Where do we need to go with the topic of profit and poverty?

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It is a great honour to be with you today, and it is also an opportunity for me. As you just heard, I was recently appointed President of the Pontifical Academy of Social Sciences, and that means that a meeting like this becomes a chance to say something about what the Academy is doing and to reflect with you on one or two challenges we could face together.

In the light of the theme of this conference, it's quite interesting to start by sharing with you one of the projects that the Pontifical Academy of Social Sciences will be doing in the near future, a set of workshops that will run over the next three years under the title "The Fraternal Economy of Integral and Sustainable Development", driven forward by the very practical co-chair of the Sustainable Development Solutions Network, Jeffrey Sachs. Here are a couple of quotes from the project outline:

"An important element of this new series of workshops will be an investigation of the metaphysical and anthropological vision underlying The Economy of Francesco articulated by Pope Francis and other leading thinkers. The ethical themes of fraternity, relationality, subsidiarity, and dignity of the person will be cross-cutting features of each meeting, as will be the intrinsic relationship between economics and ecology…

First, the new economy of sustainable and integral development should promote the happiness (beatitudo) of current and future generations and respect the planetary boundaries of Earth's physical systems. Second, the new economy should promote the fulfillment of the Universal Declaration of Human Rights (UDHR) and the Sustainable Development Goals (SDGs), both of which have been agreed upon by all the UN member states…

Sessions will cover topics such as the alignment of business and civil society with the ecological and energy transition (Europe's Green New Deal); corporate law and purpose; the design, role, and limits of values-based investing, ESG investing, and shareholder activism; trade and investment agreements, Investor-State dispute settlements, and environmental sustainability; public development banks and sustainable development; the role of business in rule-making and politics; Intellectual Property Rights; digital surveillance, transparency, privacy, and service regulation (health, education, and commerce); and the regulation of new biotechnologies."

We see here a lot of the themes that you are addressing in your papers, which run from issues like poverty in relation to human rights and the UN Guiding Principles, including recognizing the right to credit, which leads us on to the Monti di pietà, the beginnings of the modern banking system inspired by Franciscan thought and practice that put credit for the poor at the heart of what they are doing, contrasting usury and loan sharks, through the role of CSR in poverty reduction, stakeholder theory and engagement, including a focus on "marginalized stakeholders", and on towards achieving the SDGs, to the involvement of businesses in development cooperation, to coming up with innovative social impact indicators for poverty reduction … Finally, it is no surprise that in a conference dealing with profit (or business) and poverty that social business is a major topic, where the "bonsai people", to use a term of Muhammed Yunus, are seen as "natural entrepreneurs", and we find the Franciscan idea that the circulation of money is better at dealing with poverty than acts of charity.

It is a delight to see such diversity. We need different approaches, with their strengths and weaknesses and some tensions between them, such as the critique that the father of modern microcredit, the already-mentioned Mohammed Yunus, makes against CSR. To Yunus, we could say: the perfect is the enemy of the good; we need a roadmap for those in mainstream business to try to move towards more poor-friendly business models. But to those who think someone like Yunus is too exigent and even moralistic, we could also say that we still need some people striving for "perfection" who can then inspire all of the rest of us to do a bit more. Furthermore, as Giulia Gioeli shows in her contribution to this conference, the radical choice of poverty on the part of the Franciscans led to innovations that helped the poor directly: they did not only inspire others, but through their "chosen poverty" they helped to create ideas that contributed towards solving "real poverty", or poverty as misery.

So, diversity is good, but at the same time, as the presentation of the series of seminars proposed by Sachs implies, diversity is better if there is something shared between these diverse studies, making our diversity more productive. I would expect that in an academic conference of social scientists (and business experts, ethicists and economists are social scientists), saying that we need more unity between us could give rise to a strong negative reaction, and at least some of that reaction could well be valid. At the same time, as AI research is now showing, where many different research strands and threads come together (in this case, computer vision, speech recognition, robotics, image or music generation and speech synthesis coming together around a type of coding known as a "transformer", creating "large language models"), the result is much faster progress towards achieving results. In the case of AI, we now want to slow the whole process down, for good reason, but if we could speed up the process of poverty reduction, it would make us all so happy! As social scientists, I think we need to face up to this. If we could gain more of a shared model, at least at some level, we could do more, building more on each other's work so that our diversity becomes more of a strength, less dispersive or centrifugal, and less of a weakness.[1] I think in a meeting such as this one, it is worth having the courage to raise this question.

In the past, an obvious starting point for building a shared base would have been a shared abstract model. Some thinkers here would start from a metaphysical one, so that a shared human nature forms the basis within which our diversity could find some shared ground and results could build on each other. Others would start from a social contract model to do something similar. There may be other such models behind the approaches of other scholars here. However, as we know from the past, it can be hard to get agreement at this level. It may be more effective to see how working towards resolving our problems could help us share ground. We might compare here the two different approaches to building unity in Europe after World War II: on the one hand, there was the proposal of a federal Europe, getting rid of nation-states

and moving towards the "United States of Europe", which did not get anywhere, while the bottom-up, practical approach, starting with a verifiable goal that could build momentum and spillover effects towards going further and doing more, lead us to what has been called the greatest geopolitical achievement of the 20th century: the creation of the EU. While we know that the EU is full of problems and tensions, we also know that this is at least partly because, within its unity, it is holding together a lot of diversity. So unity and diversity do not have to be opposites; unity can also promote diversity.

So, with the idea of making a contribution towards a shared model by starting from our shared problems, let's start with the idea that poverty is a human problem. It relates to human survival and to integral development or flourishing. For survival, we need a minimum level of economic output for the human population as a whole, which I think we probably have; the 2022 World Inequality Report says that the output of the world economy would provide €16,700 per year, per person, which seems to me to be quite reasonable, even if we could always do with more. So the level of economic output in the world does not seem to be the core problem. We also know that the question is not only one of distribution; distribution without participation can cause very bad effects, as Calvin Helin shows so well in his book "Dances with Dependency" about the effects of welfare on indigenous populations in Canada. It may be worthwhile taking a cue from Pope Francis: poverty could be seen primarily as relational (one of the "ethical themes" Sachs uses in his concept note, as mentioned above), and then from there we build up to the social or systemic levels – a problem between persons, between groups, between regions and nations, as well as being understood globally (i.e. not between nations but crossing national boundaries). So poverty is not only a problem of a system that needs better distribution or more social justice, but of real people with faces, names "feelings, sufferings, problems, joys and a family" (Fratelli Tutti, n. 193).

We see the importance of relationality in the contributions to this conference; many of them deal with credit as a relational good (especially when we are talking about the poor). Corporate governance is also relational; Michalski and Kawko, in their paper, talk about the relational poverty that arises from an inadequate policy framework around the family, and we could mention many other examples.

Talking about relational problems raises a question about the individualistic mindset that is part of what we have inherited, for good and for ill, from the Enlightenment synthesis, focused as it has been on human freedom in a negative sense (clearing out obstacles to the exercise of free choice). Although we can see the weaknesses of this model, we should be slow to criticise it too much. If we look at the other parts of the world that have not been through the process initiated by the Enlightenment, we do not necessarily want to be like those parts of the world and we can recognise that we have gained something important and valuable from this historical experience.

Nevertheless, an individualistic view of the human person makes it hard for us to imagine how we could deal with a relational issue like poverty in a way that does not do violence to human freedom.

There are a lot of interesting ways to try to get relationality into our theories. We have a lot of scientific input, for instance, such as the results of genetics. In the preface to the thirtieth anniversary edition of his famous book, "The Selfish Gene", Richard Dawkins commented that he could just as well have called this book "The Cooperative Gene". There is the relational sociology of one of the members of the Pontifical Academy of Social Sciences, Pierpaolo Donati.

We will need empirical input to develop this thinking, like that which we can get from happiness research; studies on social business will also help us understand relationality in the economy.

It would be wonderful if we could really make a breakthrough on this point in the next 5-10 years, giving us better intellectual tools for dealing with relational problems.

If we are going to make this breakthrough, we should not ignore another source of innovative thinking in the search to explain our relationality: religious and philosophical traditions.

A crucial idea for the discussion of poverty reduction is that of human dignity, and it is a very good example of how a religious tradition can give us insight into being human. You cannot look down a microscope to see human dignity or identify the "human dignity gene" or discover it through some scientific process, and yet this idea, as the editor of the 2013 British Academy study, *Understanding Human Dignity*, says: "has probably never been so omnipresent in everyday speech, or so deeply embedded in political and legal discourse". It is a product of the reflection of religious believers (especially Popes Leo the Great, in the 5th century, and Gregory the Great, who died in 604 AD), on the culture of their time and one of its elements, that is, the *dignitas* that was awarded by the Roman Senate to those who had done something great for Rome. Some Roman thinkers, like the Stoics, had already started to think about dignity in a broader way; for instance, they talked about "civic dignity", with the idea that citizens could participate in it, but it was only really with the reflection of Christian thinkers, using both the Biblical sources and the philosophical resources at their disposal, who got to the idea of what we would later call an "inalienable" dignity, something that you have just because of the kind of being you are, rather than because of anything you have done. This dignity for the Christian thinkers came from the text of Genesis telling us that each human being is created by God in His "image and likeness," as well as from our being redeemed by Christ. So it depends on what God has given to us and done for us, not on anything we have done.

The full implications on the practical level of this idea took a long time to be grasped. For most of our history, aristocrats were given much more dignity than peasants; the dignity of women was less fully recognised than that of men, and slavery is still with us, in many parts of the world, and in new forms.

But a process had started – a slow burning fuse had been lit.

Or, as Servais Pinckaers puts it: "a moral yeast had come into the world, capable of creating new relationships" (Pinckaers, 1995, 129).

We can see how human dignity has become a part of the patrimony of humanity, which is all to the good, but it was born out of a religiously-inspired reflection on this world.

Coming back to the topic of relationality, I would like to suggest that personalist philosophy, especially that developed by Jacques Maritain, might be able to give us some important insights.

Maritain recognises a distinction between the human being as individual (we are individuated by our bodies, which fix us in space and time, and for which we have survival needs that put us in competition with others for their satisfaction) and the human being as person – a being that is "intrinsically relational", meaning that relationships are part of who a person is, not just a means for achieving individ-

ual objectives, and in which we grow and achieve the goods that are of the deepest value to us. The idea "person" is developed in early Christian theology to explain how God could be both one and three at the same time: one substance, three persons. In God, then, the three persons are "pure relation", since God is one, as we know from the Old Testament. We also know from Genesis that human beings are made in the "image and likeness" of God, so it should be possible to apply this idea of the person, by analogy, to the human being too, but no-one had actually tried to do that in any systematic way until the personalists started trying to do it in the last century.

Maritain argues that we are always both an individual and a person, and these two dimensions of our being influence all that we do. In particular, in another interesting insight, he will say that in so far as we are individuals, we relate to the temporal common good as a "part", whereas as persons we relate to it as a "whole", and hence Maritain will say that the relationship between society and the human being is one of "reciprocal subordination and mutual implication".

We can see that Maritain gives proper recognition to our individual dimension, which makes sense to mainstream economics today, while expanding our vision to a richer, more complete picture of the human person. Using such a model requires expanding our limited, reductionist view of the human person, but not to abandon everything we have done so far; rather, we can build on that, develop it, and thereby, of course, to also fundamentally change it.

Once we have an economic theory that can imagine and model intrinsically valuable (not just useful) relationships between the various types of actor in the economy, we will start to have better tools to understand and develop the common good, a shared good held between the members of a community. We will be able to confront the problem of exclusion, crucial to poverty, because we will be modelling relationships in a more profound way.

We have talked about scientific sources for improving our model of relationality, as well as religious and philosophical sources. I'd like to finish by mentioning the movement "Blueprint for Better Business" which makes use of both resources in trying to help businesses change their mindset around the purpose of business. It started in London as a result of the financial crisis when one of the Vice-Chairmen of Goldman Sachs read

Caritas in veritate, written by Pope Benedict, which includes a reflection on the crisis. As a result, he took up the phone and rang the then Archbishop, now Cardinal, of Westminster, saying to him: "This is the best analysis of the financial crisis I have read. You should do something about it". As a result, a meeting of the heads of banks from the City of London, as well as other business leaders, was convened by the archbishop around some quotes from the encyclical. At the end, they all agreed they needed to carry on with these discussions which they could have nowhere else, and from this initial meeting the groundwork started to be laid for what later became the charitable trust called "Blueprint for Better Business", which aims to help businesses rethink their purpose and to change their mindset about business such that it is understood as a set of relationships between people and between people and nature.

From the beginning, Blueprint has used results from genetics, neuroscience and behavioural economics which converge with the thinking it can draw from Catholic social thought. Business leaders can understand that thinking that has been handed down by a tradition that has two thousand years of history probably has something to offer, especially when it seems to be confirmed by some of the most innovative scientific results at our disposal. However, the experience of Blueprint has also brought to the fore another aspect which was not expected at the beginning. We now see that it has been a crucial part of the effectiveness of Blueprint that it draws on a body of thought that exists independently of business leaders and that is carried forward by a community of life which they do not control.

When big businesses are presented with new ideas, they immediately want to know how to use them, and, all too easily, this ends up with them being used to do what businesses have always done with good ideas: create more profit. Business people have a way of thinking and behaving that is well-established; they do what they are good at.. As a result, even powerful ideas can become hollowed out, used to create the impression of change rather than actually changing anything. This connects us back to the criticism of Yunus regarding CSR, since CSR has been one of the big ideas aimed at improving business activity that has been subjected to a process of hollowing out.

To deal with this problem, we need what Archimedes needed when he said "give me a fulcrum and I could move the

world". We need a "fulcrum" that stands outside the business world and that can help business leaders understand the "why" of good business. On that basis, they can then use all those wonderful tools that they are so good at creating – the "how" of a good business – to move the business world more towards genuine poverty reduction, or genuinely sustainable business activity.

The source of the ideas in a religious tradition like CST comes "from outside" – from a revelation received by a living community that keeps it as their rule of life. This provides an independent source for the definition of the ideas it proposes (such as human dignity and the common good) which helps to prevent these ideas from being hollowed out. The independent source of its ideas, and the community of life, the Church, that carries these ideas forward, can function like Archimedes fulcrum, that is, they can protect the content of the ideas and help them to be effective in changing business mindsets rather than being absorbed into the existing business mindset.

In the opening section, I quoted some text from the proposal for "The Fraternal Economy of Integral and Sustainable Development". I have only focused on one of the ideas mentioned in the list of "fraternity, relationality, subsidiarity and dignity of the person" which are due to be "cross-cutting" features of the seminar series. We could probably try to build more unity in dealing with our problems around some of these other ideas too. At any rate, I am very glad to be able to share some ideas along these lines with you as we start the EBEN 2023 conference.

Thank you very much.

NOTE

* This is the text of the opening keynote talk given at the conference of the European Business Ethics Network (EBEN), 24-26 May 2023 at Rimini (Italy), under the title "Poverty, Profit and Ethics in dialogue toward new Business paradigms in different sectors", https://eventi.unibo.it/eben2023

1. See "The A.I. Dilemma", introduced by Steve Wozniak, co-founder of Apple, with Tristan Harris and Aza Raskin, founders of the Center for Humane Technology and producers of the documentary film "The Social Dilemma": https://youtu.be/xoVJKj8lcNQ. Harris and Raskin call the new field they describe in this video (which so far does not have any name): Generative Large Language Multi-Modal Model, GLLMM, or "Gollem-class AIs".