

## **Social Teachings of John Paul II and Corporate Social Responsibility**

As a pervasively widespread phenomenon, globalization has forced institutions and corporations to confront an unprecedented complexity of social, economic, and environmental issues, which have inexorably created a profound impact on the way business is conducted. All too often, however, and for various reasons, corporations have been unable to grapple effectively with these complex issues, particularly those business firms in emerging markets or third world countries, a failure that has effectively reduced their ability to respond to various and rapidly-evolving business risks. Corporations that successfully manage these issues build a competitive advantage, while those that do not put themselves in danger of being marginalized.

The still-evolving dialogue on Corporate Social Responsibility has placed it squarely in the middle of this phenomenon. Some CSR advocates insist that various specialty areas in CSR fully capture these globalization issues, while others even go so far as to say that social responsibility is in fact a large part of the solution to making business firms sustainable in the face of the changes arising from globalization.

While most businesses do acknowledge that they practice some form of CSR, one of the major issues facing business is the ambiguity of what truly constitutes “social responsibility.” Many different articulations of social responsibility have already been presented in the vigorous and evolving dialogue that has surrounded CSR for some years now—for example, some experts describe CSR in terms of the stages of growth businesses go through as they mature into socially responsible firms, while others see CSR as the formulation and integration of social, economic and environmental policies into the business

firm’s mission statements and strategic plans. Nevertheless, a number of critics argue that most definitions of CSR rarely give specific practical guidance on how and where the concept can be effectively applied within the range of activities undertaken by business organizations. Without principles to guide decision-making within the business firm, it would be very difficult to see how corporate social responsibility efforts fit into broader picture of business strategy.

A growing number of business leaders have also come to realize that any form of global development that fails to emphasize the human dimension is untenable: one cannot promote and sustain the globalization of business opportunity without the corresponding globalization of responsibility. This comes, among other things, from the growing public sentiment (as well as self-realization by the corporations themselves) that business firms have a much greater role than ever to play in reducing poverty and addressing the social exclusion that widens the gap between the haves and the have-nots.

### **“Common” Definitions of Corporate Social Responsibility**

Even though the growth of social responsibility within the global business community has prompted various articulations of CSR, we are still some distance away from arriving at a commonly accepted definition of Corporate Social Responsibility. Nevertheless, it would be helpful to review a few of these, particularly those of some international organizations, who have variously defined CSR as:

*The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community*

*and society at large. (World Business Council for Sustainable Development)*

*Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders. (The European Commission)*

*Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. (Business for Social Responsibility)*

However we define Corporate Social Responsibility, a comprehensive way of describing it would be to see it as the dynamic interdependence between business and society. More and more scholars and businessmen believe that it is no longer correct to say that “the business of business is business” and that its only concern is to generate a profit for its shareholders. The widening (globalizing) scope and influence of business behavior has in fact compelled the public insight that business operations affect (whether negatively or positively) the lives of all individuals throughout the world.

Given the increasingly powerful influence and globalized impact of business activity and decision-making, the need for ethically responsible business behavior has been increasingly emphasized within the CSR dialogue. Beyond the need for external programs (philanthropic activities and social programs or initiatives) organized by business firms targeting key stakeholders, attention has been drawn to the need for business firms—or rather those individuals who comprise them (key decision-makers as well as rank and file alike)—to focus on ethical principles as a guarantee of socially responsible and ethically upright behavior. This has naturally drawn attention to the question of whether CSR is consistent with

other ethical and value systems, in particular (given its universal reach and consistent involvement in social issues) with the social teachings of the Catholic Church. It therefore makes sense to examine how Catholic social teaching and Corporate Social Responsibility as ethical guidelines coincide.

Christine Fletcher (*PhD, Anglia Ruskin University in Cambridge and MA, Oxford University*), in a paper (CST, CSR and the Purpose-Driven Company, delivered in Rome, 2006 during The Good Company Conference) drew out the similarities between Peter Drucker’s vision of a business entity and what other authors refer to as a visionary and living company, to show that her purpose-driven model of the corporation (i.e., the socially responsible business firm) is very much based on an understanding of the human person and of human society that cleaves very closely to Catholic Social Teachings (CST), particularly those of the late Pope John Paul II. This perspective contrasts with the social sciences’ empirical view of the person as homo economicus, which serves as the basis for the shareholder and the stakeholder paradigm commonly applied to business firms. Fletcher further pointed out that Drucker, in his first book, *The End of Economic Man* (1939), linked the failure of both capitalist and Marxist ideologies to the rise of the fascist and Stalinist powers. Drucker, who particularly focused on upholding the primacy of human freedom, saw capitalism’s creed—the profit motive—as the means “by which the ideal free and equal society would be automatically realized.” While he recognized that a corporation’s justification for existence is to create goods and provide services at a profit, he pointed out that profit is better seen not as the end-purpose of the business firm, but as a measure of its performance. This view essentially sees profit as insurance against future uncertainties and a vital resource for funding new ventures, as well as provide for social needs.

Drucker went on to say that profit is not the explanation, cause, or rationale of business behavior and business decisions, but rather a test of the business firm's validity. If the purpose of business is to create a customer base through marketing and innovation, then the first duty of business is to operate at a profit in order to survive and create the next generation of managers. Moreover, business firms must not undermine social cohesion, and recognize that their employees are also members of a variety of institutions—none of which can claim them entirely or alone—and must give them equal opportunities for advancement on ability and performance.

Drucker's ideas (as described by Fletcher), particularly his view of the person, is clearly consistent with Catholic Social Teachings (CST) and in fact his thoughts in his early works anticipated John Paul II's encyclical, [*Centesimus Annus*], which says:

*"It is not possible to understand the human person on the basis of economics alone, or to define the person simply on the basis of class membership. Whereas at one time the decisive factor of production was the land, and later capital ... today the decisive factor is increasingly the person, that is one's knowledge, especially one's scientific knowledge, one's capacity for interrelated and compact organization, as well as one's ability to perceive the needs of others and to satisfy them. Profit is a regulator in the life of a business, but it is not the only one; other human and moral factors must also be considered which in the long term, are at least equally important for the life of a business."*

Drucker, according to Fletcher, put similar emphasis on the person, not understood

as the economic man, but as the complete human being with a material and spiritual dimension. He also identified knowledge and skill in organization as the new creator of wealth: that 'modern mass production is not based on raw materials or gadgets but on principles of organization—organization not of machines but of human beings.' This is not surprising given Drucker's claim that the only basis for freedom is the Christian conception of man's nature as weak and imperfect but still bearing God's image. Drucker's vision of the corporation as a hierarchy which values each member, whatever position within that hierarchy they occupy, therefore becomes consonant with CST's view of the person as the center of social and economic life.

From Fletcher's paper, it further becomes apparent that Drucker's description of the purpose of business as creating a customer base through innovation and marketing, and the manager's skill in organization as a source of wealth is similar to John Paul II's: it is precisely the ability to foresee both the needs of others and combinations of productive factors most adapted to satisfying those needs that constitutes another important source of wealth in modern society.

Finally, Drucker's mode of reasoning also follows the pattern of CST, placing the individual human in a network of relationships within society, and in a spiritual realm—therefore, making his conception of a good company completely consistent with CST. To provide a little more detail, Ms. Fletcher summarizes the characteristics of what Drucker identifies as the good company:

1. It is focused on long-term survival.
2. Profit is not the purpose of the organization but the measure of its efficiency.
3. It gives primacy to human beings who, as customers, as workers, as

knowledge workers and as managers, form a human community which will be hierarchical but in which each and every person is necessary and valued. It develops leaders within the community.

4. It recognizes that it exists in a web of social relationships with duties to the state, local communities, and the intermediary organizations of society.

In John Paul II's first social encyclical issued in 1981, *Laborem Exercens*, we deduce an important principle of Catholic social doctrine that has always been taught by the Church: "the principle of the priority of labor over capital. This principle is based on the fact that man is an efficient cause in the process of production, "while capital, the whole collection of the means of production, remains a mere instrument or instrumental cause." The Holy Father does not use "capital" to refer to 'capitalists' per se, but refers to money and other material resources that are "placed at man's disposal." Without man and without work, these lifeless things would not serve their purpose as a means to fulfill the commandment to subdue the earth.

In the same encyclical, John Paul II describes how the conflict between labor and capital arose: because of the error "of considering human labor solely according to its economic purpose" (*Laborem Exercens*). He points out further that, in a time of rapid development and industrialization, man, who should be served by [this wealth], was ignored. The unalterable reality remains that absolutely no economic production of any kind can take place without man—man who invents, designs and operates the production system—has been drastically downplayed over time. This practical error, he goes on, was the first blow against human labor, against the working man, and caused an ethically just social reaction. . which

John Paul II aptly captures in this 17-year-old encyclical the very same social turbulence that continues in the new century. Recent events have even dramatically highlighted this short-sightedness: one, among many recent examples, is the present global financial crisis that many experts attribute to other secondary causes, downplaying the real human one: i.e., it is greed and the unrelenting quest for profit of the industrial revolution that relegated man, the subjective and most important factor in work, to a subordinate role in the economic process.

### **Our Brand of Corporate Social Responsibility**

Although Corporate Social Responsibility (CSR) continues to evolve and no universally accepted definition as been crafted so far, it is generally understood as the way organizations integrate social, environmental and economic concerns into their values, culture, decision-making, strategy and operations, and thereby establish better practices within the organization, create wealth, and improve society.

The **University of Asia and the Pacific** has been particularly interested in the ethical dimensions of Corporate Social Responsibility. Given the University's mission of providing a liberal education and pursuing social research within a framework of healthy Christian secularity, we find it inevitable to speak of how Corporate Social Responsibility converges with the Church's social teaching.

Our brand of CSR, in particular, emphasizes that the underlying principle behind any CSR strategy must always be deeply rooted in the dignity of the human person. Following this perspective, we eschew a minimalist view of CSR, which

limits itself to cosmetic initiatives and superficial commitments. Rather, our institutional position is that the practice of corporate social responsibility must go beyond the legal minimum to an authentic commitment, realized in concrete practices and corporate policy, to upholding the dignity of the person in all situations, in all dealings with the business firm's various stakeholders. From this perspective therefore, compliance with the law is subsumed and serves merely as the basic foundation for corporate commitments that should extend beyond basic regulatory or legal compliance in social, environmental and economic dimensions.

Given our exposure to Catholic social doctrine, we've also come to realize that CSR is best grounded on Catholic social teaching, given how the latter has in fact preceded the latter in defending the value of the human person in economic and business activity. We have also seen the close confluence of widely accepted CSR areas and Catholic social teachings, to the point that one can say CSR and CST have "developed" along parallel lines. While the social doctrine of the Church has actually been well ahead of CSR, which is a more recent phenomenon, it may be loosely asserted that many CSR insights serve as an affirmation or validation, via the distinctly separate route of business experience, of the very same points the Catholic Church has been speaking about through the ages.

A fruitful exercise to prove the parallel development between CSR and CST would be to examine the work of John Paul II, whose pontificate has been characterized as having spoken forcefully on the dignity of the person in the workplace, and the commonalities his (or the Church's) ideas have with typical CSR areas that require "beyond law" commitments and activities. A cursory examination of the late Holy Father's encyclicals and public documents indicates

the possibility of a productive dialogue between Catholic social principles and the following CSR issues:

- corporate governance and ethics
- health and safety
- environmental stewardship
- human rights (including core labor rights)
- human resource management
- community involvement, development and investment
- involvement of and respect for indigenous people
- corporate philanthropy and employee volunteerism
- customer satisfaction and adherence to principles of fair competition
- anti-bribery and corruption measures
- accountability, transparency and performance reporting
- supplier relations, for both local and international

A survey of John Paul II's declarations (see *Appendix 1*) demonstrates how the Catholic Church, and more specifically the Holy Father, has consistently spoken (though not necessarily deliberately) on various CSR principles. While it is not the objective of this paper to state that one is directly derived from the other or vice versa, it may be confidently deduced that CSR advocates and the Church have arrived generally at the same conclusions or are looking in the same way on the same issues, albeit without necessarily "borrowing" from each other. The parallels suggest the potential for a fruitful dialogue and interdependence between both business experience and Catholic social teaching. Moreover, it seems to buttress the argument that a brand of Corporate Social Responsibility strongly driven by the Church's social doctrine can be articulated and advocated, the elements of the latter being universally applicable to business

firms, regardless of wherever it is they operate. These parallels may be adduced to support the assertion that the Church's social teaching remains completely relevant to the current situation in which modern businesses operate, regardless of how these may have changed over time.

### **CSR and Other Organized Religions**

To further buttress the case for a fruitful dialogue between CSR and Catholic social teaching, we can also refer briefly to the parallels or confluences between CSR principles and organized religions, which has been the subject of several studies. One of these, Zinkin and Williams (2006), reiterates the findings of other similar studies examining the compatibility of Islamic ethical principles with commonly-upheld CSR principles codified in the UN Global Compact. Zinkin and Williams' paper concludes that for the most part there is no divergence between the tenets of (Islam) and the principles of socially responsible behavior outlined in the UN Global Compact. In fact, they assert "Islam often goes further and has the advantage of clearer codification of ethical standards as well as a set of explicit enforcement mechanisms." They add that "Islam exceeds the requirements of the Global Compact in a number of important ways" in that the former seems to be wider in scope, has a clearer codification of what is allowed (halal) and what is forbidden (haram), and spells out explicit enforcement mechanisms for responsible business behavior.

Zinkin and Williams, in passing, also refer to the significant amount of research that has been done on:

1. the impact of organized religions (particularly the three Abrahamic faiths: Christianity, Judaism, and Islam) on CSR, particularly conceptual studies that link the

Bible, the Qur'an and Rabbinic texts to expectations on business behavior,

2. complementary empirical research on the relationship between religion and ethical values, and
3. further research on the impact of religion on managerial attitudes and decision-making.

Aside from favorable research outcomes, we can also refer to what is perhaps the most notable example of the practical implications of this relationship between CSR and religious values: the 1993 Interfaith Declaration on Business Ethics, which strives to articulate and codify "the shared moral, ethical and spiritual values" of Islam, Christianity, and Judaism to "draw up a number of principles that might serve as guidelines for international business behaviour" (Interfaith Declaration, 1993. p2). Paired with the initiatives of the Interfaith Centre on Corporate Responsibility (also recognized as a leading global voice in the widening CSR dialogue), which has been actively seeking to persuade consumers and investors to hold corporations accountable for their actions, we can see clearly the potential for using religious ethics both as theoretical and practical underpinning for corporate social responsibility.

All these make a very strong case for pursuing further study between CSR and religious values. For us at the University of Asia and the Pacific, we have realized the value of initiating research on these convergences, with the aim of eventually pursuing projects with corporate, NGO, and government partners derived from the findings of such research. In particular, we have taken steps to look at Christianity and Islam--and the applicability of their ethical principles on business practices—given our mission as a University as well as the

unique role that these religions play in the Asia-Pacific region.

In particular, our pursuit of research into CSR and Islam is driven by (recent) regional and global developments that, needless to say, have made more urgent the need for a better understanding of the Islamic mindset, for better interventions that allow for deeper inter-religious dialogue and interaction. On top of that, our historical experience in the Philippines has shown long years of glaring social and cultural dichotomy that has yet to be resolved—and we would like to see business firms make more effective contributions towards that resolution.

In fact, if we may be so bold as to pose a more ambitious goal, perhaps we can even look at how CSR can serve as a key bridge for Islam, Christianity, and Judaism to initiate a continuous, constructive, and vigorous dialogue that promotes national and regional harmony. The InterFaith Declaration on Business Ethics and the Interfaith Center on Social Responsibility are evidence of this possibility.

### **The Future of CST- driven CSR**

In many places, the serious challenge for CSR is to move beyond being seen just as a philanthropic add-on and finally establish itself firmly at the core of business strategy. It seems, however, that growing public pressure—particularly arising from business operations in developing countries—on resolving human rights, environmental pollution, and labor concerns will eventually push CSR as the business firm's only viable recourse to survival.

While CSR has been, for the moment, a developed-economies phenomenon, there is evidence that developing countries have already begun to adopt CSR strategies not simply as a way of imitating First World

business, but more because from the realization that Corporate Social Responsibility is good for business. There are also concerns that CSR has not focused enough on addressing issues of poverty, but the emergence of new partnerships with aid agencies, the UN and NGOs will offer CSR the opportunity to refocus that approach.

The bigger hurdle lies in imbuing CSR with Catholic social teaching—which itself appears universally consonant with the ethical tenets of other ethical systems and may therefore be adopted by business firms everywhere—and thereby ensuring the mainstream adoption of a CSR perspective that is deeply rooted in the primacy of the human person. That way, we ensure that a CST-driven CSR jells effectively into core business strategy—along with the external market and public policy environment—in a way that makes a difference in solving deep social problems, but at the same time ensuring the right order of priorities based on the dignity of the individual. This is best achieved through good governance at all levels and employees' empowerment so that CSR best practices can shift markets to realign business towards sustainability.

A key step in this direction then is to identify convergences between Catholic social teaching and responsible business principles, in order to develop common talking points and further enrich the developing dialogue on Corporate Social Responsibility, so that a new, more person-centric understanding of CSR is reached and globally accepted. Our belief is that a more Catholic (read: "universal") CSR will truly make inroads into social problems, promote greater harmony within society, and help avert what is increasingly seen to be the threatened "clash of civilizations."

## Appendix 1

### **Excerpts of John Paul II's Social Teaching Grouped by CSR Issues**

#### **CORPORATE GOVERNANCE (ACCOUNTABILITY, TRANSPARENCY AND PERFORMANCE REPORTING) AND ETHICS**

Businesses should be characterized by their capacity to serve the common good of society through the production of useful goods and services. In seeking to produce goods and services according to plans aimed at efficiency and at satisfying the interests of the different parties involved, businesses create wealth for all of society, not just for the owners but also for the other subjects involved in their activity. Besides this typically economic function, businesses also perform a social function, creating opportunities for meeting, cooperating and the enhancement of the abilities of the people involved. In a business undertaking, therefore, the economic dimension is the condition for attaining not only economic goals, but also social and moral goals, which are all pursued together.

A business' objective must be met in economic terms and according to economic criteria, but the authentic values that bring about the concrete development of the person and society must not be neglected. In this personalistic and community vision, "a business cannot be considered only as a 'society of capital goods'; it is also a 'society of persons' in which people participate in different ways and with specific responsibilities, whether they supply the necessary capital for the company's activities or take part in such activities through their labour".  
(Centesimus Annus)

All those involved in a business venture must be mindful that the community in which they work represents a good for everyone and not a structure that permits the satisfaction of someone's merely personal interests. This awareness alone makes it possible to build an economy that is truly at the service of mankind and to create programmes of real cooperation among the different partners in labour.

The roles of business owners and management have a central importance from the viewpoint of society, because they are at the heart of that network of technical, commercial, financial and cultural bonds that characterizes the modern business reality. Due to the increasing complexity of business activities, decisions made by companies produce a number of very significant interrelated effects, both in the economic and social spheres. For this reason the exercise of responsibility by business owners and management requires — in addition to specific updating that is the object of continuous efforts — constant reflection on the moral motivations that should guide the personal choices of those to whom these tasks fall.  
(Sollicitudo Rei Socialis)

The Church's social doctrine insists on the need for business owners and management to strive to structure work in such a way so as to promote the family,

especially mothers, in the fulfillment of their duties; to accede, in light of an integral vision of man and development, to the demand for the quality “of the goods to be produced and consumed, the quality of the services to be enjoyed, the quality of the environment and of life in general”; to invest, when the necessary economic conditions and conditions of political stability are present, in those places and sectors of production that offer individuals and peoples “an opportunity to make good use of their own labour”. (Centessimus Annus)

## HEALTH AND SAFETY

In his address at a Congress on Environment and Health (24.3.97) Pope John Paul II stated: "The defence of life and the consequent promotion of health, especially among the poorest populations of developing countries, will be at the same time the benchmark and the fundamental criterion of the ecological horizon at a regional and world level".

Also see: Rights of Workers, Environmental Stewardship

## ENVIRONMENTAL STEWARDSHIP

The United States Catholic Conference sites John Paul II, "The ecological crisis reveals the urgent moral need for a new solidarity, especially between the developing nations and those that are highly industrialized" (Message for the celebration of the World Day of Peace, 1 January 1990, N. 10).

For many people, the environmental movement has reawakened appreciation of the truth that, through the created gifts of nature, men and women encounter their Creator. The Christian vision of a sacramental universe, a world that discloses the Creator's presence by visible and tangible signs, can contribute to making the earth a home for the human family once again. Pope John Paul II has called for Christians to respect and protect the environment, so that through nature people can "contemplate the mystery of the greatness and love of God."

Reverence for the Creator present and active in nature, moreover, may serve as ground for environmental responsibility. For the very plants and animals, mountains and oceans, which in their loveliness and sublimity lift our minds to God, by their fragility and perishing likewise cry out, "We have not made ourselves." God brings them into being and sustains them in existence. It is to the Creator of the universe, then, that we are accountable for what we do or fail to do to preserve and care for the earth and all its creatures. For "[t]he Lord's are the earth and its fullness; the world and those who dwell in it" (Ps 24:1). Dwelling in the presence of God, we bring to experience ourselves as part of creation, as stewards within it, not separate from it. As faithful stewards, fullness of life comes from living responsibly within God's creation.

Respect for nature and respect for human life are inextricably related. "Respect for life, and above all for the dignity of the human person," Pope John Paul II has written, extends also to the rest of creation (The Ecological Crisis: A Common Responsibility [+EC], no.7). Other species, ecosystems, and even distinctive landscapes give glory to God. The covenant given to Noah was a promise to all the earth.

The diversity of life manifests God's glory. Every creature shares a bit of the divine beauty. Because the divine goodness could not be represented by one creature alone, Aquinas tell us God "produced many and diverse creatures, so that what was wanting to one in representation of the divine goodness might be supplied by another...hence the whole universe together participates in the divine goodness more perfectly, and represents it better than any single creature whatever" (Summa Theological, Prima Pars, question 48 ad 2). The wonderful variety of the natural world is, therefore, part of the divine plan and, as such, invites our respect. Accordingly, it is appropriate that we treat other creatures and the natural world not just as means to human fulfillment, but also as God's creatures, possessing an independent value, worthy of our respect and care.

By preserving natural environments, by protecting endangered species, by laboring to make human environments compatible with local ecology, by employing appropriate technology, and by carefully evaluating technological innovations as we adopt them, we exhibit respect for creation and reverence for the Creator.

In many of his statements, Pope John Paul II has recognized the need for such and ethic. For example, in The Ecological Crisis: A Common Responsibility, his 1990 World Day of Peace Message, he wrote,

Today the ecological crisis has assumed such proportions as to be the responsibility of everyone. Its various aspects demonstrate the need for concerted efforts aimed at establishing the duties and obligations that belong to individuals, peoples, States and the international community. (15)

Governments have particular responsibility in this area. In Centesimus Annus, the pope insists that the state has the task of providing "for the defense and preservation of common good such as the natural and human environments, which cannot be safeguarded simply by market forces"(40).

Source: [www.webofcreation.org](http://www.webofcreation.org)

## HUMAN RESOURCE MANAGEMENT AND LABOR RIGHTS

As the Pope addresses a group of harbor workers from the United States on the 16<sup>th</sup> of October 1982, he starts by saying “Your visit to the Pope this morning is an opportunity for us to reflect together, howsoever briefly, on an important issue that touches your lives and the lives of millions of men and women everywhere, and it is this: the value of work and the dignity of the workers”.

Work is a human participation in the creativity of God the Creator; in one form or another it is the task of all men and women. All people are called to understand the meaning of work in their lives and to see how it is related to the common good of society. In proclaiming the meaning of work and its value, the Church must necessarily insist on the rights of workers: rights which are given them by God and pertain to the nature of man, and which society is called upon to protect and foster – never to violate, or much less, to attempt to deny.

The rights of workers are the rights of the human person, which no human power can transgress with impunity. It is a question of inalienable rights and legitimate freedoms. Nine years ago my predecessor Paul VI put it this way: “For as long as, within the individual national communities, those in power do not nobly respect the rights and legitimate freedoms of the citizens, tranquility and order (even though they can be maintained by force) remain nothing but a deceptive and insecure sham, no longer worthy of a society of civilized beings” (PAULI VI Allocutio ad Sacrii Collegii Cardinales, die 21 dec. 1973: Insegnamenti di Paolo VI, XI (1973) 1227).

With her proclamation of the rights of the workers, the Church likewise proclaims their duties: by honest work, workers are called to contribute to the well-being of society and to that of all mankind. Both the rights and duties of workers emphasize their opportunity for service to the world. It is through work that man’s humanity is actualized; it is through the proper conditions of work that life becomes more human for individuals and for society. For this reason, I pointed out in my Encyclical on this subject that human work is a key to the whole social question – “probably the essential key” ( *Laborem Exercens*, 3).

In *Laborem Exercens*, John Paul II dubs work as “a foundation for the formation of family life, which is a natural right and something that man is called to”. Aside from the basic right to work, he proceeds to discuss “the rights of workers, which like all other rights, are based on the nature of the human person and on his transcendent dignity. The Church’s social Magisterium has seen fit to list some of these rights, in the hope that they will be recognized in juridical systems: the right to a just wage; the right to rest; the right ‘to a working environment and to manufacturing processes which are not harmful to the worker’s physical health or to their moral integrity’; the right that one’s personality in the workplace should be safeguarded ‘without suffering any affront to one’s conscience and personal dignity’; the right to appropriate subsidies that are necessary for the subsistence of unemployed

workers and their families; the right to a pension and to insurance for old age, sickness, and in case of work-related accidents; the right to social security connected with maternity; the right to assemble and form associations. These rights are often infringed, as is confirmed by the sad fact of workers who are underpaid and without protection or adequate representation. It often happens that work conditions for men, women and children, especially in developing countries are so inhumane that they are an offence to their dignity and compromise their health”.

Business owners and management must not limit themselves to taking into account only the economic objectives of the company, the criteria for economic efficiency and the proper care of “capital” as the sum of the means of production. It is also their precise duty to respect concretely the human dignity of those who work within the company. These workers constitute “the firm's most valuable asset” and the decisive factor of production. In important decisions concerning strategy and finances, in decisions to buy or sell, to resize, close or to merge a site, financial and commercial criteria must not be the only considerations made. (Centesimus Annus)

## INVOLVEMENT OF AND RESPECT FOR INDIGENOUS PEOPLE

During the John Paul II's pilgrimage to Australia in November of 1986, he addressed the Aborigines and spoke of their rights.

“Your culture, which shows the lasting genius and dignity of your race, must not be allowed to disappear. Do not think that your gifts are worth so little that you should no longer bother to maintain them. Share them with each other and teach them to your children. Your songs, your stories, your paintings, your dances, your languages, must never be lost.

We know that during the last two hundred years certain people tried to understand you, to learn about you, to respect your ways and to honor you as persons. These men and women, as you soon realized, were different from others of their race. They loved and cared for the indigenous people. They began to share with you their stories of God, helped you cope with sickness, tried to protect you from ill-treatment. They were honest with you, and showed you by their lives how they tried to avoid the bad things in their own culture. These people were not always successful, and there were times when they did not fully understand you. But they showed you good will and friendship. They came from many different walks of life. Some were teachers and doctors and other professional people; some were simple folk. History will remember the good example of their charity and fraternal solidarity.

The Gospel of our Lord Jesus Christ speaks all languages. It esteems and embraces all cultures. It supports them in everything human and, when necessary, it purifies them. Always and everywhere the Gospel uplifts and enriches cultures with the revealed message of a loving and merciful God.”

## CORPORATE PHILANTHROPY AND EMPLOYEE VOLUNTEERISM

“Many experiences of volunteer work are examples of great value that call people to look upon civil society as a place it is possible to rebuild a public ethic based on solidarity, concrete cooperation and fraternal dialogue. All are called to look with confidence to the potentialities that thus present themselves and to lend their own personal efforts for the good of the community in general and, in particular, for the good of the weakest and the neediest. In this way, the principle of the ‘subjectivity of society’ is also affirmed. (Centesimus Annus)

## CUSTOMER SATISFACTION AND FAIR COMPETITION

In the Encyclical letter *Centesimus Annus*; John Paul II speaks of consumerism. He proceeds by saying, “The phenomenon of consumerism maintains a persistent orientation towards ‘having’ rather than ‘being’. This confuses the ‘criteria for correctly distinguishing new and higher forms of satisfying human needs from artificial new needs which hinder the formation of a mature personality’. To counteract this phenomenon it is necessary to create ‘lifestyles in which the quest for truth, beauty, goodness and communion with others for the sake of common growth are the factors which determine consumer choices, saving and investments. It is undeniable that ways of life are significantly influenced by different social contexts, for this reason the cultural challenge that consumerism poses today must be met with greater resolve, above all in consideration of future generations, who risk having to live in a natural environment that has been pillaged by an excessive and disordered consumerism. (360)

He also speaks of the responsibility of consumers and producers by saying “Purchasing power must be used in the context of the moral demands of justice and solidarity, and in that of precise social responsibilities. One must never forget ‘the duty of charity..., that is the duty to give from one’s abundance, and sometimes even out of one’s needs, in order to provide what is essential for the life of a poor person’. This responsibility gives to consumers the possibility, thanks to the wider circulation of information, of directing the behaviour of producers, through preferences – individual and collective – given to the products of certain companies rather than to those of others, taking into account not only the price and quality of what is being purchased but also the presence of correct working conditions in the company as well as the level of protection of the natural environment in which it operates.

## SUPPLIER RELATIONS

As cited in the Compendium of the Social Doctrine of the Church, John Paul II speaks of the importance of trade relations. He states, "The continuing deterioration in terms of the exchange of raw materials and the widening of the gap between rich and poor countries has prompted the social Magisterium to point out the importance of ethical criteria that should form the basis of international economic relations: the pursuit of the common good and the universal destination of goods; equity in trade relationships; and attention to the rights and needs of the poor in policies concerning trade and international cooperation. Otherwise, "the poor nations remain ever poor while the rich ones become still richer" (Paul VI).

The phenomenon of globalization is one of the most important causes of the current change in the organization of work. This phenomenon brings about new forms of production where plants are located away from where strategies are decided and far from the markets where the goods are consumed. There are two primary factors driving this phenomenon: the extraordinary speed of communication no longer limited by space or time, and the relative ease with which merchandise and people are transported from one part of the world to another. This entails a fundamental consequence for processes of production, as property is even further removed and often indifferent to the social effects of the decisions made. On the other hand, if it is true that globalization is neither good nor bad in itself, but depends on how it is used, it must be affirmed that a globalization of safeguards, minimum essential rights and equity is necessary. (*Laborem Exercens*).

A very important and significant example in this regard is found in the activity of so-called cooperative enterprises, small and medium-sized businesses, commercial undertakings featuring hand-made products and family-sized agricultural ventures. The Church's social doctrine has emphasized the contribution that such activities make to enhance the value of work, to the growth of a sense of personal and social responsibility, a democratic life and the human values that are important for the progress of the market and of society.