

Constructing Alternatives to Promote Human Dignity : Is Common Business Ethics up to the challenge ?

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Thank you for the opportunity to address you this afternoon. It is a privilege to be here at the Manhattan Fordham Campus and to join you in a discussion that deals with what I consider to be an extremely challenging topic.

Allow me first of all to introduce myself to you. I am a practising Catholic. I believe in Catholic values because I have seen the benefit they bring to me, my family, my community and indeed to humanity. I also believe that they are universal values that bring us together instead of dividing us. I have tried to measure my actions and my decisions according to these values throughout my life, half of which I spent practising my profession as a lawyer immersed in private sector business while the other half was dedicated to politics – an experience that proved to me that activism in politics is the best and most powerful instrument to work towards the common good.

This brings me to why we are here this afternoon. There is no doubt that we are living in a turbulent political, social and economic environment. The shockwaves of the 2007 economic and financial crisis are still being felt to this very day :

- youth unemployment continues to remain high on our agendas,
- sustainability of our social safety nets is under enormous pressure to the extent that a growing number of people are uncertain about their future pensions,
- education has never been as expensive as it is today which means that our younger generation are starting life burdened with enormous debts,
- income disparity has increased with rich people becoming richer and poor people becoming poorer
- all of which is compounded by the impact of some major global issues such as sustainable development, climate change, lack of water and enormous islands of plastic polluting our oceans.

I have no doubt in my mind that this economic and social turbulence is a major source of political turmoil the likes of which we had not seen since the end of the first world war. A cursory look at the political landscape in Europe provides us with a growing number of instances where the far-right and far left movements have gained traction, or have gained seats in parliament and indeed in some cases have actually gained executive positions in governments.

These are all very clear signals that a growing majority of our electorates appear to be disillusioned with politics in general and with their traditional parties in particular.

Not everything is gloomy however. We are living in an age where the digital revolution has brought enormous benefits to all of us. We have knowledge at our fingertips. We can access information whenever and wherever we are. We are seeing enormous leaps forward in science,

medicine, engineering and environmental alternatives that seemed science fiction a mere twenty years ago.

We find ourselves in the midst of all this upheaval – a reality which some experts describe as “disruptive innovation” a term in the field of business administration referring to an innovation that creates a new market and value network and eventually disrupts and displaces an already established one.

This disruptive feature appears to have become applicable also to those values that have guided humanity so far – the most important and central one being the promotion of the Human Dignity of each and every person living on this planet.

This value is being shaken by some crucially important issues such as our response to mass irregular migration, mass unemployment, the use and abuse of religion for political manoeuvring and - of course – the enormous impact of the digitised world that has inundated us with artificial intelligence, big data, social media and virtual reality just to mention a few of the most important.

It is legitimate, therefore to ask ourselves whether we have logical, fair, and feasible proposals that address these challenges. This question has been put to us all by Pope Francis from the very first day of his papacy – His encyclical “Laudato Si” is a heartfelt plea to humanity to come to its senses and to reach out to its roots where the dignity of the human person is itself the ethical compass of our behaviour.

This is exactly what the *Fondazione Centesimus Annus Pro Pontifice* (FCAPP) has been striving to achieve in these recent years and it explains why we are here today.

I do not speak on the Foundation’s behalf, but I am privileged to have joined it and to participate in its debates and reflections on topics that concern our societies in a very direct manner. Over the past two years I have shared with my colleagues and friends in the Foundation, an experience that has helped us to focus on an intensive encounter between the experts and the people, the theory and the real life experiences, in an effort to propose a rejuvenated, relevant and solid ethical compass for all, including people in business.

I assure you that this has never been an easy task precisely because the issues that we face are extremely sensitive ones. For example, the issue of mass migration and human dignity. In other words, understanding that the dignity of a migrant who lands on our shores illegally is still equal to that of the tourist who visits us on a luxury cruise liner.

Likewise, a shareholder, a Chairman, a director of a company – indeed a manager or head of department require an ethical compass that points north – again in this case, north is where the dignity of the human person lies.

In practical terms, an ethical compass that embraces Catholic Social Teaching values would factor into the decision taking process specific aspects such as the impact on the environment, the fairness to the customer, the fair and equal working conditions of the employees

The Foundation has been asking itself whether existing business ethics (which it has described as Common Business Ethics) is up to the challenge of promoting human dignity in today’s world.

The question is not hypothetical, and neither is it an invitation to an academic exercise that ends up with a wonderful paper that no one reads. It is a question that originates from the realities that surround us today.

Our next couple of days in New York will provide us with the opportunity to continue in this journey to identify solutions inspired by the Christian and Universal values that we embrace. It will follow up on the work carried out so far and which is clearly outlined in the Foundation's 2017 Statement which highlights three priority areas for everyone's consideration.

Firstly, the role of business in the Fight against Poverty. But the "poverty" we refer to is not restricted to the destitute, the ones who have nowhere where to spend the night and nothing to eat today. That poverty, of course, is the first to be addressed. It is our first choice. But there is more to it than that because a successful business model that adopts an ethical approach will not restrict itself to an annual donation to charity. Neither will it measure itself exclusively by the size of the dividends that end up in the shareholders' pockets. A successful business model that respects human dignity measures its success also by assessing the working conditions of its employees, the investment in its human resources, the status of women at the workplace and their right to equal treatment and equal opportunities, the contribution it makes to the environment and its contribution towards the promotion of entrepreneurship, small business etc - in short the impact it has on the Common Good.

The second priority area deals with one of the crucial aspects of 21st Century – namely the Digital Economy. It is in this area that we are faced by a range of new ethical questions relating to truth in communication, uncertainties about the future of meaningful work, lack of interpersonal relations and questions of moral agency in machine driven self-learning processes. There are no easy answers to these questions but surely we can agree that the Digital Economy can be put to the service of the Common Good for instance to have an inclusive financial services environment, or to have better sectorial risk management, or even to have well-functioning job markets that interface with our educational institutions and with our social safety nets.

The third priority area seeks to identify those Inclusive Economic Reforms that are becoming urgent precisely because they are intimately linked with the health of our planet. In other words, we feel the need to join forces on a common basic program which is essential for sustainability of our planet and for a reasonable pursuit of dignity for all.

So to conclude, let me try to suggest to you an answer to the question put to us as to whether existing business ethics is up to the challenge of promoting human dignity.

The Financial Times of June 16, 2016 published a full page article titled "Blessed Returns" focusing on Pope Francis's call to wealth managers to choose what he describes as "impact investments". The article quotes an analysis by Jackie Vanderburg (investment strategist at US Trust) which states that 58% of baby boomers say that social and environmental impact is important with regards to their investments. She adds that 93% of millennials will say the same thing.

In a letter dated January 2018, BlackRock CEO, Larry Fink urged his CEOs to consider a "New Model For Corporate Governance". I quote :

“Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate”

(Larry Fink, CEO Black Rock, January 2018).

I have no doubt whatsoever that this is the way we need to go. There is still a long and hard road to travel but clearly, a business ethos built on this type of approach is one that qualifies to be described as promoting human dignity in the true sense of the word.

The answer, therefore is : “we’re slowly getting there”. Lessons have been learnt but more needs to be done.

We must continue our work to identify practical solutions to today’s and tomorrow’s challenges keeping in mind that there is always one North Star that guides us along our way, and– as the Foundation’s 2017 Statement says : *“the dignity of all human persons must be the true compass in our search for correct ethical behaviour in the context of a digital economy”*.

Thank you.