How can firms have solidarity with the poor?

Edward Hadas
ECONOMICS EDITOR, REUTERS BREAKINGVIEWS

HOW CAN FIRMS HAVE SOLIDARITY WITH THE POOR?

“Just as the commandment ‘Thou shalt not kill’ sets a clear limit in order to safeguard the value of human life, today we also have to say ‘thou shalt not’ to an economy of exclusion and inequality. Such an economy kills,” Pope Francis wrote in his apostolic exhortation Evangelii Gaudium (“The Joy of the Gospel”).

Francis is making a powerful point, which springs from his experience in Argentina, where very poor people abound. His basic argument is that there is a de facto exclusion of the materially poor, and that the rich are responsible for that, sometimes by sins of commission, but more often by sins of omission—the failure to recognise that these poor are in fact our neighbours, the least of our neighbours for whom we have a special responsibility. If I am not actively trying to take care of them, then I am in some sense depriving them of the fullness of life—a sort of killing.

The issue is necessarily global, because the world is global. I cannot say that the poor are not my problem because they are out of reach, or not members of my society. I can visit these poor people, trade with them, talk to them by mobile phone and study them by Internet. They are in my world and I have an obligation of solidarity to them.

Indeed, I have a greater obligation to them than to others who might be closer at hand, because the Church teaches there is a “preferential option for the poor.” In other words, the excluded are the first concern for Christians, who always wish to include those most in need.

The question to ask for this session: “How might the firm I work for be ‘killing’?” More likely by omission than by commission?

CAVEAT

Much economic solidarity with the poor comes at nonfirm level (either personal or political): e.g. migration, wage laws, education, charity, housing, transportation.

However firms have a role to play. Corporations are among the most powerful organisations in modern societies, gathering people, expertise, and resources in an organised way. (The Church and its charities used to, but they have lost ground.) Only governments are stronger. But monolithic, modernist government is undesirable. If corporations, including profit-seeking ones, do not exercise the preferential option for the poor, then the job will largely be left to governments, or it will not be done.

I have two commands and three observations.

COMMANDS

1. Think about how the poor can be helped, both inside and outside of the course of normal business.
   - Identify them: That may not be easy.
   - Consider both material and spiritual poverty.
   - Remember those sins of omission. Are there people you could and should help, but are not thinking of them?
   - Think about products as well as people.
THEN FAVOR THEM. HOW?
In developing countries, the poor may be the firm’s workers. Paternalistic employment—solid wages, education, family benefits, housing—may be a good way forward.
In rich countries, the obvious economic battle is over living wages. Catholic Social Teaching has long promoted that, even though it is difficult. But in rich countries “spiritual poverty” is usually a bigger challenge than material poverty.
- Do not seduce customers (rich or poor) into sinful behaviour.
- Promote customers’ and employees’ spiritual welfare.
- Be wary of self-deluding descriptions of solidarity which exclude actual responsibility and the “someone else will do it” argument.
- Don’t forget traditional charity towards the poor. Indeed, businesses are excellent conduits of charity, because the people are skilled, they understand logistics, and they are often better at making hard decisions than self-styled charitable organisations.

2. Enlarge the corporate community. No company is an island, as they teach in business theory (Michael Porter’s Five Forces). Stretch boundaries, for the sake of the good.
- Competitors (agree to avoid ruinous conflict, agree on good behaviour [the food giants!])
- Customers (as mentioned, but think big—advertising, product development)
- Suppliers (the supply chain is your responsibility)
- Government (complicated, but still more friend than enemy)
- The environment (be ahead of the law)
- The parts of the community that you don’t touch directly, e.g., urban renewal in the U.S., basic development in poorer countries. You may have expertise that can be used with more social value outside the narrow corporate walls.

OBSERVATIONS
1. Shareholders are your enemy. At best, they represent one constituency (equity capital investors), who often have a self-interest problem (don’t we all?).
   Today’s institutional shareholders are much worse than this “best”—they have short horizons, limited understanding and limited patience. You can educate them, you can be firm with them, you can sometimes learn something from them (they are good on sleepy companies that can be made more efficient), but you should never believe that they have the right answers just because they are “owners” (a terrible misnomer).

2. The firm is itself a community, hopefully one with solidarity. A community is not a dictatorship, so not even a 100% shareholder chief executive can make arbitrary decisions, not for long anyway. The culture of solidarity with the poor can never be dictated, only evangelised from the top or slowly inculcated from the bottom.

3. We’re talking about hard decisions. This is rarely going to be win-win for all and sundry, at least not for a decade or two. That’s typical of virtuous behaviour. To be good is rarely easy (if it were, more people would try it…)

For many companies, solidarity with the poor requires a significant change in direction.
But what is at stake? Francis’s vision of implicit indifference, the firms that could do something, and the people in those firms who do not strive to lead the firms in the right directions. ★
JOIN US AT OUR NEXT CONFERENCE

March 15-17, 2016

on the occasion of the
25th Anniversary of
St. John Paul II's
Encyclical *Centesimus Annus*
and the
125th Anniversary of
Pope Leo XIII’s
Encyclical *Rerum Novarum*
To read other presentations from the conference, please visit http://business.cua.edu/libertyandsolidarity/.
“With academics, policy makers, ethicists, theologians, and business leaders as presenters, the conference delivered the ideal blend of business theory, social responsibility, theological inspiration, and best practices.”

— ROBERT J. SPITZER, S.J., PH.D, President, Magis Center and Napa Institute

“It was a great joy for me to share ideas with colleagues already given to our Christian anthropology and to do so in the spirit-centering (and mind-expanding) context of daily prayer and sacrament. I’ve never been party to such fruitful exchanges.”

— LLOYD SANDELANDS, Professor of Management and Organization, Stephen M. Ross School of Business Administration, University of Michigan

“The conference was profound because of so many fundamental shifts in perspective. Amazing quality of speakers.”

— LOUIS KIM, Vice President, Hewlett-Packard

“This is a very important topic of integration of business leadership and faith. It’s always a great joy for me to be around people who are excited about incorporating their love of God into a passionate business world.”

— ANDY LAVALLEE, Founder & CEO, LaVallee’s Bakery