivism; it is the middle position between two extremes of absolute centralization and absolute decentralization.” From this starting point Aquinas is able to ground his ideas about the goodness and necessity of solidarity. Although Aquinas uses the term solidarity itself sparingly, his philosophy develops the related term philia, or friendship, to a much greater extent. “St. Thomas tells us that friendship is a form of love, which involves a certain capacity for being reciprocated. In this conception of friendship, reciprocity becomes the key to overcoming self-centeredness and opening the human person to a world of relationships that build positively upon one another, ultimately creating a web of mutually reinforcing supportive social connections that are known collectively in Catholic social theory as the common good. This is one reason why the church “seeks persistently for more than justice. She warns men [sic] that it is by keeping a more perfect rule that class becomes joined to class in the closest neighborliness and friendship.” Solidarity is a kind of friendship that is broadly cast and applied to persons, who I do not necessarily know personally, but to whom I am connected in this web of relationality. True solidarity, like true friendship is not a fair weather phenomenon. Like true friendship, solidarity is tested in the fires of suffering and oppression. That is one of the reasons so many authors turn to illustrations of suffering in order to demonstrate authentic solidarity.

**SOLIDARITY IN THE DOCUMENTS OF CATHOLIC SOCIAL THOUGHT**

In addition to “friendship,” “social charity” is another term that is employed by the Catholic Church to express the essence of solidarity. The phrase “social charity” is first coined by Pius XI in his encyclical *Quadragesimo anno*, where he

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44 Lamoureux, 111.
46 Cowley, 18.
48 Cowley, 33.
50 Ibid., 34.
fuses this phrase to the idea of social justice.\textsuperscript{51} In this context, social charity is the soul and affective inspiration for social justice. It becomes the motivating force that propels individuals to choose the difficult path of social justice, rather than avoiding suffering and tolerating injustice. In this way, these two ideas are interdependent and cannot be properly understood in isolation from one another.\textsuperscript{52} In the future, Paul VI will pick up on this idea of social charity and reframe it as “universal charity” in his encyclical, \textit{Populorum progressio}.\textsuperscript{53}

It is only with the papacy of John XXIII that the actual term \textit{solidarity} appears in Catholic social theory in more than just passing references.\textsuperscript{54} In the 1960’s, the Catholic Church is beginning to embrace modern and liberal philosophies that it has been, until this time, either condemning outright, or keeping at arms length. The ancient conceptions of an organic society organized around the metaphor of the human body\textsuperscript{55} are giving way to more modern contractual and voluntaristic notions of social arrangement. John XXIII uses the word solidarity on seven separate occasions in his encyclical \textit{Mater et magistra}, in 1961, and in his encyclical \textit{Pacem in terris}, promulgated in 1963, he expands the notion of the common good to the global community and affirms that “justice cannot be accomplished by elites working in abstraction from the complex factors leading to social conflict. Rather moral discernment in ‘our age’ must start from the facts that the ‘working classes’ are insisting on their own rights, that women ‘will not tolerate’ affronts to ‘their human dignity,’ and that the colonial era is over.”\textsuperscript{56}

At Vatican II solidarity is mentioned nine times in \textit{Gaudium et spes}, The Pastoral Constitution on the Church in the Modern World, and developed to a limited degree.\textsuperscript{57} One unique contribution of this document is its understanding of


\textsuperscript{52}Doran, 99.


\textsuperscript{54}Pius XII uses the term more frequently than his predecessors, but he never produces an encyclical in the social tradition.

\textsuperscript{55}Lamoureux, 112. “In sum, the preconciliar writings reveal an understanding of solidarity that is organic and conflict-free. It presumes a mutually interdependent order of cooperation and harmony of interests between all groups and classes in society, motivated by charity and justice.” p. 115.

\textsuperscript{56}Cahill, 198.

\textsuperscript{57}For a more detailed analysis of solidarity in \textit{Gaudium et spes} see, Uzochukwu Jude Njoku, “Re-Thinking Solidarity as a Principle of Catholic Social Teaching: Going Beyond \textit{Gaudium et Spes} and the Social Encyclicals of John Paul II,” \textit{Political Theology} 9.4 (2008), 529-531.
solidarity as the principle of unity that should constantly increase until it ultimately leads human beings to that perfect union with God in the act of salvation.\(^{58}\) One year after the close of Vatican II, Pope Paul VI issued the encyclical, *Populorum progressio*, where solidarity is developed further as an international and global ethic. Solidarity is understood as more than just a privilege that bestows benefits on everyone engaged, it also is an obligation of mutual aid that falls disproportionately on the shoulders of wealthier nations.\(^{59}\) The encyclical calls for the dismantling trade relations that are still infected by the sins of colonialism and racism, and the establishment of new agreements that are based on trust and collaboration.\(^{60}\)

**SOLLICITUDO REI SOCIALIS**

Although these scattered references to solidarity do give us brief glimpses of its potential as a theme of Catholic social thought, it does not receive a full theological treatment in official Catholic documents until the papacy of John Paul II. In 1987, John Paul II promulgated the document *Solllicitudo rei socialis* on the anniversary of Paul VI’s *Populorum progressio*, and while the development of solidarity certainly was in harmony with the spirit of his predecessor, clearly this Polish Pope had other, more concrete, inspirations for stressing this particular term in his encyclical. The decade of the 1980’s had seen the unprecedented success of the Solidarity labor union opposing the policies of the communist government in Poland. Eventually, this opposition would lead to the downfall of this government, which would, in turn, precipitate events that led to similar events in the rest of the Eastern Bloc and the Soviet Union. However, in 1987, Solidarity was still fighting the good fight and the communists still had their hands on the rudder of the Polish ship of state. Much of what the Pope says in this encyclical can be understood as an address in support to his fellow Polish citizens who are united in solidarity (both figuratively and literally) against the injustice of communist rule.

John Paul II begins his exegesis of solidarity in paragraph 38, where he engages in a theological interpretation of the events happening in the world at that time. Evidence for solidarity can be seen around the world as there is a growing

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\(^{59}\) Pope Paul VI, *PP*, 17, 44.

\(^{60}\) Ibid., 52, 62.
recognition of interdependence among all peoples. The quality of this interdependence is a moral concern because, while it could serve human flourishing, it might just as easily lead to exploitation and misery. The document treats solidarity as a virtue, which is “not a feeling of vague concern or shallow distress at the misfortunes of so many people both near and far.” Rather, it is a “firm and persevering determination to commit oneself to the common good; that is to say to the good of all and each individual because we are really responsible for all.” Therefore, solidarity is one of the virtues aimed at achieving full authentic development. It can be undermined by the ‘desire for profit” and a “thirst for power” that compromise our proper focus on the value of human beings and their flourishing.

The commitment to the good of others that is the hallmark of authentic solidarity is the antidote needed to fight off the infection of the structural sins caused by unbridled desires for wealth and power. Solidarity empowers us to sacrifice ourselves for the sake of others, rather than exploiting them for our own advantage. It is put into practice when each person recognizes the human dignity of others. Each class of society has a responsibility to contribute to the good of everyone else, and the wealthy and powerful have a special responsibility to the poor. The poor themselves have a responsibility to remain actively engaged in order to contribute to the common good and avoid passivity. The intermediate classes need to avoid focusing social resources on their own particular interests and mistaking their own concerns for the concerns of the common good.

64 Ibid.
65 These sentiments echo those expressed by the U.S. Bishops who claimed that extreme inequalities were a threat to solidarity because they fostered “deep social divisions and conflict.” *Economic Justice for All*, 74 and 185.
67 Ibid.
68 See also *PP*, 84.
69 See also *MM*, 155.
70 See also *EJA*, 102.
Signs of solidarity in contemporary society can be witnessed in especially powerful ways among the poor and “their efforts to support one another and their public demonstrations on the social scene which, without recourse to violence, present their own needs and rights in the face of the inefficiency or corruption of the public authorities.”

According to the Pope, the Church has a special responsibility to stand beside the poor and support their efforts to discern the right path forward and work for justice. Solidarity operates at the personal, group, social and even international levels, where the virtue functions to foster cooperation and a global common good. The virtue of solidarity is marked by a capacity to recognize other people, groups and nations as “neighbors” who deserve a share in “the banquet of life” on a par with our own. Solidarity is the path to true peace because it is the road to genuine development since it undermines the logic of economic, military and political imperialism and transforms “mutual distrust into collaboration.”

As a virtue, solidarity is closely related to love, “the distinguishing mark of Christ’s disciples.” One who is committed to the virtue seeks to go beyond oneself and offer oneself as a gift to others – especially those who are suffering and marginalized. The Pope believes that Christians have the advantage of a tradition that regularly reminds them of their creaturely kinship with every other person, and all of creation. In other persons, the Christian sees living representations of the triune God. As an icon of God, “one’s neighbor must therefore be loved, even if an enemy, with the same love with which the Lord loves him or her; and for that person’s sake one must be ready for sacrifice, even the ultimate one to lay down one’s life for the brethren.”

In the end, a Christian commitment to solidarity should lead the believer to “a new model of the unity of the human race.” The universal bond holding together all persons around the world mirrors the intimate bonds that exist between the three divine persons: the Father, the Son, and the Holy Spirit. Solidarity, in this way, is a sacrament to the extent that it is a concrete, temporal

72 Ibid.
73 See also EJA, 88.
74 See also, Pope Paul VI, PP, 44, 48; Pope John XXIII, PT, 98, Vatican II, GS, 57, 85, 90.
75 Pope John Paul II, SRS, 39.
76 Ibid.
77 Ibid., 40. See also Pope Paul VI, PP, 67; and EJA, 64-67.
78 See also Pope John XXIII, PT, 107.
79 Pope John Paul II, SRS, 39.
80 Ibid., 40.
81 Ibid.
82 Ibid.
sign pointing to an eternal divine truth. Solidarity is closely related to, and often overlaps with other themes of Catholic social thought, especially love and the preferential option for the poor. For individual Christians, it functions as both a virtue and a duty that recognizes and acts upon the value of the interdependence of all humanity. The state pursues solidarity “by defending the weakest, by placing certain limits on the autonomy of the parties who determine working conditions, and by ensuring in every case the necessary minimum support for the unemployed workers.”

**SOLIDARITY IN A BUSINESS CONTEXT**

If one chose to evaluate the overall capitalist business climate in North America based solely on the public image presented in advertising, one might conclude that consumerism is one of the primary vehicles of solidarity. Advertising is filled with powerful and compelling images that, among other things, suggest North Americans are blissfully brought together by the products they consume, and moreover, that these products are symbols of our camaraderie and fellowship. For instance, a recent series of Miller High Life commercials depicts a beer distribution truck driver with an attitude against elitism, who crashes a variety of mixed-class events, taking Miller High Life from the wealthy in their aristocratic settings and giving it to the folksy middle class in the main arena. This kind of faux solidarity is used throughout the advertising industry in order to procure an artificial variant of something that consumer culture in reality cannot deliver. Everyone is aware that advertisers’ commercial products are replete with unfulfilled promises, but in the case of solidarity, the promise was never theirs to make. This section of the paper asks how can a capitalist business culture truly embrace solidarity as a virtue, and what needs to change in order to make that happen?

**Competition vs. Cooperation**

Free competition is a primary principle of all theories of modern capitalism. It is based on the idea that rational consumers and their demands will

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83 Ibid.
85 Ibid., 10, 23, 31.
86 Pope John Paul II, CA, 15.
drive a variety of producers to develop superior products at progressively lower prices. Clever, nimble and hard-working producers will eventually win the day, developing the best products at the lowest prices. Producers who are less well adapted to the competitive environment will fall by the wayside and go out of business. According to the theory, it is the free and open context of “the market” that sets the stage for the cumulative improvement in products coupled with diminishing prices. The question for many who are convinced of the free market logic is, what could be wrong with this arrangement, and who could possibly be against this elegant, simple and natural solution?

It turns out that the answer to that question isn’t as obvious as one might imagine. Many economists acknowledge that in order for markets to work as described above, the people who engage in those markets must all share common values of truth, freedom, justice and love, and must be willing to consistently behave in a virtuous manner. Unfortunately, common sense along with copious evidence from history and the social sciences will remind us that individuals will not always behave themselves, and some will regularly misbehave in ways that put the good of others at risk. Psychologist Detlef Fletchenhauer, who has studied this kind of personal interaction, reinforce this observation and claim that the solidarity and pro-social behavior that are necessary for smooth economic transactions are reliant on subjective interpretations and situational perceptions. In the end, one’s capacity to behave in solidarity with others is determined to a large extent by one’s definition of the situation. Needless to say, such interpretations and perceptions can just as easily lead to anti-social, and therefore, anti-market behavior under certain circumstances. Psychology, sociology and personal experience teach us that human beings can be “highly altruistic in some situations, but are brutally selfish in others.”

For this reason, markets require some fundamental degree of solidarity and cooperation in order to function properly. Therefore, the type of competition that is informed by the mutual and reciprocal vision of solidarity is likely to result in markets that work like the theories predict. However, competition that is self-centered, arrogant, and focused on the destruction of the competitors, rather than on the production of excellent products at fair prices, is a type of freedom that

90 Ibid., 10.
91 Ibid., 3.
undermines markets as can be witnessed in the latest global financial meltdown.\textsuperscript{92} Moreover, it must also be pointed out that an obsessive focus on individual freedom and the pursuit of dog-eat-dog competition has been a main contributing factor in the underdevelopment of starving and suffering peoples around the world.\textsuperscript{93} In solidarity with the least well off, Ann Patrick asks if we can hear their voices and if the business world can respond with values that are more efficacious than freedom, competition, or acquisitiveness.\textsuperscript{94} “Solidarity challenges first world levels of consumption, expressions of preference, and understanding of freedom as immunities from our responsibilities to others,” says Maureen O’Connell in her book, \textit{Compassion: Loving Our Neighbor in an Age of Globalization}. “It highlights that all persons struggle to flourish under the yoke of privilege.”\textsuperscript{95}

\textbf{People vs. Profit}

In \textit{Sollicitudo rei socialis}, Pope John Paul II refers to a “cult of having,” which prioritizes the accumulation of wealth and material things over the basic human needs of the poor and marginal groups around the world.\textsuperscript{96} This notion of a ‘cult of having’ emphasizes the interconnected nature of global capitalism and how indulging the desire for unrestrained freedom for some is connected to “the totalitarian poverty for others.”\textsuperscript{97} It gives the reader insight into an interdependent world where low-cost consumer products purchased at a discount in North America often can be traced back to the low wages and Dickensian working conditions in the developing world, or how the seemingly unlimited energy resources enjoyed by some can be linked to the environmental disasters suffered by others, or how the voluntary segregation of the gated community can be tied to the involuntary segregation of the slum. It is a call to modern business to begin to incorporate practices of solidarity and act on behalf of all humankind.\textsuperscript{98} “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 constitutive


\textsuperscript{94} Patrick, 192.


\textsuperscript{96} Pope John Paul II, \textit{SRS}, 28.

\textsuperscript{97} O’Connell, 87.

\textsuperscript{98} Sandelands and Hoffman, 141.
purpose... of serving the real economy, and, ultimately, of contributing to the development of people and the human community."

With these admonitions in mind, it behooves Catholic businesspersons to reflect on the ways good public health is threatened by the disintegration of solidarity and how they can promote genuine mutuality and reciprocity among all of their constituents. Many businesses have begun to question the common assumption that what is best for capital is also best for everyone, and have begun to experiment with new models of organization, development and production. Experiments in workplace democracy where workers have a say in corporate governance and policy are one good example of this trend. Many businesses are now committed to sustainability programs that focus on environmental impact to both human and non-human life. Other business trends that point in the direction of solidarity are the wide-spread adoptions of Corporate Social Responsibility charters that take a broad look at the social impact of all operations in a company and seek to minimize negative impacts while maximizing value. These and other efforts made by contemporary businesses help to build faith in a capitalist system that has endured a decade of dramatic moral failures. They also help to combat the impression that businesses are myopically focused on making a few owners wealthy, and are damning the rest of the world to live in an Apartheid society made up of “haves” and “have-nots.”

_Stockholder vs. Stakeholder_

Another way in which business leaders have begun demonstrating an interest in solidarity is through the relatively recent focus on stakeholder value, as opposed to the traditional focus on stockholder value. Stockholders, of course, represent that relatively limited group of people who have purchased shares in a company. Traditional management theory stresses the need to maximize return on

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105 Collins, 70.
investment so that current stockholders will be happy to hold onto their shares, and to attract new investors to their company’s stock so that the share price rises. However, many within both the business community and the ethical community have raised questions about this focus on the interests of a such a narrow audience. Of course, managing from a stakeholder model has its own problems and complexities. For instance, given the fact that shareholders have a relatively narrow set of interests, managing in order to achieve maximum return on funds invested was a more straightforward task for business executives. Stakeholders represent a multitude of seemingly ever-expanding interests, many of which are at odds with one another. For instance, the demand for higher pay and better benefits on the part of employee stakeholders normally will come at the expense of some profits, which, in turn, will harm shareholder value in the short term.

Catholic social theorists claim that a managerial focus that is too narrowly defined on profit and shareholders runs the risk of eroding a sense of moral obligation. Using the language of the common good, it can lead to a “tragedy of the commons,” which is a reference to the neglect of those aspects of our economic and social lives that are shared, and which are in danger of falling into collapse or ruin if all people within a society cannot come together to support, develop and protect these common resources. While stakeholder theory moves management practices in the right direction, many social theorists still sense the need to broaden these stakeholder notions to include more of the constituents, both human and non-human, that are positively and adversely effected by corporate activity. The extreme individualism that continues to inform much of management theory and practice denies the social dimension of human nature, as this is conceived by Catholic theology. In turn, these individualized notions of human happiness and fulfillment can lead to the injustices associated with the privatization of market successes and the socialization of failures that we have seen recently in the financial and automotive bailouts. These catastrophes, in

108 Collins, 84
109 Hoffman, 131.
110 Heyer, 448-49.
111 Collins, 84.
112 Firer-Hinze, 170.
ironic ways, highlight the inescapable interdependence of a globalized economy, and demonstrate the urgent need for an ethic of solidarity.\textsuperscript{113}

**Participative vs. Command Model of Leadership**

Since economic crises drive home the point that virtually all human beings are integrated into the fate of the world economy whether they like it or not, then it is incumbent on all people to acknowledge this \textit{de facto} solidarity and form more participative leadership structures that take into consideration the needs, desires, hopes and dreams of a much larger and more representative sampling of the people effected by this economic activity. “The issue of participation, and of solidarity as the attitude which facilitates it, arises out of the fact that the person is not an isolated subject in a world of objects, but rather a subject among subjects.”\textsuperscript{114} Many Catholic social theorists assert that the current state of affairs in global capitalism is better characterized as exclusive, dictatorial and elitist, rather than inclusive, democratic and participative.\textsuperscript{115} Therefore, many of these same authors are calling for greater democracy in the global economy so that the voices of those who have been previously left out of the conversations and decisions can have some control over the ways their markets function.\textsuperscript{116} As mentioned above, through workplace democracy, corporate social responsibility and broadening stakeholder definitions, many corporations are already beginning to understand the need for more participative models of conducting business in this expanding, interdependent global economy.

**TWO CASE STUDIES**

The high ideals of Catholic social theory are well articulated by the Church and many authors in the field choose to analyze and expound on that theory without making any references to the challenges of applying these abstractions to the actual practice of establishing and running a business. This final section of the paper will attempt to remedy this shortcoming through an examination to two case studies of existing companies that have recently made decisions that were guided by a spirit of solidarity. These examples will hopefully serve as inspirational starting points for imagining an alternative way of understanding the capitalist enterprise. New practices frequently begin with a fresh perspective on our established ways of doing business.

\textsuperscript{113} Ibid.
\textsuperscript{114} Doran, 171.
\textsuperscript{115} O’Connell, 87.
TOMS Shoes: A Social Business

It’s easy to see you’re not shopping for shoes at a run-of-the-mill online retail operation upon arrival at the main page of www.TOMSshoes.com. Although there are shoes to buy of virtually any color, size and style, and the buyer can easily browse, compare, purchase and checkout, just like any other online store, TOMS also offers other experiences that are unlike almost any other for-profit retail operation. In addition to shopping, visitors can read about “Our Movement,” where they can see video of a “shoe drop” and read about the history of the company. Shoppers can “Get Involved” as interns or volunteers to help distribute shoes in the developing world. They can also join the “Community” of producers, consumers and distributors of TOMS shoes in an ongoing dialogue about this unique company and its commitment to social entrepreneurship.

TOMS shoes was founded in May 2006 by world traveler and entrepreneur, Blake Mycoskie.117 He got the idea for the company while on vacation in Argentina.118 He noticed that many of the children in the poorer areas of the country had no shoes and, as a result, many suffered from cuts, bruises and infections.119 Some of these shoeless children also could not attend school because of public hygiene policies, and many of the children suffered from podoconiosis, which is a disease transmitted through volcanic silica in the soil that penetrates the skin and makes its way into the lymphatic system. Over time, the lower legs swell, and open sores and ulcers develop, leaving the feet open to infection.120

Mycoskie recognized that the simple cure for all of these woes was a reliable source of free shoes. So when he returned to the U.S., he brought with him 250 pairs of shoes made in the traditional canvas Argentine style known as alpargata, with the intention of manufacturing them for sale to U.S. consumers.121 The plan was to use the proceeds to support the manufacture of additional shoes for distribution to poor children. Some local media coverage in Los Angeles brought in enough orders for him to return to Argentina with new shoes and three

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117 Case Western Reserve University, “TOMS Shoes: From Soul to Sole,” Case Study: http://worldbenefit.case.edu/innovation/bankInnovationView.cfm?idArchive=1153.
119 Case Western Reserve University.
Interns in tow. Through this original act of charity, the idea for TOMS shoes was hatched and a one-for-one social business model would become the guiding principle for the new company. For every pair of shoes sold by the online company, another pair would be given away free to a child in the developing world.

The company grew exponentially from its humble beginnings and Mycoskie expects to give away over 300,000 pairs of shoes by the end of 2009 in both South America and Africa. Mycoskie chose to meet this vital need using a for-profit model rather than the more familiar charitable organization because he was convinced that a for-profit business was a more sustainable entity than a charity.

I think the term ‘social entrepreneur’ is very relevant because I believe you can do well by doing good. TOMS is a for-profit business, and it’s important that we have profit so we have sustainability. I’ve always said that with a charity, what happens when you have a time like right now, (when) economic times are tough and the donors maybe aren’t there, the charity really suffers. But the nice thing about TOMS is it being a for-profit business, we’re continuing to sell shoes so we can continue to give shoes.122

Mycoskie spends much of his time these days taking customer volunteers on what he calls “shoe drops,” where they literally greet the children and physically slide shoes onto their bare feet.

I think the advantage of being a small business that’s giving back in such a substantial way is that our customers really become our marketers. So when someone buys a pair of TOMS, they’re not just buying a pair of shoes, they’re kind of joining a movement. And they want to participate in that. And so when they wear their shoes, and someone says, ‘what are those?’ they never say ‘TOMS.’ They tell the whole story. They say, ‘When I bought this pair of shoes, a child got a pair.’ And that’s the best type of marketing you can have.123

A. G. Parfett & Sons Ltd.: Employee Ownership124

Parfetts is an established and respected wholesale cash and carry business that was founded in 1908 and has grown from a single store in Stockport, UK into

123 Ibid.
124 Information for this case was gathered from A.G. Parfett & Sons website at http://www.parfetts.co.uk/, as well as a series of 10 case studies authored by Andrew Bibby, titled “From Colleagues to Owners,” and can be accessed at http://www.caseplace.org/d.asp?d=4643.
a sizeable national enterprise. The firm now has revenues of almost $400 million per year, and has about 600 employees and six trading depots located around the country. In most respects, A.G. Parfett & Sons is a typical story of a successful family business, launched and maintained through years of hard work and sacrifice. However, a decade and a half later there was no family member from the next generation who seemed willing or able to continue managing the business, which raised questions about the future of the business.

After looking into various conventional options like a management buy-out, management buy-in, business sale to a competitor, and purchase by an overseas investor, the family ultimately decided to investigate a new model of ownership. In January of 2008 the Family met in conference and decided that A.G. Parfetts & Sons would become employee-owned. In order to accomplish this transfer of ownership, 55% of the shares in the company were initially deposited into an Employee Benefit Trust (EBT). A bank loan with a 15-year maturity funded the purchase and was secured using the business’s freehold properties.

In order to avoid burdening their new employee-owned business with debt, the Parfett family agreed a 20% discount on the full market value price for the 55% shareholding. The plan was to sell the remaining 45% to the EBT over the course of the next eight years. The Parfett family also agreed to forego dividends during this interim period.

The Parfett family “spent considerable time debating the different types of employee ownership, and a key consideration was whether to go for individual ownership of shares.” Instead they settled on what was known as the John Lewis model, where all shares would be held collectively for the benefit of all employees. Because the workforce at Parfetts included large numbers of shop floor workers without immediate access to business finance instruments, this model was deemed more appropriate and would cause fewer problems going forward. This model of employee ownership will pay all staff an annual partnership bonus rather than paying out the traditional share dividends. A series of branch councils (one for each depot), which are to be solely comprised of elected staff are now replacing the more top-down management style of the past. Each of the branch councils, in turn, nominates two members to the new company-wide council, which will plan and oversee the strategic management of the company. The Employee Benefit Trust (EBT) has been set up initially with two employee representatives (one of them the current finance director), two family members and an independent chairman.

In recent times, the employee-owned business sector has been growing. Only a decade or two back, there were just a handful of employee-owned businesses like A.G. Parfett & Sons, and these were seen as anomalies that swam in waters well away from the mainstream of capitalist markets. Today, as this case demonstrates, the employee-owned business model cannot be dismissed so
readily. Many conventional businesses encourage employee stock ownership; however, employee-ownership of like the one employed by Parfett means something more than mere share ownership. It means a business model that functions primarily for the benefit of the workforce, because the employees are – individually or collectively – owners of the business. This emerging model of business ownership challenges the traditional proprietor, or share-owner models that currently dominate the landscape, while raising practical as well as moral questions about the way our societies understand ownership.

CONCLUSIONS

In the world of corporate capitalism where the privatization of ownership is often raised to a first principle, solidarity seeks to subvert the privatization of the ethical life. In business environments that seek to maximize profit and shareholder return on investment, international solidarity seeks to maximize hope and inspire trust. Catholic social theorists maintain that solidarity has the capacity to inspire business leaders to construct a new story that “incorporates rather than obliterates difference.” In this way, these businesses can become agents of “tolerance, accommodation, compromise, and cooperation, rather than hatred, division, competition, and dominance.” In order to achieve these lofty goals in a global context it seems that business leaders will need to expand their inclusive visions beyond even the broadest conceptions of stakeholder value and recognize the essentially interconnected and interdependent nature of all reality. Businesses will have to employ more cooperative strategies and embody more participative structures if they want to help build a world that is livable and sustainable, and not just one that can be temporarily exploited for profit and then discarded. More so than ever before in human history, businesses have the power to transform our world for the better, and a laser focus on the virtue of solidarity is a good place to begin this journey.

125 Cowley, 35.
126 Paul Routledge and Andrew Cumbers, Global Justice Networks: Geographies of Transnational Solidarity (New York, NY: Manchester University Press, 2009), 212.
127 Cahill, 208.
128 Ibid.