Addressing the Anthropology of Business Ethics: Insights from Catholic Social Thought

Stephanie Ann Y. Puen
*Fordham University and Ateneo de Manila University, spuen@fordham.edu*

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Contemporary business and economics has been heavily critiqued for its ethics that has prioritized being profit-driven and individualistic and that does not seem authentic, particularly in the wake of the financial crisis in 2008 and the ongoing scrutiny of the role companies play in social issues such as climate change, healthcare, and labor rights. There is a certain expectation for genuine corporate social responsibility, wherein businesses play a key role in ensuring development, progress, and flourishing in society. Various articles in academia as well as in newspapers and magazines argue that the “the age of responsible business is upon us, if not in terms of practice, then certainly in terms of public expectation.”

However, while the expectation that business and economics as an institution should be responsible to society has been increasing, this is not necessarily reflected in how it is practiced or taught. This expectation and understanding of business being a social force for good, is in tension with what is often stated as a primary goal of business: the maximization of shareholder’s wealth. Thus, while companies would say in their vision and mission that their purpose is in line with the former expectation and purpose, it is often the latter purpose and expectation that people perceive in business decisions.

Both these two purposes—to be a social force for the common good and to simply maximize shareholders’ wealth—are undergirded by a particular understanding of anthropology. Business, based on a liberal model founded on such economists and philosophers such as John

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Stuart Mill and Adam Smith’s work, assumes a particular anthropology: that of the rational, self-interested, and autonomous human being, which supports the understanding of the purpose of business as simply maximizing shareholder value. The idea of the “invisible hand” that pervades a market which is believed to be amoral and believed to allow for self-interested actions to lead to the development of all also supports this understanding.

This paper proposes an alternate anthropology as seen in the Vocation of a Business Leader, a document on business and Catholic social thought, which responds to the question of what good economics and business ethics is, and the Economy of Communion, that seeks to live such an anthropology out concretely in business. This anthropology is grounded in an understanding of the human being that focuses on relationality, the common good, solidarity, and subsidiarity, which undergirds a communitarian model of business. Such a communitarian model of business is more line with the public’s expectation of business as a social force for the common good, rather than the common perception of business as primarily profit driven or extremely individualistic.

**Anthropology Underlying Modern Economics**

The model that is currently in use today is the liberal model, as well as its modern evolution of neoliberal economics. Such a model is both seen as descriptive and prescriptive of what organizations should aspire for, while also being critiqued today as primarily profit-driven and individualist. Economists attribute the liberal model, as seen in the free market and the

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3 While their principles are the same, neoliberalism focuses on the markets and is a resurgence of economic liberalism.

“invisible hand,” ultimately to Adam Smith.\(^5\) Smith’s work echoes some of the thoughts of philosophers such as Thomas Hobbes, whose work assumed an anthropology that characterized human beings as not naturally good, but rather self-interested, hedonist, and individualist, which would lead to destruction of society and a life that is “nasty, brutish, and short.”\(^6\)

As an economist, Smith is most known for his work “The Wealth of Nations” that was published in 1776. Smith proposed that it is by the self-interest of a person that prosperity and the common good can come about, in response to the question of how to make society function in a harmonious way. Similar to Hobbes, Smith notes that the majority of the people pursue their own self-interest and selfish passions and thus end up in conflict, while a minority are outstanding, altruistic, and virtuous people. As an economist, Smith was concerned about order and how there could be order and harmony in society, given the assumption that people are self-interested. Thus, in order for there to be order despite a majority who are self-interested, Smith proposes that there ought to be a give-and-take relationship so that each person may receive what he or she hopes to attain:

> Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need. It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.\(^7\)

\(^5\) Sergio Cremaschi notes that “the English term economic man showed up if not the first time at least one of the first times in John Kells Ingram with reference precisely to Adam Smith who allegedly ’consciously, though tacitly, abstracted from the benevolent principles in human nature, as a logical artifice supposed an ‘economic man’ actuated by purely selfish motives.’” Sergio Cremaschi, “Adam Smith without Homo Economicus,” *Bulletin Prague College Research Centre*, January 1, 2010, 23–35.


Dividing labor, giving people the freedom to trade as well as allow for competition thus allows the “invisible hand” or the forces of the market to lead society to the best ends for everyone, as each person would be able to trade with another for whatever it is they need. In this view, then, self-interest is the driving factor behind the good, and therefore is both descriptive, and even to some extent, prescriptive, of what the human being is and should be in order for prosperity to happen. His work would thus lay the foundation for classical free market theory that would be the starting point for modern economic thought.

At roughly the same time that “The Wealth of the Nations” was published, in 1772 to 1773, Immanuel Kant also began his work on identifying key characteristics of the human being. He identifies the capacity of reason (animal rationabilis) as a foundational part of human nature, which allows a human being to direct their lives rationally. In line with the faculty of self-perfection, this capacity, “regarded as an empirical sign of our freedom, is precisely our capacity for an indeterminate mode of life, one that is open-ended and self-devised, in contrast with the life of other animals, which is fixed for them by instinct.” Allen Wood notes that for Kant, “what distinguishes human beings is that they have a collective history that they themselves are to make, by ‘cultivating,’ ‘civilizing’ and ‘moralizing’ themselves through their faculty of reason.”

John Stuart Mill further solidifies this idea of the economic man when he further elaborated on the work of Adam Smith in his work “The Principles of Political Economy” in 1848. He also assumed that “every person desires to get as much as wealth as possible with the smallest quantity of labor and physical self-denial” and can evaluate an efficient means to that

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8 Brian Jacobs and Patrick Kain, eds., Essays on Kant’s Anthropology (Cambridge, U.K.: Cambridge University Press, 2003), 51. The author of this section, Allen Wood, cites Akademie Ausgabe
9 Jacobs and Kain, 54.
end. Domènec Melé and César González Cantón show how Mill’s work expands on Smith’s by bringing in the concept of utility, thought of as well-being or happiness, as the object which economic behavior seeks to optimize. Melé and Cantón note that:

In the primitive version of Mill and many neoclassical economists, the *homo economicus* assumed was conceived of as a totally selfish individual, one seeking marginal utility in terms of pleasure/pain calculus, acting as a loss/gain computer and insatiable satisfaction-seeker/accumulator at home and in the work- and marketplace. In the 1960s, economist Milton Friedman, channeling the primacy of self-interest and positivism in Mill’s work, argued that a business, specifically its corporate executives or owners, owes its responsibility primarily to the owners. He argues that when one says that these corporate executives have a social responsibility, it would entail these executives using money for a social good that is akin to taxing the owners, the employees, and customers, and would go against the principal justification of why the executive was chosen: to serve the owners and stockholders of the company. Such a view, he argues, would lead to socialism and the socialist way of distributing scarce resources; he thus argues that “history suggests only that capitalism is a necessary condition for political freedom.” His other views include limiting and decentralizing the functions of the government, as his utmost priority was preserving freedom and allowing people to efficiently go about their activities.

Underpinning his thought, thus, is the primacy of autonomy and freedom of the human person as a key, as he writes that the “freedom of the individual…[is] our ultimate goal in

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12 Melé and Cantón, 25.
judging social arrangements.”15 Though he acknowledges that freedom has to do with interrelations with other people, he argues that “a major aim of the liberal is to leave the ethical problem for the individual to wrestle with.”16 This view has become common to see in management debates and theory, and is part of the basis of understanding business as reduced to maximizing shareholder value in a neoliberal context.17

While this section is by no means exhaustive, it can be seen that the assumption of the homo economicus which became the assumption that economists used in grounding their work has its roots in a particular reading of certain economists and philosophers. While economists can disagree on many policy issues, there is common agreement on the idea of free trade and a more liberal approach to economics.18 As David Hume wrote: “political writers have established it as a maxim, that…every man ought to be supposed a knave, and to have no other end, in all his actions, than private interest. By this interest we must govern him, and, by means of it, make him, notwithstanding his insatiable avarice and ambition, co-operate to public good.”19 These traditional understandings of how a market or business works, as well as what responsibilities are owed to whom, are thus backed by the traditional understanding of homo economicus that has been assumed in economic thought through the different thinkers presented. The support for the free market ideology thus assumes this rational, self-interested, and autonomous human being in

15 Friedman, 12.
16 Friedman, 12.
order for it to make sense, with the invisible forces of the economy and the free market doing the work that morals would do.

Implications of the *Homo economicus* Model

On the one hand, the current economic system and understanding of the human person has led to efficient ways of managing resources and has pushed for better quality and innovative products through a competitive market, which have created jobs and wealth.\(^\text{20}\) In theory, it was meant to help everyone have fair access to all opportunities and rights, and to allow a person to work hard and achieve a comfortable life.\(^\text{21}\)

On the other hand, the extreme emphasis on the bottom line at times comes at the expense of human lives and a widening wealth gap, and thus lends itself to becoming a structural sin, in that extreme individualism and focus on profit have become imbued into the way business is done, to the detriment of vulnerable groups of people who have no power whether economically or politically. For example, poor working conditions can be found in developing countries such as in the Philippines, Bangladesh, the Democratic Republic of Congo, India and 67 other countries, with child workers often performing hazardous work in creating textiles,

\(^{20}\) This theoretical understanding of capitalism is what Catholic social thought would support, as mentioned by John Paul II in his encyclical *Centesimus Annus*: “Returning now to the initial question: can it perhaps be said that, after the failure of Communism, capitalism is the victorious social system, and that capitalism should be the goal of the countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third World which are searching for the path to true economic and civil progress? The answer is obviously complex. If by “capitalism” is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a “business economy”, “market economy” or simply “free economy”. But if by “capitalism” is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.” John Paul II, “On the Hundredth Anniversary of Rerum Novarum: Centesimus Annus,” Vatican.va, May 1, 1991, http://w2.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus.html. Hereafter referred to as CA. CA 42.

building materials, materials for technology such as mobile phones, and food products such as rice and corn.\textsuperscript{22} In Bangladesh, lack of infrastructure, highly corrupt business practices, lack of reform and enforcement of better working conditions, and the very low minimum wage established in the country reflect a system of business that led to the deaths of more than a thousand people in the 2010 and 2012 fires in garment factories and the 2013 collapse of Rana Plaza in Dhaka.\textsuperscript{23} In the Philippines, a system of contractualization that is supported by the lack of enforcement of laws on occupational safety and workers’ rights, and the low minimum wage has enabled bigger companies to hire around 7 million workers without giving them the proper benefits or wages that would sustain them, further exacerbated by poverty, lack of other work opportunities, and mixed perceptions of unions.\textsuperscript{24} An understanding of the human person where the self is prioritized over others lends itself to be used as a justification for cutting corners on better working conditions and wages for all. Achieving the latter two require cooperation among the businesses and institutions, and an anthropology that focuses on self-interest and only cost-benefit analysis, without any social context, makes it difficult for businesses and institutions to cooperate with one another.

Such structures also have a formative aspect, as it also continues to encourage profit-driven and individualistic behavior, making it difficult to make decisions that are more long-term

\textsuperscript{23} David Volodzko argues that “Bangladesh isn’t in trouble because it’s poor. It’s in trouble because of people are wealthy enough to take advantage of that poverty, whether multinationals, government officials, or merchants illegally storing supplies to meet corporate demand.” The deaths in the fires, for example, increased due to the lack of safety measures such as fire exits and fire extinguishers in the building. David Volodzko, “Bangladesh Is Burning And Sweatshops Are The Fuel,” Forbes, March 5, 2019, https://www.forbes.com/sites/davidvolodzko/2019/03/05/bangladesh-and-the-fire-next-time/.
and for a greater good rather than just the self or the company. Joerg Rieger would even critique this prevailing economic model as a continuation of the idea of empire: he argues that the postcolonial empire is a reminder that “the empire today is no longer based on the establishment of colonies and colonialism best embodied in recent history by the British empire…Empire rooted in economics will be even more important in the foreseeable future, and it will be an often invisible factor” in how the world operates. Rieger roots today’s empire in economic power wielded by the few, as economic power is now a soft power that drives politics and other socio-cultural trends.

Questions Raised Against the *Homo economicus* Model

Some economists today, however, are questioning these assumptions of self-interest, as well as how Adam Smith has been read and understood. For example, in “The Theory of Moral Sentiments,” Adam Smith writes:

> How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.  

There are thus parts of Adam Smith’s work which acknowledge that in the human person there is something that perhaps goes beyond self-interest, though it is unclear as to whether it does or is simply still self-pleasure. Another example is that of Michel Zouboulakis, who contextualizes Smith’s work and stresses the often overlooked social nature of Smith’s economic person.

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28 Zouboulakis, “On the social nature of rationality in Adam Smith and John Stuart Mill.”
In response to the metaphor of the “invisible hand,” modern game theorists have shown how self-interest does not necessarily lead to the common good, as seen in the phenomena of the tragedy of the commons and the prisoner’s dilemma.\textsuperscript{29} At the same time, economists such as Elinor Ostrom have documented different organizations and their ways of averting the tragedy of the commons by adopting a decentralized system that also goes against the assumptions of self-interest, rationality, and autonomy.\textsuperscript{30} Such systems have been described as having some form of collective choice arrangements, with clearly defined limits and principles for the community, effective monitoring and sanctions, and mechanisms of conflict resolution that are accessible and equitable. Others have also questioned whether the anthropology that figures such as Kant have put forth can still be used, given new research on the racist undertones of his work.

Contemporary economists such as Samuel Bowles, for example, argues that human beings cooperate not merely out of self-interest, but also for other reasons such as genuine concern for others’ well-being, and behaving ethically for its own sake. In his and Herbert Gintis’ book “A Cooperative Species,” they also argue that human beings came to have such “moral sentiments” because our natural and socially constructed environments encouraged such behavior. Using sociobiology, as well as economic and statistical studies, they argue that there

\textsuperscript{29} The tragedy of the commons reflects the economics of a shared resource system that actually goes against the common good, since those who act out of self-interest in using a commonly held resource often end up depleting it, given that there is no incentive to limit oneself from using the resource. The common example is a pasture for sheep, which a number of farmers use. Each farmer stands to gain for every additional sheep he or she allows to graze on the pasture in the present. Thus, the farmers end up depleting the resource through their collective self-interested action. The prisoner’s dilemma, on the other hand, shows how “rational” individuals may refuse to cooperate even if cooperating will benefit both. One version of this is the situation of two prisoners (A and B) with no way of communicating with each other and are hoping to be given a lighter sentence for their crime. The possible scenarios are: 1) If A and B betray each other, each of them will serve 2 years of prison, 2) if A betrays B but B remains silent, A will be set free and B will be sentenced to 3 years of prison (and vice versa), and 3) if A and B both remain silent, both of them will only serve 1 year of prison. Because of the assumed self-interest, the tendency then is for both to betray each other and thus leading to a longer sentence, rather than keeping silent and having the lighter sentence for both prisoners. For more information on the Tragedy of the Commons, please see Garrett Hardin, “The Tragedy of the Commons,” Science 162, no. 3859 (December 13, 1968): 1243–48.

\textsuperscript{30} For more on this, please see Elinor Ostrom, Governing the Commons: The Evolution of Institutions for Collective Action (Cambridge, New York: Cambridge University Press, 1990).
are preferences and beliefs that sustain social preferences for altruistic cooperation such as concern for the well-being of others and for fair contracts and measures for all, and that these are quite common; thus, we are not simply purely self-interested or selfish, as is the common assumption in economics.\(^{31}\) It is also not simply collusion, as Bowles and Gintis acknowledge that, while self-interest is a powerful motivation, it is by no means the most powerful nor the only motivation that people have. They have also shown that further studies on other prisoner dilemmas reflect more people willing to cooperate even though it means not earning the maximum benefit. Bowles and Gintis call this “strong reciprocity,” and according to the studies they cite, is a proximate cause for altruistic cooperation.\(^{32}\)

The underlying anthropology of *homo economicus* that underpins business and economics today is becoming untenable in the face of the growing expectation that business be a driving force for the common good. While there are currently efforts towards corporate social responsibility, social entrepreneurship, and creating shared value for the community, the underlying culture and anthropology needs to be addressed in order to genuinely enact the changes these businesses wish to see. Compared to the rational, self-interested human being that is assumed in the liberal model, other resources can offer alternative anthropologies that can support the efforts being made in business for social change.

### An Alternative Anthropology: The Vocation of a Business Leader

Shifting the understanding of anthropology that underpins how business is done has implications as to how business is understood and how it then should be practiced. For example, Melé and Cantón enumerate various alternative anthropologies as alternatives to the *homo*

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32 Bowles and Gintis, 20.
economicus model using psychological, political, or sociological models, as well as behavioral economics and game theory, which redefine human behavior and seek to shift from homo economicus to homo humanus or the entire human being.\textsuperscript{33}

In this paper, the alternative anthropology offered stems from the Vocation of the Business Leader, a document grounded in Catholic social thought, which highlight instead a different understanding of what it means to be human engaged in business and would highlight a communitarian model that shifts business into the realm of being a social force for the common good.

Vocation of a Business Leader

In 2012, the Pontifical Council for Justice and Peace, now the Dicastery for Promoting Integral Human Development, in coordination with the John A. Ryan Institute for Catholic Social Thought of the Center for Catholic Studies at the University of St. Thomas in Minnesota, released a document titled “The Vocation of a Business Leader.” This document elaborates further on the connections between Catholic social thought and business that earlier encyclicals such as Laborem Exercens, Centesimus Annus, and Caritas in Veritate created, specifically addressing Christian business leaders and “all business leaders of good will.” It begins with an executive summary of the contents of the document, is organized according to the see-judge-act framework advocated by Pope John XXIII in his encyclical Mater et Magistra and that is understandable for lay people, and offers questions to reflect on as a guide and a sort of checklist for business leaders in order to assess whether their businesses are performing in accordance with the guidelines and principles set in the document.

The VBL notes of varying trends and shifts that, while having positive effects in the world, have also had consequences that emphasized further an individualistic and profit-driven understanding of business, rather than business as a force for the common good. Financialization, or the shift in importance from production to finance, has given people more access to credit for their needs such as education, housing, or medical expenses, and has made capital more productive through leverage; on the other hand, it has led to commoditization and short-termism, as the document calls it, reducing everything in business to its monetary value and defining the goal of business as simply the maximization of shareholder wealth. Thus, it becomes tempting to engage in business deals that can lead to higher profits today, and to ignore the long-term risks and effects, for so long as the bottom line increases now. This thus can create an extreme form of liberal economics that focuses on profit and company, often to the detriment of other groups and institutions in society.

In response to these shifts, the VBL highlights the important role businesses play in human flourishing—“when businesses and markets as a whole are functioning properly and are regulated in an effective manner…they make an irreplaceable contribution to the material and even spiritual well-being of humankind...where businesses succeed, people’s lives can be significantly improved; but where they fail, great harm can result.”34 Thus, businesspeople have an important vocation, which Pope Francis echoes and thus calls “a noble vocation, provided that those engaged in it see themselves challenged by a greater meaning in life; this will enable them truly to serve the common good by striving to increase the goods of this world and to make them

more accessible to all.” In this regard, the purpose of business is thus “is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society.”

The document emphasizes what previous Catholic social thought has: that all people have intrinsic dignity as they are imago Dei, and that while each person’s destiny is to be united with God, the earthly life is just as important, and that lacking material resources and humane living conditions can hinder a person from holiness. This understanding of the human person was particularly critiqued and lost when the human being was primarily understood as a “self-constituting, autonomous subject, apart from any relationship with God,” and that this self-constituting and autonomous characteristics, coupled with technology, would equate to inevitable progress and improvement with no need for others.

Imago Dei acknowledges the rational part of the human being, where the human being can think and reason; however, it also acknowledges that this is not the only type of

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36 Quoted in VBL 61, from CA 35. Emphasis from CA 35.

37 Populorum Progressio (PP), promulgated by Pope Paul VI in 1967, discusses human beings’ integral development as inclusive of a person’s supernatural destiny of union with God, as well as the human conditions in this earthly life. PP 20-21 points out that “what will guarantee man’s authentic development is his transition from less than human conditions to truly human ones. What are less than human conditions? The material poverty of those who lack the bare necessities of life, and the moral poverty of those who are crushed under the weight of their own self-love; oppressive political structures resulting from the abuse of ownership or the improper exercise of power, from the exploitation of the worker or unjust transactions. What are truly human conditions? The rise from poverty to the acquisition of life’s necessities; the elimination of social ills; broadening the horizons of knowledge; acquiring refinement and culture.” As part of being in the image of God and sharing in God’s creative action, integral development points to sharing in this divine image through reaching one’s full potential as a human being, which includes the material aspects and not just the spiritual aspects of a person. Integral development thus aims for a holistic development of all the facets of the entire human person. This line of thought continues in other documents such as Centesimus Annus, Caritas in Veritate, and Evangelii Gaudium.

epistemology human beings have, nor is the human being’s *imago Dei* located solely in the human being’s reason or intellect. To be a human being is to be reasonable, yet also beyond reason and empiricism alone, as the human being transcends the earthly and is called to be fundamentally oriented and related towards God, responding to what is understood to be God revealing God’s self to human beings. This is not just through reasonable reflection, but also through being in touch with the affective movements, desires, and emotions of the human person.

The concept of *imago Dei* is also grounded in the trinitarian and relational understanding of God. The second Vatican Council emphasized “the trinitarian structure of the image: by conformity to Christ (Rom 8:29) and through the gifts of the Holy Spirit (Rom 8:23), a new man is created, capable of fulfilling the new commandment.” This trinitarian character of God, also known as the communion of the trinitarian life, is shared with human beings through being *imago Dei*, and allows for “the communion of creaturely beings with the uncreated persons of the Blessed Trinity” in love. This *imago Dei* is thus marked by relationship and what Catholic social thought defines as solidarity. As mentioned earlier, business is understood to be a community of persons. Such a community is marked by solidarity, as described in *Sollicitudo Rei Socialis*:

It is above all a question of interdependence, sensed as a system determining relationships in the contemporary world, in its economic, cultural, political and religious elements, and accepted as a moral category. When interdependence becomes recognized in this way, the correlative response as a moral and social attitude, as a "virtue," is solidarity. This then is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the

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39 International Theological Commission. Par. 22. Quoting from *Gaudium et Spes* 22.
40 International Theological Commission. Par. 25.
contrary, it is a firm and persevering determination to commit oneself to the common

good.\footnote{1}  

Thus, the VBL also makes it a point to emphasize that human flourishing is not in
isolation or about simply one’s own interests and dignity, but rather is tied to the common

good. Grounded thus in this idea of the human person as \textit{imago Dei}, the common good includes these
resources and humane living conditions that allow for human flourishing, and the document
acknowledges that businesses provide many of the services and products that contribute to such
conditions.\footnote{2} Integral human development or human flourishing then is not simply tied to the
satisfaction of self-interest, but rather this notion that one’s good is intrinsically tied to the good
of another. Thus, human beings are also called not just to flourish within the common good, but
also to contribute towards the common good, as explained in the Catholic Bishops’ Conference
of England and Wales statement on the common good:

At times in the past the common good has been presented as an idea in opposition to
the rights of individuals, therefore as a “collectivist” or "corporatist” political theory.
But more recent social teaching has seen the common good as a guarantor of
individual rights, and as the necessary public context in which conflicts of individual
rights and interests can be adjudicated or reconciled… It implies that every
individual, no matter how high or low, has a duty to share in promoting the welfare
of the community as well as a right to benefit from that welfare. "Common" implies
"all-inclusive": the common good cannot exclude or exempt any section of the
population. If any section of the population is in fact excluded from participation in
the life of the community, even at a minimal level, then that is a contradiction to the
concept of the common good and calls for rectification.\footnote{3}

\footnote{1}{John Paul II, “On the Twentieth Anniversary of Populorum Progressio: Sollicitudo Rei Socialis,” Vatican.va,
December 30, 1987, http://w2.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf_jp-
ii_enc_30121987_sollicitudo-rei-socialis.html#.1T. Hereafter referred to as SS. SS 38.}

\footnote{2}{The VBL derives its understanding of the common good from John XXIII, “On Christianity and Social Progress:
Mater et Magistra,” Vatican.va, May 15, 1961, http://w2.vatican.va/content/john-
xxiii/en/encyclicals/documents/hf_j-xxiii_enc_15051961_mater.html. Hereafter referred to as MM. MM 65.}

\footnote{3}{Catholic Bishops’ Conference of England and Wales, “The Common Good and the Catholic Church’s Social
Teaching” (Catholic Bishops’ Conference of England and Wales, 1996), 19,
CATHOLIC-CHURCH_1996.pdf.}
From these two principles of the human dignity and the common good come the ideas of “good goods,” “good work,” and “good wealth” as a way of framing businesses’ main objectives towards supporting human dignity and the common good. “Good goods” focuses on creating goods and services that genuinely respond to human needs, and do not simply fuel consumerism. Such goods and services, while contributing to the common good, should also respond to the needs of the poor, handicapped, and marginalized, as these are often underserved populations. This might entail ethical marketing or the use of models and systems that might help in developing products that can help disadvantaged consumers in a sustainable way.44

“Good work” highlights the dignity in work, where people are able to create new things and at the same time develop themselves and provide for their families. It also emphasizes subsidiarity in work, and thus jobs should be designed in such a way that empowers the worker to participate in the business and the economic system. This understanding in the VBL draws from such encyclicals as Centesimus Annus and Laborem Exercens, where work is understood to be part of what it means to be imago Dei; work is part of what the human being is called to do, not just to sustain the person, but also to share in the creative and transformative activity of the trinitarian God.45 This understanding of work resists the reduction of work and the worker into simply a commodity to be traded, or a cog in the corporate machine—whereas an extreme emphasis on profit reduces the human person to an instrument of production, work as part of the imago Dei treats human beings as the integrated subject of work, including body and soul, heart and mind and will.


Lastly, “good wealth” entails just stewardship of human, capital, or environmental resources for a sustainable future, as well as the just allocation of the profits and benefits earned by the business to all its stakeholders: employees, customers, investors and suppliers, and the larger community, which should not come at the expense of the environment. While the VBL acknowledges that “profitability is an indicator of organizational health, it is neither the only one nor the most important indicator by which business should be judged.”\textsuperscript{46} This understanding of wealth also requires an “economic order beyond what is called ‘chrematistics economics’…chrematistics economics refers to the branch of political economy that deals with the manipulation of property and wealth in order to maximize short term monetary value for the owners.”\textsuperscript{47} Connecting to what was previously said on the common good, good wealth would thus be used in a way that does not sacrifice the long-term good of the community and the environment, in favor of short term growth in profit. This understanding of good wealth would question, for example, whether growth ought to be the indicator of a good business, given the limited resources that need to be justly used, as using growth as an indicator often assumes limitless growth is possible, when it may not be, given the finite resources of the planet.\textsuperscript{48}

The VBL thus highlights many of the same themes that the long tradition of Catholic social thought has in terms of what it understands business to be as well as its purpose. It goes against business that operates within a purely liberal framework and highlights the importance of the common good and human dignity in understanding the human person’s vocation in business and the role of business in society. Underlying its claims is a particular understanding of theological anthropology: a person has transcendent value and is intimately related to other

\textsuperscript{46} Quoted in VBL 56, from CA 35.
\textsuperscript{48} For a critique on growth and an analysis and explanation of an economic model that goes beyond short term gains in profit in favor of a long-term and sustainable steady state economy, please see Herman E. Daly, \textit{Beyond Growth: The Economics of Sustainable Development} (Boston, Mass: Beacon Press, 1997).
people, as seen in the two principles of the *imago Dei* and the common good that ground the document, rather than a person who is simply self-interested and solely rational.

While the VBL objects to greed and selfishness, it acknowledges that a healthy level of self-interest in the form of self-care is an important part of well-being. The VBL, for example, acknowledges that profit is a necessary part of business, and that part of responsible and just wealth management is giving what is due to the company and shareholders, alongside the employees and other stakeholders, as wealth is part of a broader understanding of well-being that people need to live.49 However, self-care and interest should not be the main goal. The focus on relationality points to a different model of business, one that acknowledges that human flourishing cannot happen based on self-interest alone and some invisible market forces, but rather it is a communal project that requires purposeful action, systems, and principles. This model—the communitarian model of business and economics—is different from the model that has become too profit-driven and individualistic, but rather points to a different model that tries to keep in balance the individual and the common good.

**The Communitarian Model of Business and Economics**

The alternative anthropology that the VBL uses reimagines how the economy and business works and offers some principles for a different model to shift the way business is done from the existing structures that have harmed communities, to structures that can actually help people flourish—to be a business structure that is genuinely a social force for good. Rather than a neoliberal or liberal or communist model, a Catholic theological anthropology would support a communitarian model of economics and business as a model that is for the common good.

49 This is expounded on in VBL 54 and 56, where the document discusses how the wealth and profit generated are shared among everyone—“a profitable business, by creating wealth and promoting prosperity, helps individuals excel and realize the common good.”
Communitarianism argues that an individual can only achieve human flourishing with a community, and thus the collective community also needs to be acknowledged as having some form of prerogative that should be considered. Such a perspective recognizes that a human being consists of a personal or individual as well as communal aspect of his or her existence, and that civil and communal institutions should also be functioning in such a way as to support a form of existence that is just, both towards the individual and the community, with the community including the environment and the rest of creation.

Policies that would apply the communitarian model of business and economics would first and foremost argue that profit is not the end goal of a company. Maximizing profit has often been what was equated to maximizing wealth, and the communitarian model would reject this utilitarian understanding of wealth, arguing instead that profits are simply a measure for the corporation and thus only a means to an end. The equating of profits with wealth has thus led many companies to short-termism and focusing on policies that will immediately gratify the company financially. In response to this, the communitarian model would focus, instead on the people who provide the goods and services, both in the short and long term. Thus, just wages as well as care and concern for workers and their families is paramount in the communitarian business model, as part of the network of people involved in a particular service or industry.

Cooperation and competition also take on a more nuanced understanding in the communitarian model of business. Surendra Arjoon discusses how the liberal economics and business model, which is the predominant model today and from which neoliberal economics evolved from, and the socialist economic and business model represent competition and cooperation respectively, both of which are on the extreme ends of a spectrum. Competition, in this sense, is characterized as a zero-sum game, wherein the gains of one means the loss for
another; on the other hand, cooperation, all gain or lose together due to everyone’s common interest. Arjoon, however, argues that:

In practice, most competitive situations involve coopetition…which is a combination of competition and cooperation, in other words, cooperation among competitors. Game theorists refer to such situations as nonzero sum games because there are opportunities for mutual gains for all competitors. For example, much cooperation is already practiced by businesses: against price slashing, depletion of natural resources, false advertising, joint ventures, strategic alliances, and mergers.50

The communitarian model would thus favor this form of cooperation; while acknowledging that there is still some form of competition in a market where there is an exchange of goods and services, it is not a form of competition that will tend towards extreme competition that often favor those who have more power and financial backing.

The communitarian model, in line with its theological anthropology, also prioritizes the principles of subsidiarity and solidarity.51 Arjoon continues his argument in how these two principles help regulate the market in the communitarian model:

The principles of solidarity and subsidiarity regulate the dynamics of the market and are ways to organize a business or organization that manifest the dignity of the human person. By virtue of the first, each and every person is obliged to contribute to the common good of society at all levels; by virtue of the second, the state should never substitute itself for the initiative and responsibilities of businesses at the level at which they can function. The principle of solidarity is manifested by the distribution of goods and remuneration for work, and also presupposes the effort for a more just social order where tensions are better able to be reduced and conflicts more readily settled by negotiation.52

51 Subsidiarity in Catholic social thought argues for allowing decision-making to happen at the level closest to those who are affected by the decision to be made, thus encouraging empowerment and support for local communities rather than just centralizing authorities. For more on what these two terms mean in Catholic social thought, please see Pontifical Council for Justice and Peace, “Compendium of the Social Doctrine of the Church,” Vatican.va, 2004, http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_20060526_comp endio-dott-soc_en.html.
The way that the two principles are implemented are thus also linked, and Arjoon points out that “the SBM (socialist business model) overstresses solidarity with the consequence of stifling personal freedom and initiative. The LBM (liberal business model) overstresses subsidiarity or self-help and results in selfishness”53

The communitarian model also seeks to ensure that both rights and duties are upheld in doing business. While a liberal model would heavily emphasize rights, and the socialist model emphasize duties, the communitarian model seeks to show that both are interrelated and are linked as part of the human being’s social character. The communitarian model points to the individual as having certain rights due to his or her dignity, but at the same time points to his or her duties to others, as part of his or her relational character to other people and the rest of creation.

The Case of the Economy of Communion

The Economy of Communion is a network of businesses that spans different continents and countries. Founded by Chiara Lubich in 1991, it aims to practice business in a way that is accountable not just to the owners but accountable to the wider community. It is a movement that is deeply rooted in a “culture of giving” and the spiritual resources of the Focolare movement, that understands that business is a concrete expression of the “spirituality of unity” that the Focolare movement espouses. One of its systems is to place profits in common: a third of the profits are invested in the company, another third for the Economy of Communion to use in its

53 Arjoon, 469.
activities and work to promote a “culture of giving,” and the last third of the profits are held in common for the poor and other participants in the Economy of Communion project.\textsuperscript{54}

Communion now becomes the objective of business, and the Economy of Communion stresses the centrality of the person in all their activities and work in business. Vera Araújo, the coordinator of the Focolare movement’s Center for Dialogue with Culture, emphasizes that:

This is a new way of giving: it is not a matter of philanthropy or social benefits, but of living in communion with the poor through the shared brotherhood experienced among the business members and those who are disadvantaged. Then, in these 15 years, we have understood and experienced that the EOC (Economy of Communion) project, in embracing the principles of spirituality of unity of the Focolare as values to be lived out in concrete economic activity, is now developing its own method of business management.\textsuperscript{55}

The human person understood in the Economy of Communion is one that is bound up in community. “The business, by virtue of being a business, creates a constellation of persons—employees, customers, shareholders, competitors, suppliers, and others—and this entire constellation of persons is a unique and dynamic community.”\textsuperscript{56} Business nurtures these relationships, and thus allows people to flourish within these relationships. Interviews with Economy of Communion members and business owners always focus on the person and relationships as central to the success of business.\textsuperscript{57}

In privileging relationships over profit-maximizing, and in using profits earned to respond to social needs and welfare concerns, the Economy of Communion “humanizes” business through practices that respect the dignity of the human person.\textsuperscript{58} Efficiency, rationality,
and self-interest are not the catalysts for the common good or understanding of the human person, nor are they the primary indicators of a business doing well. Instead, awareness and focus on solidarity and relationship is what a business in the Economy of Communion prioritizes and assumes:

Economy of Communion takes love as a more powerful motivational force (or at least of equal importance) than self-interest even within the market. More to the point, self-interest is intended as happiness, and happiness - as we know from the works of Aristotle onwards - has a paradoxical nature and can only be reached as a by-product of looking out for the happiness of others. In other words, happiness is a relational reality: one can be rich alone, but in order to be happy we need genuine reciprocity. When observed within the economic sphere, this love results in communion, an expression that comes from the Greek word koinonia, that is a concept richer than a mere economic phenomenon. The concept that more closely resembles it, in economic language, is reciprocity. Reciprocity, or genuine reciprocity, cannot be confused with the concept of exchange of equivalents, the more familiar category of economic reasoning. The basic difference is that the exchange of equivalents is impersonal, instrumental and conditional. Relations of reciprocity, instead, presuppose the knowledge of the identity of the other, need genuine (non-instrumental) concern for the others and cannot be fully conditional. This kind of reciprocity can be considered to be synonymous with communion, intended as a way of understanding and living out social behaviour.\(^{59}\)

In understanding the business to be a community of persons, the Economy of Communion emphasizes that they came to this understanding of business not through reason or rationality alone, but “from life”—a Focolare expression used widely in the Economy of Communion which refers “to the immediacy with which reality presents itself to us and demands from us a response.”\(^{60}\)

As stated by one of its members, the CEO and President of Ancilla Enterprise Development Consulting, a training and organization development consultancy, the “[Economy of Communion] businesses commit themselves to build sound relationships with employees,


customers, regulatory agencies, the general public and the environment. These new relationships include those who receives aid, who are truly active participants in the project;” the Economy of Communion seeks to present “a new way of viewing economy and doing business that is characterized by communion, fraternity, and solidarity, especially with the poor sectors of society.” Other businesses in the Economy of Communion also reflect this in their way of marketing and communicating with customers or suppliers, often through word of mouth and with personal touches, because they view the business as a set of relationships which are intangible assets to the company.

While there is a sense of competition, interestingly, Economy of Communion businesses are also willing to cooperate with other businesses within the industry and with other businesses within the Economy of Communion. An anecdote was shared, for example, by one Economy of Communion member where the company’s president was willing to let go of the company’s employees and clients to other competitor businesses, if it meant that the employee would have better opportunities for his or her growth elsewhere, or if the client had particular needs which other businesses in the industry may be able to better fulfil.

All these have led to the strong sense of community and relationship between business and customer, and a sense of solidarity and subsidiarity among all the people involved—clients, business owners, suppliers, and local communities—in Economy of Communion businesses. The Economy of Communion thus offers an interesting case of how businesses might live out a communitarian model of business concretely as an alternative to the prevailing neoliberal economic system.

62 This was a common theme Gallagher and Buckeye noted in how the companies would describe their marketing and customer service. Gallagher and Buckeye, *Structures of Grace: The Business Practices of the Economy of Communion*, 39–64.
63 Paul Catipon, “Welcome Remarks” (September 26, 2018).
Conclusion

The shift in anthropology implies big shifts in how policies and structures are crafted. The liberal model that takes its cues from an assumption that a person is self-interested, rational, and autonomous does not seem to hold anymore, given the human experience in research and literature that point to the complexity of human beings as being more than that. This thus raises questions as well on whether the liberal model is adequate and helpful in helping humanity as part of creation flourish, or whether it is already actually harming the people it supposedly creates the common good for. News showing how certain populations are being left behind in the extremely neoliberal economic system in place today points to the latter, and thus points to a need to critique the current system as well as generate alternative economic and business models.

As part of its prophetic task, theology can raise critiques of the system, especially in the underlying understanding of what it means to be a human being, and through this propose an alternative vision of the human being, that will translate into a particular system and set of principles in doing business. The Economy of Communion and the Vocation of a Business Leader do this two-pronged task: both offer a critique and rejection of the current ways that business is being done, and how that is tied with an incomplete and distorted view of the human person, and both offer an alternative way of doing business and economics that is tied to a different anthropology grounded in Christian theology, one that has a more complex and nuanced understanding of the human person and that emphasizes a more cooperative and creative business and economics. It thus challenges the prevailing liberal model that is profit-driven and individualist and offers an alternative that puts primacy on business and economics being for the individual and the common good.
Relationality is simply the first step towards an anthropology that can truly foster social change. The Economy of Communion and the Vocation of the Business Leader emphasize the importance of community in moving towards the common good, but the intersectionality that people experience in business needs to be taken seriously, which is to be developed on the ground and in the specific working conditions in various communities. Thus, when applying this theological anthropology, this entails a look at the concrete working situations that people find themselves in, and not simply the abstract human person. Race, gender, and culture will all come into play in constructing an anthropology which undergirds business and economic practices that are able to allow people to develop in a holistic way, and this will need to be considered in further work on this issue.