

**His Excellency Mgr. Diarmuid Martin, Archbishop of Dublin**

**What can a religious leader say about corporate responsibility?**

Let me start by some comments on one of the sessions in your conference: How do we encourage and incentivize people to do what they know they should do? I want to talk about a thing called public opinion. I'll give you an example. In 1995 I led the Vatican delegation to what at that stage was the largest gathering of heads of state and government in history: a summit on social development.

I was asked in my instructions to introduce a reference in the documents to the social damage caused by landmines, particularly in cultures which were trying to get away from the horrors of war. I was told: under no circumstance! This is a conference on social development. Disarmament questions must be left to our disarmament colleagues and their own much more arcane negotiations. I did finally get a phrase inserted but if you read it you probably would not know what it was really about: it mentioned that "certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects." That is actually the name of an international treaty and the countries that had signed that treaty couldn't object to its being mentioned.

Two years later there was a full-blown international treaty outlawing the use of landmines in Ottawa. What happened in the meantime? Had I converted the unrepentant? No. Public opinion had changed dramatically so that now in talking about landmines it was far better to be on the side of the saints.

Public opinion can form and greatly influence the common ethics of business, the ethical framework of a nation or indeed of international affairs. The new landmine treaty was an interesting case. Many military experts had their doubts about its wisdom. But there comes a moment when anybody watching the tide of public opinion realizes that you are best to cut your losses and go with the stream of public opinion. The price of not doing so will be too costly.

Ethics and ethical behaviour in business march with the times and develop with the times. The major changes can come through public opinion change. Look at the classic

ones: fight against slavery, the estimation of the role of women, the question of child labour. At times the change in public opinion can actually surprise the pragmatic. If you take, for example, the ban on smoking in public places in Ireland. Nobody would dare smoke in a restaurant in Ireland today. Many said it wouldn't work. There were many pragmatic reasons to think that an absolute ban would never work, and that perhaps some compromise would be the best way of moving forward. An idea whose time has come and who's just been swept by the tide of public opinion becomes impossible to resist. Curiously, the total ban or the total imposition becomes easier to sell than compromise.

For public opinion to change you need forerunners. You need men and women of intuition and innovation and courage and conviction who are prepared to take with determination a stand, and a principled stand, an uncompromising stand.

In the complex business of politics the art of compromise is an essential part of day-to-day ability to move forward. The level of compromise which becomes acceptable is determined by those who do not compromise. Democracy requires another presence in society than that in which everything is decided by majorities.

The Thatcher government attempted on more than one occasion to reintroduce the death penalty. There was solid public support in the country but Members of Parliament voted against it. An ethic which builds on compromise alone will always be weak. Cheap ethics is of no avail to anyone. Veneer ethics is useless. In a society where compromise is the order of the day and where many dislike the dogmatic, or dislike the inflexible, or reject any concept of the absolute, we need the uncompromising.

That said, public opinion is a two-edged sword. Public opinion can be manipulated, can be emotional rather than rational. It can treat superficially and reduce to apparent simplicity situations which are in fact quite complex. The judgment of public opinion is a blunt tool with very little space for subtle details. That is a problem we have seen today in the rise of populism. How easily public opinion can be manipulated with regard to populism. Now we have a new range of political parties which have very little to propose but can gather populism by 'being against'.

The twin brother of populism is spin. Spin is about not just creating fake desires but even in making us think that there are fake outcomes which we believe in. You can win many battles with spin, but spin in the long run weakens victory of the real war which is about trust and confidence.

When spin gets out of control then it gets tied up in knots. People are left adrift not knowing where they stand, where truth is to be found. The confidence in institutions is weakened. When that occurs in public institutions and in public life, then the consequences of a failure in trust are serious. Spin is rarely the friend of transparency. Ethics must have an independent foundation. Ethics is not an ideology or just a pragmatic program of ideas. The very nature of ethics is that personal responsibility must be at its centre. We're responsible for the foreseeable consequences of our acts. Independent responsibility is always at the heart of ethical behaviour.

Ethics is not an ideology that we trot out when we want to. It's not a mission statement which we can frame. It's not a handbook of dos and don'ts. It's about the responsible application of fundamental ethical principles to the decisions we make. In the long term a just society is attained by people who live justly and with integrity.

In corporate governance the concept of personal responsibility is central. It can be very easy to say that "I did not know. The blame is with someone else." When things go wrong- this happens in the Church also- resignations take place at the lower levels. When I was faced with the scandals of child sexual abuse I was very disappointed to be confronted with what I call the "baking the cake" culture: I only put in the sugar, I only put in the flour. Neither of us had any responsibility for the cake, because we weren't there then it was put into the oven.

We are all responsible for the foreseeable consequences of our actions and our omissions. Real corporate responsibility can only be constructed on the foundation of an acute sense of personal responsibility. Ethics requires governance and regulation and enforcement. We live in a world of human beings and where corruption will always be found in the order of the day.

It should be noted that one of the most common forms of corruption is inefficiency which robs people, especially the poorest and the most vulnerable, of quality services which are their democratic due and for which they will pay anyway. In that sense,

there should be no real conflict or tension between ethics and effective leadership and management of an organization.

One final question. What can and should a religious leader say in this situation? Should I leave it to the experts and return to the sacristy? Can religious values influence economic and social stability? The job of the Christian churches is to preach the message of the Gospel.

This is a message which is addressed to every individual and that has social implications for people who follow the message of Jesus. The basic message of Christian Churches is about the love of God. There are two characteristics of the love of God which I believe are particularly interesting in the modern world. One is gratuity. God loves people without any preconditions. Take the story of the prodigal son who returns home. He has his little negotiating speech ready but he doesn't get the chance to use it because his father is there with his arms open. The other is superabundance. The love of God is such that it surprises you. It's generous. It's so generous that it turns you head over heels.

These two values stand in contrast to a market driven consumer society in which everything is precisely measured out. If the label says 16 ounces you won't get an ounce more. You might get an ounce less! If we truly lived in an environment like that where you only got what you paid for and nothing beyond, none of us would be here today.

We are all here because someone gave us a break, because someone put enough trust in us to give us a chance, because people gave themselves for us. The world and an economy need the values that create generosity, that make you care about another person even when the person is weak, and that motivate you to really make an investment in the God-given capacities of others so we can all flourish together.