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**The Good Society and the Future of Jobs:  
Can Solidarity and Fraternity be part of business decisions?**

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**Report summary of Group B Discussions**  
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# **Reciprocity the link between Solidarity and Fraternity**

## **Introduction**

During the last audience, the Holy Father spoke about the “diffuse allergy” regarding the word solidarity and about the lack of intention to really study how ethical values can become economic values, promoting virtuous dynamics in productivity, jobs, trade and finance.

Aware of going against the trend, the members of the Centesimus Annus Foundation, economists, entrepreneurs, prelates and academics gathered on May 8, and 9, 2014, in the New Synod Hall in the Vatican City to discuss how solidarity and fraternity can be part of business decision.

Great importance was given to the group’s works that were held in those two days, as active contribution to the discussion: this was the time for exchanging views and sharing personal and business experiences and values and giving practical recommendations.

All participants were requested to join one of the two big groups: the English-speaking group (for whom I reported) and a bigger multi-lingual group provided with simultaneous translation.

In spite of the linguistic homogeneity, the English speaking group was a culturally very heterogeneous one. More than 50 participants from Argentina, France, Germany, Italy, Malta, Slovakia, Spain, the United Kingdom, and the United States attended actively the three discussion sessions.

The challenge was to depart from the mainstream thinking -also called by the Pontifex “the unique thought of humanity”- to explore new paths, to discern among the options at disposal, to find new ways how we can “instill” virtue and its positive effects into business so that private profit can go together with social benefit and create a change of culture.

The crisis we’re living in is not only structural but above all antropological; the whole model of the last decades perversely surpassed itself in creating not only exploitation and oppression but also social exclusion, complete loss of virtuous attitudes in both society and business and unbearable social disparities within the countries and among the countries.

The consequences of having humiliated the human dignity affect society very deeply with an increasing sense of precariousness, a fragile middle class that cannot make ends meet, a significant increment of migration due to the lack of opportunities, an unemployed youth without a life’s plan, just to mention a few.

The crisis should be tackled by using new ways to approach problems. Old practices do no more efficiently serve peoples’s needs and interests, i.e. more equality, good jobs, fair wages, social justice, more opportunity to fullfill one's own potential in the native country, to defend shared values and to put virtue into practice.

Material, emotional and political systems need to put the human person at the center of all activities, to establish a more humane, fraternal and ethical society.

An economy based on the principle of reciprocity seems to offer the adequate means to allow virtue to "infect" market, civil society and state and to create thereby a culture of virtue according to Prof. Adrian Pabst's observation during the conference: "An economy governed by reciprocal arrangements would almost certainly be more productive, socially and environmentally more viable as well as ethically more defensible than the current dominant system".

Part One focuses on the meaning of reciprocity and its various aspects and dimensions.

Part Two explores virtuous directions entrepreneurs and companies can decide to take.

Part Three examines how reciprocity can positively "infect" the whole society.

In conclusion the main topics will be summarized and some recommendations will be given as discussed in the group's work.

## **1. Defining reciprocity in its various aspects and dimensions**

### *Starting from a person-centered vision*

The human being and human dignity are the most important milestones on which life and society should be based and have a fundamental priority over profit, personal interests and market strategies. Though it's considered an axiome by the Church and the Christian community, this issue seems to be rather annoying and arbitrary for the market economy that still considers and calls persons "human resources" in the same way as it speaks about financial and natural resources. The human being is much more than a human resource; he's made in the image of God, having inside a divine spark.

But a human being alone is not able to experience reciprocity until another subject, "the other", enters and allows the interaction to come alive. We could say that reciprocity constitutes life and society, because we're never alone: we're born in a family, belong to a community, to a country, a continent and are all inhabitants of the planet Earth: We are world citizens.

The dimension of reciprocity is the most familiar and natural dimension we've been living in since our birth: we have always been a human community.

That is the reason why being part of mankind gives us a sense of fraternity and solidarity which are not only prerogatives of the Catholic Church but are universally shared principles. Reciprocity has as its goals to achieve, to put into practise the culture of fraternity.

And fraternity is that principle of the social organisation that allows people who are equal in their dignity and their fundamental rights to be different; that is to say, fraternity allows them to express their life's plan and charisma in their own personal way.

On the contrary, the principle of solidarity allows people who are not treated equally, to become "like the others".

Solidarity cannot be imposed because it's a state of mind that becomes "modus vivendi" when people have the experience of "koinonia". Koinonia is an ancient Greek word and means "community, sharing", not only intended as sharing of material goods or things. It also includes an abstract and spiritual dimension. "Koinonia" has to be intended as "communion of fraternal solidarity".

Solidarity is a practical act, an external gesture showing the inner communion that takes place between two persons. "Koinonia" is when I open myself to the other, reducing the distance, respecting the diversity. It doesn't happen when I'm rejoicing in helping and meeting him, but when I recognize and receive him as a unique individual. That allows a relationship of active participation to come alive.

Far from being a mere expression of welfare (giving money "una tantum"), solidarity can develop its great potential if it becomes more dynamic and creative, that is to say if it becomes part of the economic and social development through subsidiarity and social relational bonds based on trust and cooperation; these are economic values that market needs to exist, but cannot produce by itself. We have to find a way of sharing trust and cooperation: distribution is not good enough and doesn't work in this case.

In this new dynamic perspective, solidarity has still a crucial role to play in the economy.

*Starting point: oneself*

*Awareness, empowerment, gift and prayer*

Awareness is the genesis of change. We cannot change what we don't acknowledge. By becoming more aware we begin the process of changing ourselves and the world. We can't change others, but it's beginning with ourselves that we can change a situation at any level, individual, social and global. However, when we change, it changes everything else!

The individual conscience is the existential place where the most significant things happen: research, change, decision and choice can take two diametrically opposite directions: can be either "pro or contra" the human person.

The quality of choices we make has a strategic importance because through our individual choices we can decide to promote the logic of responsibility, of cooperation, of solidarity and fraternity or we can choose other less ethical practices.

The focus is on changing the question, our attitude: for example, instead of saying, "What can I get from the world that exists in terms of career, work or material goods?" ask, "What can I give, what can I share, what can I contribute to the society, to the country, to the world?"

Also needed is empowerment as a process of individual growth, of development of one's own abilities and competencies: we all have a unique purpose and potential. It's not so much something to create as to be discovered. It's up to us to discover it.

Now the question is how can we empower individuals to foster a culture of virtue? The answer is through the gift of ourselves, of our time and energy.

Empowerment can happen on different levels, on the individual and on the community level, for example, taking personal responsibility instead of saying, "It's not my job." and through civil courage and social commitment.

It could be useful here to remember that all significant changes throughout history occurred as a result of the courage and commitment of individuals. Empowerment enables us to be a change-maker.

In turn gratuitousness means building fraternity, and the power is not in the object, the gift, the “quantum” that is given but in the bond between the two subjects. The interaction that has been created is more important than the gift that is given. To explain this, there is no better example than that referred to by Mr. Leblanc during the conference.

An employee, a young woman working as a receptionist in his company does her work not only in a very professional way, but brings an added value: she receives and welcomes everybody with a wonderful smile on her face.

Mr. Leblanc explained that she is not requested to do this, but she does it, freely. This “plus” (the smile) is a real gift for the company and for the people coming there. Through a smile a series of ethical values are transmitted: reciprocity, empathy, joy, friendship: a gesture can make the difference. No salary can be paid for this and no regulation can be imposed, as a gift rests on values such as freedom and gratuitousness.

Prayer seems to share the same destiny as ethics, which is still now considered as a mere optional factor in the economic discourse. As it’s embarrassing to talk about ethics because it’s not considered a scientific parameter, so is it embarrassing to talk about prayer in business because prayer is allowed to find a place only in the private sphere, as a private act not to be practiced in society.

As Catholics we should rethink this because we’ve got quite a large number of materials at our disposal such as the Gospel, The Compendium of the Social Teaching of the Church, The Encyclicals, the Apostolic Exhortations. Moreover, as the Holy Father has reminded us at the end of His speech during the last audience “We still should not forget to dedicate the right time for prayer, because also the layman, also the entrepreneur needs to pray, to pray a lot when the challenges become harder”.

## **2) Business rests on reciprocity**

### *Creating human communities*

Building a business is building a “human community” of entrepreneurs, managers, employees, suppliers, vendors and consumers with the mission to serve the needs of another greater community made up of human persons.

Creating a business is not an isolated event because it involves participation by other subjects; as business rests on the principle of reciprocity it can activate virtuous attitudes.

The vocation of an entrepreneur should begin with the fundamental decision to always put the human person at the center of all activity, as the Gospel asks the entrepreneur to do “by serving the common good and doing his part to give opportunity for labor, labor with dignity” as Pope Francis told us.

The main idea here is simply “treating humans as ends and not as means”. If a company acts with integrity and honesty, pays its employees a decent wage and treats them with dignity, that company will foster authentically human social relationships of friendship, solidarity and reciprocity. It will inevitably come from the top down and not the bottom up, meaning the Head of the company will instill the values that will create the company atmosphere and attitude.

### *A new role for stakeholders: inclusion and participation*

The challenge the entrepreneurs are now faced with, is to broaden their often static perspective on how to conduct business activity and to be able to see wider aspects of it, i.e. transcend their own self-interest and involve all the stakeholders.

This process needs a paradigm shift in thinking who are the stakeholders down the line, not just the shareholders (entrepreneurs, managers and lenders): this process will also positively influence the governance providing for more participation, transparency and fairness.

Prof. Quadrio Curzio gave us a very good example of shared governance as he mentioned the Bosch Foundation in Germany.

As we can learn from its homepage: “The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant up-front investments in the safeguarding of its future. 92 percent of the shared capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.”

The German company was so clever and creative to establish two types of boards: a “participatory board” and a “supervisory board” where stakeholders sit and share in decisions with the executive board.

Focusing on inclusion, participation, transparency was a winning decision and a successful practise, that also fullfills the principles of solidarity and subsidiarity.

Entrepreneurs themselves have to bring that "sea change" into their management style. It is not so hard as it seems, but they have to want to change first. Once they have not only accepted but also internalized these new ethical practices, they will quickly spill over onto their employees and their overall business practices.

Another very impressive virtuous example of shared values, good internal communication, transparency, applied solidarity and success comes again from Germany. As Mrs. Renate Pilz’s international company experienced difficult times during the Fukushima tragedy, her business dropped 30%. Her strategy was to communicate and share the difficulties of the situation with the employees, who agreed to give back 10% of their salaries. That allowed Mrs. Pilz to keep all her employees and to avoid dismissals until the hard times were over. When the company returned to profitability the initial wages were paid again. Motivated by profound solidarity she also supported the evacuation in Japan of some employees who had to be transferred to a safer area and maintained care of them.

## *Proximity as ethical value*

In economic theories proximity is a very important category because closeness to people is good for productivity. Reality shows that its full economic impact comes from economies of scale operating in a area of dense economic activity, close to consumers, to workers and to firms. As a matter of fact, proximity to a large mass of consumers cuts trade cost and raises demand for all firms whose sale's activities are concentrated in the area.

Another set of arguments about proximity has to do with the communication between workers and the interpersonal bonds that it fosters. In many activities face-to-face is a very important factor for building trust.

Still now society and business are far from having comprehended all its potential: for us Christians proximity is the "conditio sine qua non" in order to express reciprocity. Closeness is the ground on which inclusion, fraternity, mutual aid, personal and gratuitous friendship and dialogue can exist.

But the most interesting aspect of proximity is that it works and serves bilaterally: all the subjects involved can be beneficiaries of it.

Pope Frances provided a very good example for that, when he said that "Christian Community, parish, diocese, associations are the places where entrepreneurs, politicians, professionals, trade-unionists can "draw sap" to feed their commitment".

On the other hand, in critical times, these same communities shouldn't desert the entrepreneurs but support them when they lose hope.

In the final meditation also S.E. Cardinal Celli mentioned proximity, that according to him "is not only physical but implies understanding the questions and being able to find the answers".

## *The meaning of "cum-petere": rethinking competition*

A cooperative competition instead of domination and violent fight can also exist but a change of perspective and good will are required: instead of the belief that one must dominate the other in marketplace, we can try to start working together side by side to solve the conflicts and increase the awareness of solidarity. Seeking a win-win situation is a more virtuous solution compared to the traditional approach to a competition with the "superstar effect" where the winner takes all, the loser loses everything.

Etymology still underlines the mutual aspect and the collaborative nature of competition, as the Latin verb "cum-petere" means actually "walk together", "converge to the same point".

## **3) Reciprocity: A value that makes sense**

We all acknowledge that there are inequalities both within individual countries as well among developing and developed countries. If once we spoke of rich and poor individuals, now we speak of rich and poor countries. It is symptomatic of an enormous gap in opportunities (in employment, education, training) and of an extremely arduous -sometimes impossible-

access to prosperity: all this is nowadays linked with geography, paradoxically one's life-long income is related to where we're born.

For a society to exist a sound human and social capital are "conditio sine qua non"; but the current fragmentation of society shows that we live in an economy of exclusion, that is opposite to a economy of virtue. As already argued, the bottom line is to instill virtuous practices into any level of society: this would "prepare the ground" for epochal social changes to happen.

Social reciprocity is a value that makes sense, as it is able to convey gratuitousness, fraternity, and inclusion also in ethically impoverished environments such as market and state. Investing in people is believing in their potential, is a way to give opportunities (spreading the logic of gift within the company and the society) and at the same time investing in people is a long term successful strategy to create a sound human capital.

Education, vocational training, mentoring are not brand new means for social implementation and inclusion but if they are embedded in a reciprocal dimension, in a framework of mutuality, they can reveal their not yet expressed enormous potential.

A good example for investing in people through training and formation on the job is the "Trattoria degli amici" where all participants of the conference had the honour and the pleasure of enjoying a social dinner.

Born at the end of the Seventies as a result of meeting a number of mentally disabled people, the Community of Sant'Egidio decided to take on the big challenge of creating a new form of business linking together ethic and profit in a virtuous way. The intention was to give back to the disabled the dignity they were often denied, of being men and women and not only "disabled people". Also intended was establishment of a successful enterprise, first as sandwich shop, later as a restaurant in Trastevere (one of the trendiest areas in Rome), that could offer concrete opportunities for profit.

Through organised targeted training involving disabled people from catering schools, local services, associations, the management (a non profit cooperative of Sant'Egidio) invested on high quality training, on-going updating training as well as on formation on job (all courses ended with and an apprenticeship at the "Trattoria degli amici").

In a time of precariousness that further discourages companies, this is the best practice for an economy of virtue, where social inclusion and effectively productive activity are successfully linked together.

Moreover, it shows that new paradigms we need to re-humanize economy and society can be established through a mutual approach: putting the human at the center of business, respecting his dignity, enhancing his potential, supporting him with structure.

A non-competitive working atmosphere, collaboration, proximity, a sense of belonging, a sense of taking part in a joint effort, generosity, all these are the multiple faces of reciprocity.

## **Concluding remarks**

From the human person's perspective it seems that life is more and more confronted with ever increasing challenges that produce frustration, isolation, anger and violence. The limits of state and market are more than visible as they attempt to regulate and dictate the life of people worldwide instead of strengthening the culture of the common good. Also the civil society sometimes shows a lack of power, impact and influence on decision-makers.

The level of criticality of the global problems is directly proportional to the loss of importance of the primacy of the human person in society in general. In the public, political, and economic discussion, the ideas of sanctity of life, virtue, and common good find no place and the human person is considered as a "bare individual".

The main idea is to put in circle -in this report I used the verb "infect"- virtuous dynamics and practices that will be able to contaminate people, media outlets and environments at every level of life with the aim to generate positive changes and proactive reactions in favor of the human community and to support human flourishing based on virtue.

A further argument according to Prof. Adrian Pabst "is about re-embedding "market-state" in a wider network of social relations governed by virtues such as solidarity, fraternity and justice. Reciprocity is the new paradigm, a quite viable option and a good "modus operandi" that fosters inclusion through virtuous behavior and is practicable by everybody and everywhere.

Novel proposals and practical recommendations seem to be available to people of good will.

## **Practical recommendations for the entrepreneur**

### *-How to foster a dimension of giving?*

Through: Mutual learning, vocational training, mutual recognition

Realizing that man's fulfillment is found as one is gift to another

Establishing transitional mentoring for unemployed youth. This allows having young employees at lower salaries paired up with elder employees who are going into retirement and who can provide mentoring and training to the next generation

Providing the right kind of content through media outlets that will promote a culture of giving

### *-How to foster more solidarity within the firm?*

Through: Proximity, more dialogue within the company

Supporting contracts of solidarity (to give a portion of your own salary to allow other people to have a salary)

Cooperating not only in critical times

Creating ways of mutual learning and sharing knowledge with other people and countries

-How to foster a business ethos?

Through: Corporate citizenship, transparency

Greater responsibility and commitment of those who are stronger (in order to support the weaker persons)

Encouraging ethical behavior at any level: virtue as good habit

Sharing views and values with the workers: good internal communication

Promoting business as a mission and stewardship instead of ownership

Reforming the current system of incentives and rewards

Investing in young people and giving them employment opportunities

Replacing the word/concept profitability with the word/concept sustainability

Giving practical concrete examples from business leaders and sharing business best-practices using the social and other media outlets for changing culture

-How to foster a good environment at work and good governance?

Through: Family friendly policy, interpersonal trust, transparency and fairness

Promoting participation and including representatives of customers, workers and suppliers in the supervisory board

Sharing risks and benefits with both stakeholders and shareholders

Collaborating with mutualized banks and local credit unions

Replacing the old model of violent competition with the model of cooperative and fair competition

Investing in vocational training that links academic skills and technical training

Encouraging competition in quality and ethos through new forms of ethical certification

Allowing the application of subsidiarity in policy making that increases trust between individuals and groups

Last but not least our practical recommendation to create a Pontifical Council of Economics, Business and Finance for the spiritual formation of those in these professions.