

## **A goal greater than profit**

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I am pleased to greet the participants in this important Summit that has brought together so many world leaders in the areas of business, the economy and finance.



I do not intend to enter into the technical or practical aspects of your deliberations in these days, but rather to offer a few reflections on the anthropological, spiritual and ethical foundations of your activity in the light of the Church's social teaching – and particularly the understanding of business and management set forth in the Encyclical Letter *Caritas in Veritate*. It is most fitting that you have chosen to make that document central to your reflections at this conference, which is looking for new ways to ground the ethical dimension of economic and business activity.

### **Let me begin with a premise.**

The Church has always stressed that commercial activity is essential to the common good. Her social teaching, past and present, insists that commercial activity should be directed to the common good and not merely to the private profit of property holders. At the same time, the various social Encyclicals, especially *Centesimus Annus* and *Caritas in Veritate*, have clearly pointed to the inherently social and civilizing character of business and the market. The attainment of a good and prosperous life on the part of great numbers of people – and, at least in theory, by all – would be unimaginable were it not for business leaders who create jobs, wealth and new products, and for innovations which are constantly expanding human opportunities and freedom.

As an “expert in humanity”, the Church is well aware that, like other aspects of human life and perhaps even more so, the sector of economics and labour is prone to the temptations of selfishness and narrow self-interest. At the same time, though, the Church sees the world of economics, labour and business in a positive light as a significant sphere for creativity and service to society, a positive element in human affairs. Like any other component of the body politic, it can sometimes develop pathologies, yet its functioning is usually sound, civil and humane.

**But what does the Church's social teaching have to say about business leaders?**

First and foremost, as we are reminded by sound economic theory (here I am thinking of Joseph Schumpeter or Luigi Einaudi), the business leader is not a speculator, but essentially an innovator. The speculator makes it his goal to maximize profit; for him, business is merely a means to an end, and that end is profit. For the speculator, building roads and establishing hospitals or schools is not the goal, but merely a means to the goal of maximum profit. It should be immediately clear that the speculator is not the model of business leader that the Church holds up as an agent and builder of the common good.

The true business leader is very different. As we read in *Caritas in Veritate*: “Charity in truth requires that shape and structure be given to those types of economic initiative which, without rejecting profit, aim at a higher goal than the mere logic of the exchange of equivalents, of profit as an end in itself” (No. 38).

The business leader is first and foremost an innovator who generates and pursues projects: for him, for her, for them, business activity is never merely a means or a tool, but part of the goal itself. Logically, it is not possible to separate the activity from its goal, since business activity has intrinsic value. It has value in itself.

“Aiming at a higher goal” – a goal greater than profit – while not “rejecting profit”, represents the great challenge facing today’s business leaders who are seriously concerned to promote the common good and development – business leaders, in other words, who see their activity as a task and a vocation. The exclusive pursuit of profit proves inadequate as the economy and society nowadays have to deal with new challenges, including the environment, “common goods” and globalization.

This brings us to the great theme of business and social responsibility. *Caritas in Veritate* has pointed out that “business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference” (No. 40).

Ethical theories concerned with business and social responsibility abound, but not all of them are acceptable in the light of the Christian understanding of man and an authentic Christian humanism. This is especially true of those cases where socially responsible practices are adopted primarily as a marketing device, without any effect on relationships inside and outside the business itself, the destination of its profits, the demands of justice, worker participation, and so forth.

Nowadays business leaders who want to take the Church’s social teaching seriously will need to be more daring, not limiting themselves to socially responsible practices and/or acts of philanthropy (positive and meritorious though these may be), but striking out into new territories. I shall mention just two of these.

1. Business leaders must use their innovation and creativity to address challenges above and beyond the economy and the market. Specifically, there is a growing demand today for labour on the part of entire countries with great numbers of young people and few jobs: innovation and new initiative are needed if business, the economy and the market are to include those presently excluded. Today as in the past, the economy and the business sector fulfil their duty to serve the common good when they

manage to incorporate broad sectors of the marginalized (one need only think of the factory workers of the last century) and to ensure that these people become, not problems, but resources and opportunities: for themselves, for business, and for society as a whole.

2. The second challenge has to do with the administration of “common goods” such as water, energy sources, communities, the social and civic capital of peoples and cities. Business today has to become more and more involved with these common goods, since in a complex global economy it can no longer be left to the state or the public sector to administer them: the talent of the business sector is also needed if they are to be properly managed. Where common goods are concerned, we urgently need business leaders for whom profit is not the exclusive goal. More and more, we need business leaders with a social conscience, leaders whose innovation, creativity and efficiency are driven by more than profit, leaders who see their work as part of a new social contract with the public and with civil society.

Economic and commercial activity, when carried out along the lines indicated by the Church’s social teaching, is clearly “ethical” activity, since there cannot be a common good without business leaders that we would describe as “civil”. As *Caritas in Veritate* makes clear, there is no such thing as an ethically neutral business leader. Business leaders are either “civil”, in the sense that their commercial activity serves to build up the common good, the good of all and of every individual, or else they are the reverse, as when they fail to produce quality products, ignore innovation, fail to create wealth and jobs, and pay no taxes.

Having said all this, I would like to offer you a word of encouragement. I pray that a new season of creativity and social commitment will emerge from these days of reflection and dialogue. Such commitment and creativity are all the more important and necessary today, not least for the continued development of the Church’s social teaching. That teaching draws inspiration from the life of the Christian community, where the Spirit’s gifts and charisms open up new paths of human and spiritual excellence in economic and social life. This can be seen in the lives of those business leaders who made their work a place of growth in genuine holiness: people like Blessed Giuseppe Tovini, a businessman and banker from Brescia. I should like to conclude my brief address by quoting a saying of his, uttered more than a century ago but still timely today: “Without faith, your children will never be rich; with faith they will never be poor”.

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Cardinal Bertone