

Résumé

Dans ce livre, des responsables internationaux comme Michel Camdessus, Lord Brian Griffiths, des universitaires renommés, en particulier, le Professeur Stefano Zamagni et le Professeur Philippe de Woot croisent leurs analyses sur la crise actuelle ainsi que leurs propositions de remèdes avec les dirigeants d'entreprises de l'UNIAPAC. La contribution du Président de la Fondation, Pierre Lecocq, met l'accent sur la dimension prophétique du rôle que peut jouer le dirigeant d'entreprise.

Ce message d'espérance à partager sans modération a fait l'objet d'une première publication diffusée au sein des 28 pays qui composent le mouvement Uniapac.

La publication de ce livret est particulièrement opportune. Dans cette période de crise, les dirigeants d'entreprises de l'Uniapac sont les témoins quotidiens de la soif de sens et de la demande de changement qui émane de la communauté internationale ; c'est pourquoi ils publient ce volume qui comprend des propositions concrètes sur le rôle que les dirigeants d'entreprise peuvent jouer en vue de contribuer à remédier à la crise.

La contribution principale de ce volume repose sur les éléments d'explications de la crise ; le volume apporte de précieuses informations sur les facteurs culturels et éthiques

de celle-ci : il décrit comment notre société, non seulement animée par un esprit de convoitise, et une aspiration excessive à l'autonomie, s'est coupée des valeurs éthiques. Il s'agit bien d'une crise de sens. Les conséquences humaines de la crise sont majeures notamment au regard du respect de la dignité humaine à promouvoir.

Dès lors, il apparaît nécessaire de redéfinir les objectifs des entreprises et de transformer les modes de management des compagnies. Les dirigeants d'entreprise chrétiens peuvent véritablement constituer une force d'influence majeure, un puissant vecteur de changement capable de redonner du sens au monde des affaires, dès que la créativité est au service du Bien Commun. Il est nécessaire de transformer notre culture des affaires en vue de développer un modèle de développement durable, pour créer une entreprise responsable envers chacune de ses parties prenantes et de mettre en œuvre un mode de management inspiré de la logique du don et du principe de subsidiarité.

L'expérience de terrain accumulée par les associations locales de l'Uniapac constitue, en particulier en Amérique Latine un atout inestimable. De ce fait, il est important de la faire connaître dans chaque pays comme sur la scène internationale. A cet égard, la Fondation Uniapac devra contribuer à informer les dirigeants chrétiens de l'Uniapac sur ce qui se passe dans le monde au niveau national comme international.

Abstract

The volume fittingly entitled “Cures for the crisis: the role Business Leaders can play” is a paper on the working sessions held by the Think Tank of UNIAPAC Foundation on December 12th, 2011.

The publication of this volume could not be timelier. In this period of crisis, UNIAPAC knows too well that our global community is in need of answers, and has set about in his volume to propose concrete directions on the role business leaders can play to contribute to find a cure for the crisis.

The contribution made in the volume gives insights to explain the crisis; the volume helps us gain precious insight into the cultural and ethical causes of the crisis: it describes how our society, not only based on greed, has become autonomous of God. It really is a crisis of sense. Naturally, the focus of is on the Human consequences of the crisis, so as to promote the dignity of the human person.

Emphasis is given to the pressing need to redefine the purpose of companies, to change the way business is conducted and how our companies are run. Christian business leaders can truly be an influential force for change and give sense back to the business world when creative resources are used to serve the Common Good. It is necessary to transform our business culture with a view to cultivating a sustainable model of development, to creating a

company which is responsible to all its stakeholders and to implementing a management style based on giving and subsidiarity.

An invaluable field expertise can be gained from UNIAPAC local associations such as in Latin America. Therefore, it is important to ensure visibility and being heard on the regional and world stage. In this respect, UNIAPAC Foundation must contribute to giving its members the knowledge of what is going on in the world, be it locally or internationally. We, at Uniapac Foundation, have to face these issues as well as the challenges stemming from structural changes due to the Foundation's increased presence in Africa.

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Jean Luc Mouton: Editor Journal of “La Réforme”, Paris; gave his full participation last year.

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PREFACE

Letter by the Chairperson of UNIAPAC FOUNDATION, Pierre Lecocq

Dear Readers,

UNIAPAC is an ecumenical union founded in 1931, grouping today Christian Business leaders Associations in thirty countries in Europe, Latin America, Africa and Asia. This international Union represents 16000 very active business executives, working in various leading sectors of the world economy

UNIAPAC is inspired and guided by the Christian Churches Social Thought: all of its members strongly believe in a free market economy anchored on the paramount dignity of the person.

The UNIAPAC FOUNDATION was created in March 2010 and has already established a central bureau based in Paris, and organized its institutional development on the basis of a Think Tank ; this is at the center of the research capacity and the prioritization of the Programs the Foundation funds for the UNIAPAC national associations.

It is the Think Tank of the Foundation which organized and celebrated on December 12, 2011, a full day set of presentations and dialogue session. The over-arching theme could not have been a timelier one: the causes, the consequences and cures for the global Financial Crisis!

The Honors Committee members, the Board members, the staff of the Foundation and particularly its General Director, Eduardo Aninat, contributed to make it an important date for our organization.

I am glad that all participants concurred to the decision to publish the various papers and the proceedings of the Conference in the present volume:

"The Role that Business Leaders can play in the Crisis".

It is a matter of great satisfaction to me , in my capacity as Chairman of the Board and UNIAPAC President, to present to the large community of UNIAPAC members, and, to academics , intellectuals and policy makers as well , a full set of discussions on key ethical underpinnings that the still unfolding Crisis is having on humanity at large.

This letter, acting as a preface to the book, is also aimed at thanking with my whole heart and enthusiasm the very many contributions and commitments from Honors Committee members of the UNIAPAC Foundation.

I am happy with the results of our second Annual Conference, and look forward to the work program leading to the 2012 Third Annual Conference and to its preparation through a series of regional such conferences.

Sincerely,



Pierre Lecocq, Uniapac Foundation Chairman of the Board and Uniapac President

Paris, France, January 15th 2012

PART I. CROSS-ANALYSIS ON CAUSES AND CONSEQUENCES OF THE PRESENT FINANCIAL CRISIS

Moderated by Burkhard Leffers, President of UNIAPAC Europe, the first session of the meetings was initiated with an analysis of the causes and consequences of the crisis proposed by Lord Brian Griffiths, Head of Centre for Enterprise, Markets and Ethics, Oxford University and was followed by comments addressed by Dr. Michel Camdessus, former Director General of the International Monetary Fund.

Burkhard Leffers

Former Head of global relations Management of the Commerzbank

Partner of Institut für Wirtschaftsberatung Karl A.

Niggemann und Partner GmbH&Co KG, Meiner

Member of the Chambre franco-allemande de Commerce et d'Industrie de Paris

Lord Brian Griffiths

Member of the House of Lords, United Kingdom

Head of Centre for Enterprise, Markets and Ethics, Oxford University

Lord Griffiths' career is a combination of science, practice and politics.

Chairman of the Europe, Middle East and Africa Audit,

Business Practice and Compliance Committee

Vice-Chairman of the board of Goldman Sachs International

Dr. Michel Camdessus

Former Managing Director of the International Monetary Fund

Honorary Governor of the Banque de France.

Chair of the high level working group on the reform of French public finances' equilibrium rules

Special Commissioner to monitor French banks' bonus payment practices

Chairman of the French Financing Corporation (Société de Financement de l'Economie Française, SFEF - 2008-2009)

Member of the Africa Progress Panel, chaired by Mr. Kofi Annan

Member of the UN Secretary General's Advisory Board on Water and Sanitation

Introductory Remarks

By Dr Eduardo Aninat, Foundation Director General, former Finance Minister of Chile, former Deputy General Manager of International Monetary Fund.

The Aims and Purposes of the Think Tank Meetings

In this volume, the Chairman of the Foundation has decided to publish the proceedings of the presentations prepared for the Annual Meetings of the Honors Committee of the Foundation, and to include summarized abstracts from the very profound discussions the dialogue aroused amongst the participants. It has been my purpose here to put these papers into perspective vis-à-vis the overarching theme that led us to these deliberations at the Think Tank: the Causes, the Consequences of and the Cures for the Present Global Crisis.

A focus on the human consequences of the Crisis

I believe there was no better topic this year for inciting a deep examination of modern day phenomena that has become so highly relevant in the day-to-day lives of billions of human beings around the globe. The Crisis in all of its many dimensions (economic, financial, social, institutional and axiological) has a profound relationship with the domain of culture, values, ethics and civilization. The technocratic or 'numerical' manifestations of the Crisis are important features but do not have any further significance beyond that. At UNIAPAC, we are interested in exploring what the

economic system can do to promote the well-being and dignity of the Human Person. We are focused on the human consequences of the Crisis: not merely on its evolution or how it can be quantified. The world is already awash with theories and figures describing this aspect or that other dimension of a Crisis that since its explosion the summer of 2008 continues to unfold with a high degree of force and stubbornness on both sides of the Atlantic.

The prestigious journal “Le Monde” posted the following diagnosis in one of its issues a few weeks ago: “The fragility of the banking system, the financial bubbles, the crisis of Sovereign Debts – notably in Europe -, the divergences between emerging economies and industrialized economies, the monetary disequilibrium and in foreign trade, continue to hang above our heads like Damocles’ spade.”

Doing a “good job”

Mario Monti, the former European Commissioner, now Prime Minister of Italy, after being offered the post in an emergency, expressed, very recently in an interview with the Figaro daily newspaper, his thoughts on the perils and tremendous challenges surrounding his present governmental job: “I am not afraid of governmental collapse (politically). We are not here to survive ... we are here to do a good job.”

In our capacity as business leaders, this notion is placed every day at the very forefront of our minds in all our decision

making processes in economic matters, but “what do we believe it actually means to *do a good job?* *What are the essential aspects of our cultural and ethical references that we can use?*”

Getting back to our root values in order to find lasting solutions to the Crisis

As Christians, the business leaders of UNIAPAC believe there can be no divided answers: On the contrary, it is precisely the lack of ethics and the large discrepancies in governance and in the application of humanistic values that has brought about such dismal performance, which many now call “a blurred economic system”. We have to get back to our root values and look to lessons learned from other historical economic cycles and the Christian Social Teachings, which offer a secure foothold from where we can attempt to implement a decisive cure for the Crisis and return to a scheme of cooperation and goodwill, so as to advance with the truth and, in the reign of freedom, find a lasting solutions to the Crisis.

The central underlying thesis of this timely book is none other than a need to get back to the basic notions of human harmony and an understanding of the central place of the dignity of all Human Persons. So as to build from there, the foundations which will form a solid ground on which can then

be set the economic system for the future, with a view to the advancement of all human beings in our global society.

As a professional economist and academic, I would like to add that we must get back to the thinking of the prior Classical Political Economists, where the founders of the discipline did not attempt or dare to separate their understanding of how the markets work from the human consequences their decisions and the consequences of their decisions engendered . A problem inherent to the Crisis and more generally to the present system has been the attempt to separate, to divide these notions, thus causing us to be trapped in technocratic schemes which severely deviate from the pursuit of human happiness.

I believe we have been able to collect a very useful series of formal papers from each session, and an interesting synthesis of comments and thoughts from the debates that were had during a full and intensive day of work.

Let me once again emphasize the relevance of all of this exercise by citing here another powerful quotation by one business leader of UNIPAC, who found himself historically in a somewhat similar juncture as we do today. He was addressing the Annual sessions of UNIAPC International in May of 1939, held that year in Brussels and had the courage and clarity to say:

« Le manque de courage dans l'ordre économique a été une des causes du désordre du monde ...

**Au lieu d'être ferme dans l'ordre politique international,
nous avons été mous;**

**Alors qu'il fallait être ferme dans l'ordre politique
international, nous avons été mous;**

**Alors qu'il fallait être compréhensif dans l'ordre
économique, nous avons été inflexibles.**

L'économie du monde doit être révisée et réorganisée.

Nous ne pouvons vivre le status quo.

La vie est mouvement. »(Joseph Zamanski, président des
Conférences Internationales des Associations Patronales
Catholiques, Mai 1939 ; Conférences Internationales des
Associations Patronales Catholiques, Europe.)

Let me end my introduction by saying that our Board and our staff at the Foundation are looking forward, with great expectation, to the debate we may all arouse here today on such important and key subjects about and for the future of the free market economy and for the freedoms and respect of people in the global world.

Historical Perspective, *by Burkhard Leffers*

UNIAPAC was founded in 1931: it was in a context very similar to the one we are living today. We had the “great depression” with its devastating consequences, particularly for the labor market, all over the world. Moreover, in 1931,

Pope Pius XI published his encyclical “Quadragesimo anno” commemorating the encyclical of Pope Leo XIII “Rerum novarum” – a papal paper which dealt with the social questions of industrialization and expropriation for the first time ever. Based on this paper, the “Social doctrine of the Church” was developed, thereby giving humanity safe directives to resolve the problems of life in modern day societies.

A need for answers in this period of crisis

Times are not that different today: In this year of UNIAPAC’s 80th anniversary, the world, not only Europe is characterized by a serious fiscal and economic crisis, the over-indebtedness of most states, weakened banking and financial systems. The consequences for the labor market of an economic downturn are already visible on the horizon. And Pope Benedict XVI just published an encyclical on the social question concerning globalization “Caritas in veritate”. And clearly, as in 1931, the world needs answers, particularly from an ethical perspective, since it is becoming clearer and clearer, that we are not only facing economic and financial turmoil, but also individual morality is significantly questioned. Who, if not UNIAPAC and, consequently, Christian inspired business leaders, can provide some answers.

Suitably chosen speakers for a prudently chosen topic

The topic of today’s meeting of the Honors Committee “The causes and consequences of the present financial crisis” could

not have been chosen more prudently, more timely and more appropriately in view of the historic parallels mentioned previously. And the main speakers of today could not have been chosen more suitably and more professionally: Lord Griffiths – academic, politician, government advisor and engaged catholic will firstly brief us on the “Causes of the present financial crisis”. He will then be followed by Michel Camdessus – a man with a very similar academic, political and practical background - and who is a long-standing president of “les semaines sociales” the catholic lay organization in France. I am extremely pleased that these gentlemen have accepted our invitation and will address us here today.

We all look forward to their visions and I would like to invite each and every one of you to actively participate in the debate and to follow their contributions.

The Causes of the Present Financial Crisis, *by Lord Brian Griffiths of Fforestfach*

The financial crisis of 2008 resulted in the failure of important banks and a near meltdown of the global financial system. The recession which followed – the Great Contraction – has resulted in a fall in GDP ranging from 4.9% in France to nearly 10% in Japan. In the UK, it was 6% and GDP has still not returned to the level of 2008. Unemployment has risen and real income has fallen. Many countries have experienced tough fiscal policies with cuts in public expenditure and tax increases. When we thought recovery was coming, sovereign debt reared its ugly head, which had been made very much worse in Eurozone countries by the constraints imposed by a common currency, which ruled out foreign exchange rate changes to rebalance the economy. The adjustment process as a result has placed a huge burden on fiscal policy. The Eurozone crisis has injected great uncertainty into the global economy with very little prospect of a lasting settlement.

In the narrative which has developed in the media – press, television, theatre, film, novels - to explain the crisis, the villains are bankers and the victims, the rising number of unemployed, those evicted from their homes and young people without work. The public anger against bankers is palpable. The Occupy Wall Street protest which took place in 900 cities may not have a coherent analysis of the problem, let alone a remedy but it has certainly struck a chord with many of our fellow citizens. In the City of London the protest outside St Paul's Cathedral resulted in the Cathedral being closed for the first time since the bombing by enemy forces in World War II and led to the resignation of the Dean and the

Canon Chancellor. As a result of this protest, the Bishop of London has vowed to reconnect the financial to the ethical and has appointed a senior banker to take responsibility.

This meeting therefore, is very timely.

I would like to suggest that the causes of the crisis have *three* distinct strands.

ECONOMIC ISSUES

The role played by the banking system

One is obviously economic. For many economists, bankers, civil servants, central banks and politicians, the financial crisis has been viewed in purely technical economic terms. It was similar to a huge systems failure, a massive brown-out, a giant mechanical breakdown. The banks were undercapitalized. They priced risk incorrectly. They made bad lending decisions. They held far too little liquidity. They failed to value their assets at market prices. Their compensation structures rewarded short term risk taking not long-term value creation.

Those banks which were too big to fail had to be rescued at the tax payer's expense. There was a problem of moral hazard. They attracted a higher credit rating and lower funding costs because there was a perception that if they engaged in risky activities they would be rescued, which was an incentive to take ever greater risks. The result was a "heads, we win - tails you lose" culture, in which gains were privatized and losses socialized.

For the banking system as a whole, these are valid charges. Some banks were more prudent than others. But no bank can say that it did nothing wrong. If governments had not rescued banks, directly or indirectly, such was the panic at the height of the crisis that I believe the entire banking system would have collapsed. Banks would have had to close their doors to the public, and cash machines would have remained empty. Until normal service was resumed, we would have been thrown into a world of barter.

For this state of affairs, the banking system must accept its share of responsibility.

The wider picture: The role played by politicians, central bankers, rating agencies, regulators and the general public

However it is important that the failures within the banking system are seen as part of a wider picture. The years leading up to the crisis were a period of unprecedented prosperity. The world economy grew at an annual average rate of 3-4% and world trade grew even more rapidly. The result was that the number of people living in poverty, especially in Asia, declined by hundreds of millions. In the UK, we had 64 quarters of continuous economic growth, accompanied by low inflation and full employment. At the same time, average house prices rose from 4 ½ times to more than 9 times average earnings. The euphoria this created meant that irresponsible lending was matched by irresponsible borrowing. In the mid-1970's, the ratio of consumer debt (mortgages, hire purchase, credit cards) to household income was roughly 40-50%. By 2000, it had risen to more than 100% and by the time of the crisis had reached 170%. This was

higher than any other country in Europe and even higher than in the US.

The buildup to the crisis was not just a British phenomenon. It was global in scope and driven by three exceptional factors.

In 1978 Deng Xiaoping dispensed with socialist economics and set China on a totally different path, embracing the market economy and opening it up to the rest of the world. For the past 30 years, the Chinese economy has grown by around 9% each year. In 1989 the fall of the Berlin Wall led to the end of the Cold War, the breakup of the Soviet Empire and political and economic freedom for East European countries. In the early 90's, India began to liberalize its economy from the interminable licenses, quotas and planning approvals which were the legacy of British Fabianism, the so called 'licensed raj'. If only one of these changes had taken place, it would have been significant - For all three to occur over a similar period was similar to sighting a black swan. It resulted in more than 2 billion people from the former soviet empire, India and China entering the world economy as producers and consumers, which is something we in western countries are still coming to terms with.

It was the growing prosperity of this era which led Gordon Brown, the then UK Chancellor of the Exchequer to say with confidence that the economics of boom and bust had finally been abolished. In the US, both Democrat and Republican politicians, members of the cabinet and officials of public agencies, (especially those connected with Fannie May and Freddie Mac), urged banks to increase lending to poorer families, sub-prime borrowers, so that the American dream of

homeownership could become a reality for low income families and ethnic minorities. One reason why housing in the US was such an attractive investment was that house prices had not fallen for 70 years.

Global prosperity and global imbalances

As global prosperity grew so did global imbalances. Just before the crisis the savings rate in China was around 40% while in the US, it fell to below zero. This was not because the Chinese are by nature more thrifty than Americans but because China is a younger population without a developed welfare state and National Health Service, and hence the need for younger people to save. Another cause of imbalance was a rise in the oil price from \$25 per barrel in 2000 to nearly \$150 a barrel in 2008. These savings created huge balance of payments surpluses in China and oil producing countries and correspondingly huge balance of payments deficits in the US, the UK and Continental Europe. These in turn resulted in enormous inflows of money especially to the US. Because the world was awash with money, interest rates fell to their lowest level for decades prompting a search by investors for higher returns, which led to an enormous bubble in asset prices. This financial structure became extremely complex and because complexity is the enemy of transparency, even professional investors found it difficult to understand.

The reason I have gone into such detail on the buildup of debt and the global imbalances in the years leading up to the financial crisis is to show its complexity. The banking system

played an important part in the crisis and this is no attempt to exonerate it from what it did wrong. A fuller understanding of the crisis however would also assign major roles to other key participants: first, politicians (for encouraging bank lending to sub-prime customers in housing), then central bankers (who kept interest rates far too low for too long), third the rating agencies (which assigned triple A ratings to a large number of securities which turned out to be backed by mortgages in default), fourth the regulators (who failed to recognize the growth in leverage in the banking system) and finally, the general public (who were delighted to carry on borrowing). The economic causes of the crisis therefore are complex, global and involve all the key players in the financial system as well as the borrowing public.

THE ETHICAL DIMENSION

Failure to meet ethical standards: Hiding the truth

The attempt to present the crisis simply as a technical failure of a financial machine is a serious mistake. It also had an ethical dimension. The financial crisis began with a failure of sub-prime borrowers in the US to repay their loans. At the time they were being extended, these loans were widely known as “no doc loans” (no documentation), “liars’ loans” (false statements) and “ninja loans” (no income, no job, no assets). When they applied for loans, borrowers were either not asked or failed to disclose their current and potential income, employment, assets and debts.

This was not a technical failure in the market for sub-prime loans but an ethical problem. Borrowers did not disclose true

information regarding their income, employment and personal net wealth and mortgage providers were content to go along with it with the minimum of due diligence. In other words, reckless borrowing was matched by reckless lending. The added dimension was that politicians actively encouraged financial institutions to extend significantly their sub-prime lending.

This ethical failure was not confined to sub-prime lending. In the UK the first sign of the crisis was a run on Northern Rock in the summer of 2007, the first run on a British bank since Overend, Gurney and Company collapsed in 1866. Apart from the problems inherent in its business model, namely excessive reliance on short term funding, it transpired that from 2005 Northern Rock had been publishing incorrect figures for mortgage lending. Three senior executives who were subsequently fined admitted hiding the true figures for mortgages that were in arrears. The figures they published suggested that their arrears were only 50 percent of the industry's average, whereas the true figures were more than 500 per cent higher than they reported. As a result, the capital which they held relative to the loans they had made suggested a much stronger balance sheet than was in fact the case.

The report into the collapse of Lehman Brothers, apart from describing how the Board was obsessed with growth, drew attention to "balance sheet manipulation", known as 'Repo 105'. This allowed the bank to give the impression that the assets they held were approximately \$50 billion lower than they actually were, so giving investors the confidence to continue holding Lehman shares. This again was not a

deficiency in financial markets but a failure to meet ethical standards.

In Ireland both the Chairman and the Chief Executive Officer of a major bank were forced to resign following a failure to declare loans made to themselves by the bank. At the end of each quarter in order to avoid disclosure, the loans were moved to another bank and then moved back again after the reporting date. Subsequently along with the Irish banking regulator and other senior figures in the financial sector they were forced to resign.

Failure to meet ethical standards: irresponsible behavior

In the face of examples such as these and many more could be given, the banking system has to accept that the compass which executives used to guide them failed. They took too much risk onto their balance sheets. They sought acquisitions at prices and with a lack of due diligence, which was reckless. They demonstrated a lack of attention to detail and they pursued borrowers irresponsibly. The fact that banks were forced into public ownership and directors removed was an extraordinary censure of the banking system. There is sufficient evidence to suggest that in the run up to the financial crisis, there was a serious lapse in ethical standards throughout the whole of the financial system, even though at the time this was not readily apparent.

CULTURAL CONCERNS

The third dimension of the crisis is the culture out of which it grew. Since the financial crisis there have been a number of plays, films, novels, television dramas and documentaries dealing with its causes. Sir David Hare is one of Britain's leading playwrights, and his play *The Power of Yes* which was put on at the National Theatre in 2010 is subtitled "A dramatist seeks to understand the financial crisis". The central theme of the play is the way the financial crisis has led to the death of the idea that markets embody wisdom and decency. The underlying premise is that capitalism as we know it is an economic system driven by a culture of fear and greed. In one of the early scenes a financial journalist blurts out "It's greed, isn't it. It's pure greed?" to which Harry a city lawyer responds, "People literally driven insane by greed". Financial innovation, record profitability, mega bonuses, securitization are all presented as having created ever greater hubris. Later, the comment is made that despite the crisis bankers still "don't think they've done anything wrong. No one feels apologetic. These people genuinely believe they're the masters of the universe"

A society based on greed

When I first heard about Michael Moore's non-fiction film *Capitalism: a Love Story* I thought it would be nothing more than a diatribe against free enterprise. The most interesting aspect of the film is that Moore describes himself as a practicing Catholic espousing the liberal political tradition of the Catholic Church in America. The basis of his critique of

capitalism is not socialism but Christianity. In the film he has a priest, the Revd. Dick Preston, say that “capitalism is evil, immoral and contrary to the teachings of Jesus”. The Revd. Peter Dougherty, a friend of the Moore family who lives in Michigan, the state in which Moore was raised, comments that “there have always been people who questioned basing a society on greed. That is what capitalism is. It is based on the greed motive, a radical evil”.

Greed at the root of all evil

A similar theme has been voiced by church leaders including the Anglican Archbishop of Canterbury and York. Pope Benedict XVI declared that greed lies at the root of all evil and it is this which is the source of the current global economic crisis. Even people familiar with finance have been critical of the cultural values exposed by the crisis. Paul Dembinski, a professor at the University of Fribourg and Director of the Observatoire de la Finance in Geneva has argued that greed has become a passion, so strong that it threatens to undermine the very structures whose cornerstone it had once been, namely markets. Over the past 30 years the process of ‘financialisation’ has led to the triumph of transaction-based banking over relationship banking. Alan Greenspan the former Chairman of the Governors of the Federal Reserve System in the US in a testimony stated before the Senate Banking Committee that “infectious greed has become a threat to world finance”. The basis for these observations was not that individuals have become necessarily greedier in this generation than in the past, but that the avenues through which greed can be expressed have grown so enormously.

Lovers of money

The one word which is repeatedly used by playwrights, novelists, filmmakers and bishops in describing the crisis is greed, the excessive desire for money or material things. Within the Christian tradition the charge of greed is extremely serious. It is one of the seven deadly sins, and Jesus lists it as an evil alongside theft, murder, adultery, malice and slander (Mk 7:21). The Pharisees were rebuked for being “lovers of money” (Lk 16:14) and “full of greed” (Lk 11:39). Jesus taught that it was impossible to serve God and Mammon, an Aramaic word for money, which gave money the qualities of being a person and a god.

St. Paul writing a letter to Timothy says that “people who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction. For the love of money is a root of all kinds of evil” (1Tim 6:9, 10). In the letter to the early Christian church at Colossae he writes that “greed is idolatry” (Col. 3:5) and to Ephesus that “the greedy person is an idolator” (Eph.5:5). No charge in either Judaism or Christianity therefore could be more serious than idolatry, which is the violation of the first and second of the Ten Commandments.

The charge of greed raises a series of questions. Was the financial crisis caused by greed? Was the compensation of bankers a symptom of greed? Was the increase in mortgages, credit card debt and personal loans an expression of greed? Even if the crisis was not caused by greed, were the years

immediately preceding the crisis the result of an excessive desire to accumulate wealth?

More complex than mere greed: A world autonomous of God

I have been and continue to be reluctant to use the word greed in connection with the financial crisis for a number of reasons. First greed is an overused word. Greed is an inordinate or insatiable longing for wealth. Frequently however it is used to mean possessions, compensation, or consumption as if the very act of ownership, income or standard of living were themselves identical with greed. It is almost as if by definition a wealthy person is greedy. Next, it fails to distinguish between genuine greed and the legitimate aspiration of individuals and families to improve their material well-being and care for those dependent on them. Third, there is no one-size-fits-all City professional. Some are driven by making money. Others have given their bonuses away. A number have set up trusts. Many take giving seriously.

The issue is, I believe, much more complex and deeper than greed. We live in the West in an affluent society, whether judged by history or relative to developing countries. Our economies are embedded in societies in which the culture has been deeply influenced by libertarianism, materialism and secularism. However the market economy depends for its effective working on a certain kind of society and a certain set of values or virtues. A market economy thrives if there exists widespread distribution of wealth, a spirit of

enterprise, and a respect for the private ownership of property. A market economy needs a foundation of values and virtues such as prudence, honesty, fairness, moderation, self-discipline, respect for human dignity and public spiritedness. These values are not formed by the market but originate from outside it. The source of these values and virtues which underpin the market economy are strong families, religious institutions, vibrant communities and respect for tradition.

The crisis of modern capitalism far from being a technical economic issue is a crisis of the libertarian, materialist and secular philosophies which have come to dominate Western society and which are inconsistent with the values on which the market depends. There will always be individuals who are greedy and the years leading up to the crisis provided notorious examples. The problem however is much deeper than the greed of some. The financial crisis has exposed the shortcomings of a world view which sees mankind as autonomous of god seeking fulfillment in the material and the physical, devoid of the spiritual. I believe that the question which needs to be asked of our society is the one posed by Durkheim, namely “*what is holy in our society and to whom?*” That to me is *the ultimate question* asked of us by the financial crisis, the answer to which will help us see the crisis in a broader and richer perspective.

Thank you for your patience.

Written Notes taken from some comments on the Crisis *addressed by Dr. Michel Camdessus*

I have full admiration for you, Lord Griffiths. The comments you have just given, bring light into the darkness. We have similar ideas in so many ways.

We are facing a big challenge because of *idolatry, secularism, relativism*. The current crisis is indeed not only due to the bankers' greed, this is too reduced a view; this is like saying that the First World War was due to the murder of the Archduke François-Ferdinand in Sarajevo.

Of course, the bankers are partly responsible, but there are many other causes. The causes go far beyond regulators, the Central Bank, or the remuneration of bankers. There is an ethical view of the crisis. I fully agree with what has been said by Lord Griffiths.

A cultural explanation

There is also a cultural explanation, which is a point ignored by many people. Neo-liberalism suggests that any kind of regulations should be left aside. Many people live, as if they had no laws, no faith. But for the proper development of a free market economy, it is always necessary to keep in mind the interest of the Community (the Common Good).

In 1996, we experienced a moment of irrational *exuberance* (merchandization), unsubjected to any limits that might have stopped it. Being an actor of that epoch, I asked myself: "Why were we taking part in such a collapse where there was no

organized opposition by citizens?” How could all this have happened?

A collective blindness

The explanation I found is that deviant behavior, such as the seduction of money engendered in people, creates a form of *collective blindness*, which disarms all forms of law. According to Kafka, the *culture factor* has a tremendous capacity to take control over a society.

In the emerging countries, the devise is “make money and consume”. If you don’t have any money, then you need to borrow it!” The Human Person is merely reduced to an economic function: one of consumption.

Culture has a powerful influence in society. President Barak Obama in his last speech invited people to instigate a war on greed.

Cupidity brought us the Golden parachute. Idolatry led us to disaster and to the downward spiral of a system with its derivatives and sub-primes, two forms of speculation by bankers. We collectively succumbed to the charms of these novel instruments.

What can we do? The economic model needs to be rebuilt. Get back to what a true economy is all about, i.e. to improve the life of everybody.

Built on what an economic system must be: We must make the world more human. We are “in the dark”.

And UNIAPAC must help its members to build themselves back up from the ruins. We need to tell people that this is more than simply an economic crisis.

If I had a dream, it would be to return to humanistic business. Human dignity is all too often ignored.

Human radicalism

The Gospel invites us to succumb to a kind of radicalism, but a human radicalism, inviting us to change for a new collective approach.

How can we reconcile this radicalism of the Gospel with the gradualism inherent to change? We must help people to understand where we are and what has happened. We must help people to understand that something different is possible.

Business ethics has to gain more relevance. This is key to human development. We have to exorcise the contradiction between finance and ethics.

As for CSR, it is true we insist a lot on it. How can we apply it concretely in our own businesses? It should be more of a daily continuous concern in our enterprises. We are not always good at identifying lies and idolatry in our business. We should be more effective at showing our values, our virtues. These are important. We have to prepare a solid foundation on which a good form of capitalism can be built.

PART II. CURES FOR THE CRISIS: THE ROLE BUSINESS LEADERS CAN PLAY

The following discussions focus on the cures for the crisis and the role business leaders can play to contribute to this aim.

The Presenter was Pierre Lecocq, President of UNIAPAC and Chairman of the Board of Directors of UNIAPAC Foundation; his contribution was then followed by discourses by Etienne Wibaux (France) and Pr. Stefano Zamagni, (Italy), who respectively urged UNIAPAC business leaders to define a central message to be disseminated throughout the community, and also to put forward some concrete areas of action.

Pierre Lecocq:

1994. General Manager and President of Inergy Automotive Systems

2002. President of Entrepreneurs et dirigeants chrétiens (EDC, French UNIAPAC association)

2009. President of UNIAPAC

2010. Founding Chairman of the Board of UNIAPAC Foundation

Etienne Wibaux:

President of SUBRENAT Nord, Textile Industry firm (France).

Former President of IFTH (Institut Français du textile et Habillement).

Former President of UNIAPAC.

Chevallier de la Légion d'Honneur.

Founder of Foundation Cassiopeia, which aims at developing people's freedom through medium term investments in micro-credit and education projects
Founding Member of the UNIPAC Foundation.

Stefano Zamagni:

Vice-director of the Bologna Center

Senior adjunct professor of International Economics

Professor of Economics, University of Bologna

Former dean of the faculty of economics, University of

Bologna; member of the scientific board of the Ph.D.

program in economics, Catholic University of Argentina;

international advisor to DISCERN (Institute for Research

of the Sign of the Times); former member of the

Scientific Committee of Ente L. Einaudi of the Bank of

Italy; co-editor of *Economia Politica*, a quarterly review

published by Il Mulino; member of the editorial boards

of *Sociologia* (Rome), *Migration Studies* (Rome) and

Diritti umani e diritto internazionale (Napoli); Associate

Editor, *International Review of Economics*, fellow of the

New York Academy of Sciences; Laureate in economics,

Catholic University of Milan (Italy), former member of

the Steering Committee of Pontifical Academy of Social

Sciences.

Business Leaders: A prophetic calling? *By Pierre Lecocq*

Behind the key driving forces of the present crisis, i.e. the global financial sector and its breakdown, individualism and short-termism, the power of “masochistic” and irresponsible media, the decoupling of ethics and politics, we see that the main root cause can be attributed to the loss of sense felt in our present global society.

In such a context, the titles of our afternoon session, “Cures for the Crisis: The Role business leaders can play” could appear as lacking in humility. At the helm of economic entities, which in all due respects seem far from this global crisis, are individual business leaders, but how can they have even the smallest influence on this world crisis?

A PROPHETIC CALLING

At the last UNIAPAC Congress in Mexico City on September 2009, Professor Zamagni, talking about the crisis, made the difference between what he called a “dialectic” crisis and an “entropic” crisis. A “dialectic” crisis is caused by a conflict and contains within itself the solution. An “entropic” crisis does not possess a solution in itself. It can also be described as a crisis of sense. How can we get out of such a crisis? Professor Zamagni advocates that it requires the emergence of a “prophetic minority” which anticipates the necessary changes.

What exactly is a prophet?

A prophet is somebody who, through divine inspiration, sees in the signs of the time, the wrong way a society is going to its own misfortune. The prophet is not there to give precise answers or solutions but to give warnings and to suggest directions which often go against the opinion of the majority of his fellow citizens. When he reaches the hearts of his fellow citizens, the prophet can induce awakening and make a whole society change its path.

Can business leaders be a prophetic minority?

Business leaders do have certain characteristics which can help them to see the signs of the times of the present economic world.

They, first and foremost, are fully part of this economic world. Its reality is their daily reality. They have to deliver! They are also the ones who profoundly shape the culture and behavior of the individuals within their companies. They have the dual task of maintaining unity and creating a sense of belonging within their company, as well as representing the group of people which the company represents, to the external world. They are the “linking pin”, in the sense of the linking pin model developed by Rensis Likert, between the society as a whole and the corporation.

They thrive on the freedom which is the basis of the free market economy in which they operate. They know that the

free market economy is the most efficient way to create wealth and to utilize their “promethean” ability to generate innovation and creativity. But they have also ascertained from their daily practices that this free market requires rules and regulations to operate at its optimal efficiency.

If these characteristics are indeed giving business leaders the capacity to understand the economic world as well as the credibility to talk about it, do they also give them the ability to see the signs of the times, to read, in their daily activities, the trends which may lead this world to fail? Can these characteristics make them prophetic?

Christian business leaders as a prophetic minority

Prophetism requires a divine inspiration in the sense it necessitates a reference which transcends one’s own opinion or sensibility, thereby allowing one to see the signs of the times and to go against the opinion of the vast majority. Christian business leaders can draw this ability to see the signs of the world from their own experience of the business world and from their faith.

They know from their faith that Freedom without Truth leads to hell, as John Paul II so well explained in *Splendor Veritatis*. They also know that this transcendent truth is made up of two basic notions: the utmost respect of the dignity of the Human Person and the Common Good.

In this way, they realize that very freedom, which, as the basis of the free market economy, is today being greatly perverted through a loss of transcendent references. This is at the core of the present “entropic” crisis, as this freedom is working less and less for the service of the dignity of the Human Person. The Human Person is becoming more and more a slave to individualism, relativism and egoism...

As Christian business leaders, they believe that the person is an end and not a means, be it in the society or in the company. But they also believe and demonstrate that this belief is not an excuse for lesser economic performance and creativity, on the contrary!

How can business leaders become a prophetic minority?

Two conditions are required: First it is necessary to live up to the prophetic calling in one’s own personal life and professional responsibilities, on a personal level, then to seek out ways one can address the world.

Living up to the prophetic calling in one’s own personal life

To live up to the prophetic calling is not an easy task. The Catholic Church in its social teaching underlines, first of all, that the main obstacle for a Christian executive is what is known as the “divided life syndrome”, what Vatican II described as “the split between the faith which many profess and their daily life ... one of the most serious errors of our age”. And it is so true that the pressure of the competitive

market economy is perhaps exposing business leaders, more than others, to this risk. It is also true that globalization, the NTIC explosion and relativism have multiplied their exposure to this risk.

The Church through Benedict XVI's encyclical offers us a wonderful way to fight the divided life risk by reminding us that Charity is "love received and given"- Charity is "the principal driving force behind the authentic development of every person and of all humanity". He tells us that by putting ourselves in a position to receive, to have our hearts open to receive from Him, which also means the capacity to meet Christ in our daily life, we need an active and strong personal spiritual life including acts of sharing among Christian peers assembled in the name of Christ. And we all know that when assembled in His name, He is indeed among us!

But Benedict XVI also tells us that there is no true giving without first receiving. Without this receiving, we are just "activists" where even our good will can lead us to the "temptation to regard ourselves as determining and creating our own principles, not as receiving them". The "giving" part, our action in the world, comes second! Giving is indeed essential as "faith is not merely a private reality, it has social implications", and it nourishes our very spiritual life as "giving and receiving" express the complementarities of the active and contemplative life, but it does indeed come second.

Specific directions on giving

In the “giving” part, the Church tells us “to orient the institution of business towards a set of behaviors that fosters the integral development of people”. The encyclica specifically refers to two specific practical directions:

- The vision of a society responsible to all its stakeholders through the concept of Corporate Social Responsibility while stressing the risks of a CSR where the Human Person may not be the end goal.
- The way business executives manage the interpersonal relationships within the company.

For this last point, the social teaching of the Church offers us the principle of subsidiarity as a way to allow the integral development of individual persons. Indeed a management style based on this principle will give employees two key factors which will lead them to stand up and to engage themselves: A sense of being recognized as a person as well as knowledge of the “rules of the game” of the field where they will exert their responsibility.

With the help of God’s love obtained through having a **spiritual life** shared with peers, Christian business leaders can respond to the Gospel calling in their professional responsibilities by developing a **vision of a company which is responsible to all its stakeholders**, by implementing a CSR policy centered on human dignity and by exercising a **subsidiarity based management style** which unites and

develops people. In doing so, Christian business leaders can live up to the prophetic calling in their personal life.

Prophetic calling to the world: Addressing the world

The Church also underlines the influence which business leaders have on more general society issues and engages them “to use, personally and collectively, their influence to promote human dignity and the common good and not merely the narrow interest of any particular stakeholder”. This is the second necessary step to become a prophetic minority: To address the world.

What is this influential link between the individual beliefs and behavior of Christian business leaders and the economic world as a whole? How can they influence this world? Here again, Jesus Christ’s life on earth and the Church can provide useful guidance.

When Christ was teaching, He never addressed the problems of the society of the time although one could consider it as particularly contrary to the dignity of the person. He always addressed himself at the individual person. “What do you want from me?” He perfectly knew that if individuals do not change their hearts, the world will not change! *A personal conversion remains the unavoidable step.* This is what is being addressed in the first part of this paper which deals with the personal spiritual path of business leaders and the necessity to be prophetic within their personal, professional responsibilities.

Sharing the prophetic work

When Christ sent His disciples to the world, he sent them in small groups, for He knew that a spiritual life in the world cannot be lived alone but must be shared in His name. When gathered in His name, he will be present. This is the basis of the Church institution. *Christian business leaders will not be prophetic if they remain alone.*

A need for Law

Christ always insisted on the fact that Man was not made for the Law, but that the Law was made for Man. He did not destroy the Law, He accomplished the Law. The freedom given to man which is the fundamental source of his dignity has to be guided by Truth which is formalized by the Law. This is true for individual persons but is also fully applicable to a society of persons. *The economic world, based on freedom, requires rules and regulations, so as to offer people a context which allows them to fully develop as persons.*

A need for the Church

Finally He built the Church on Peter to create an institution which, guided by the Holy Spirit, would help believers when He would not be there anymore. This institution has the role of teaching the believers and the world, of being a voice in the world and supporting the believers in turn to be voices in the world. *In order to influence the world, a minority needs a*

representing institution as a linking pin between their own lives and the world.

In doing so, Christ permitted the first Christian communities and the Church to be the prophetic minority which eventually changed the whole world!!

General directions

Based on this, we could say that in order to be the prophetic minority required by the present entropic crisis, Christian business leaders need:

- on an individual basis:
 - to live a deep spiritual life shared with their peers
 - To give the love received within their companies by sharing a corporation vision based on human centered CSR policy and a subsidiarity based management style
- On a collective basis an institution which:
 - Nourishes them by sharing their experiences
 - Is nourished from their experiences
 - Is a message to the world by representing them to international institutions, by participating in world debates on the economy, by liaising with universities to build a practical teaching corpus and offering students testimonies from truly engaged business leaders

UNIAPAC Business Leaders' Prophetic Message: Content, Audience and Tools, *by Etienne Wibaux*

Following the proposal of Pierre Lecocq, I would like to ask *two main questions*:

What is the 'pure' message to be sent out by UNIAPAC business leaders? Who could be reached within, say, a one year time period?

We mentioned today that the crisis is entropic, as it does not contain the solution in itself and needs an external element, to be overcome. This also means that we at UNIAPAC are swimming against the current of the stream.

A crisis of sense

It is a *crisis of sense*, because short-termism and greed are prevalent. We all know that globalization is economically and technologically irreversible. We have to work to reduce inequalities, make our society more balanced and humanized, and richer in terms of diversity.

The person should be the master whereas money should be the servant, and not the other way around.

Why? Because money – the servant- does not open our mind to beauty, love, eternal life and spirituality. So we have to revitalize our economic dialogue.

I now have some questions:

Who else can share our vision and utopia?

If others share our vision, our diagnosis and values, what will be the core of our message? Who else can share in this vision of utopia? Is it so captivating that people will commit, become long term partners and give their money and their time for free? What is the message which will allow us to find partners, networks, intellectuals prepared to belong to a core body? A common language and solid convictions are the conditions required for our message to stand the test of time.

What words and language must be used so that the message is received and disseminated?

Personal testimonies

I will now present to you two very personal testimonies as a way of illustrating the specific challenges that need to be addressed when business leaders share proven practices or deliver concrete messages of Hope.

The first example shows how preparation of the targeted audience is an important pre-requisite:

“My General Directors came to me and said that, this year, no bonus would be given. As Chairman of the Board, my reaction was to underline the hard work of employees and emphasize the fact that results were not so bad. The General Managers replied that if employees complained, they would give them the 10€ bonus in compliance with the law. As the employees continued to work hard, I decided as Chairman to pay the

highest bonus to my employees. On hearing the news, my general managers requested my wife and I go justify the reasons for our decision as well as present our activities developed by our family Foundation to serve the poor. I want to highlight how surprised I was by the consequences of my decision.

In the meantime, a very close friend of mine came to me and almost reproached me for no longer being in a utopia but having a head in the sky.

This personal testimony serves as a warning for everybody that testifying requires *caution* and sound *preparation*, without which, we risk not being understood or even listened to.

My second question today is: **whom can we reach in a one-year time period?**

This year, we have organized (or participated in) ten international events, we have contacted 15 key institutions and we are preparing to mobilize new partners. To do this, we have at our disposal a document entitled “Profit of values” as well as a Protocol which explains our beliefs, experiences, proven practices, and our concept of Corporate Social Responsibility. A new research paper on transparency and corporate culture is currently being prepared by Louvain University under the chairmanship of professor de Woot; two case studies on transparency and corporate codes (a case study on Chile and one on Belgium) have just been finalized

by Dr. Rodrigo Whitelaw from the same university. We also have the book by our Argentinian fellow business leader Dr. Enrique Shaw, while awaiting his process of beatification, and we will all attend the XIV UNIAPAC World Congress to be held in Lyon in 2012.

What does the core of our work consist in: Are there themes to be developed as priority?

In the modern world, short-termism and consumerism lead to selfishness. We need to enter into a new era of cooperation, opening out to others as never before, in a spirit of necessity to appropriate immaterial goods.

A structure like UNIAPAC can constitute an element of continuity; it can enable the enrichment of cultures, ethical values and practices in the economic sphere as well as being open to diverse networks. Beyond our message of Christian managers, do we have something very specific, new and credible in order to set up a network and to progressively mobilize the movement and to even become the true sign and be the “invisible yeast”?

The second testimonial example illustrates how young generations are ready for a new world and for conversion.

Mariane, my daughter, came to me and asked me to stop giving her and her brothers and sisters money, as the amounts given were more than they could earn by themselves from their own work. Later, she came to me

regarding the name of my newly created Foundation: up to then, I had thought of leaving it in my own family name but my daughter told me to stop placing so much importance on myself, reminding me that the yeast in the bakery can't be seen by itself but only through its results - the bread. Following Mariane's suggestion, we decided to call our foundation "*Cassiopeia*": the name of a distant constellation whose light even helps us to identify additional constellations. Hence the focus won't be on me, but on the beneficiaries.

What testimonies could we use to impress and to help people grow?

What message can be sounded louder than the surrounding noise... except, of course, for ethical, human, spiritual resonance?

Young people are waiting for this message; they are ready to spread it.

The major initial question on how business leaders can be prophetic has now given rise to two additional ones:

What is the content of our core message?

Who can we reach or assemble in a network of people of goodwill?

I would like to thank you for this opportunity to share my thoughts with you.

Corporate Family Responsibility, New Welfare and Humanistic Management: Lines of action for Business Leaders, by *Pr. Stefano Zamagni*

In his presentation, Pierre Lecocq raised a very interesting question: “Can Business leaders be a prophetic minority?”

We require here a clarification of the concept of prophetic minority:

According to the biblical definition, a prophetic minority is a group which is often attacked and killed.

In general, the economic definition of the prophetic minority stems from the economists’ “Game Theory” which has the following specific meaning;

it is a sub-group of a certain entity, which performs the role of starting a new process under two conditions:

- To resist the temptation of giving up because of difficulties (prophets may often be attacked);
- The prophetic minority must bear the fruits gained from certain positions and strategies (the paybacks).

Providing proof of our work

To reply to a prophetic calling, it is not enough to use words and speak: Business leaders have to provide facts and evidence by producing results.

There is the famous game of the “weak ring game” used in business studies, where it is shown that inside corporations, if a subgroup provides evidence that by following its strategies, everybody will increase their own well-being, then, these strategies, after a while, will be adopted by the majority.

This second condition, (to provide concrete proof) is important, if unusual in the biblical definition where the prophet is merely a voice and a messenger.

We have to show that we can *produce results*.

Recent social evolutions provide UNIAPAC with **three concrete possible lines of action** and study for UNIAPAC Business Leaders to commit themselves to:

- (1) Corporate family Responsibility: A set of ideas and movement born in USA some 20 years ago:
How can we find the right balance between work time and family time?
- (2) The role of women
- (3) The Internal organization of the firm

Corporate Family Responsibility

First, *corporate family responsibility* is an integral part of Corporate Social Responsibility, implying its own distinct requirements.

There are several problems that affect families. How responsible is a corporation with respect to family conditions? Business leaders need to address the challenge of finding the right balance between family time and work time. This issue is of global concern for post-modern societies where women have to work as well as take care of the children.

The Pontifical Council for the Family is currently preparing itself for the 7th annual World Meeting of Families which will be held in Milan, Italy, from May 30 to June 3, 2012. The theme of “*Family and Work*” is the focal point chosen by the Pope for the four days of discussion.

The role of women and flexi-time programs

Connected to this topic is the new concept of Womenomics developed by Avivah Wittenberg-Cox, CEO of a USA based corporation in her book entitled “Women inside the firm”.

She highlights what the challenges for a woman are to *balance* family life and work life. This topic is important and discussed by everybody, including Church and the Business world. Studies, recently published in the magazine *Fortune*, highlight better performance of firms run by women compared to firms run by men.

“Family” in particular means the rearing of children and the relationship with the husband, as marriage has a sacramental

meaning. One practical proposal for UNIAPAC could be to introduce flexibility into work schedules.

Practical proposals for Business Leaders might be to contribute to reinforcing time flexibility within the firm. Among others, we can mention the well-known examples of Hewlett-Packard or Volvo, which both organize flexi-time systems to allow fathers/mothers to adjust to their children's educational requirements. They have also set up an in-company crèche or kindergarten.

New welfare and health service models

The second area of focus for Business Leaders could be the issue of a New Welfare model.

In our societies, in particular, in Europe, the Welfare State is both obsolete and unsustainable, for several reasons, now including well-known fiscal constraints.

The New Welfare model would mean giving a major role to corporations with regards to the subsidiarity principle: this means that no one in the firm would go without since somebody else would take care of them.

The New Health Service would contribute to bridging the gap where National medical services only cover fundamental expenses. Business leaders' know-how on how to run medical services like dentistry, physiotherapists will mean playing a major role in the new scheme.

Business leaders are convinced of the importance of the New Welfare model, as a means to increase productivity.

And there is evidence that those firms implementing New Welfare measures have indeed improved their results because they foster *a sense of loyalty* to the firm among employees.

The Internal organization of the firm

Finally, there is a third important area to which Business Leaders' need to show commitment: the internal organization within the firm.

Alfred Marshall, the 19th century Economist from Cambridge University, gave a great definition of a firm: "*a locus where the human character is formed*".

As we spend- on average- two thirds of our time in the firm, our character is formed under the influence of the internal organization of the firm.

In our current post-Taylorist age - based not on the highest possible division of work, but rather on the opposite principle, i.e. the highest possible compacting of work and reduction of not strictly necessary entities - the main issue is **how to make people responsible** within the firm. There might be some convergence between the Social Doctrine of the Church and the emergence of the need to organize new modes of production. This might explain why new academic

programs include psychology, philosophy and even theology as part of the educational curriculum, developing the “*humanistic management*” approach, such as the Humanistic Management Master’s degree unveiled recently at Harvard. It is a sign of the novelty of the times.

A firm is no longer only machinery, where you adjust inputs to get outputs, but is also a way to establish inter-personal relations. This third area is of potential interest as a means to interpret in a practical way the new necessities of the world we live in. This is the idea where business leaders can put into practice the principle *of reciprocity*.

Entrepreneurs, Leaders and Statesmen: Christian Business Leaders for Tomorrow, research proposal *by Pr. Philippe de Woot*

Dr. Philip de Woot has summarized for the Honors Committee proposals for new research approaches concerning business leaders and the metamorphosis of companies. (We include his concepts)

The competitive market economy, our present development model, has shown a continuous ability to be creative, while at the same time there has been a progressive blurring of its link with the global Common Good, and a significant loss of our capacity to regulate it. Economics has been decoupled from ethics and politics. Without an in-depth transformation, this hitherto successful model runs the risk of becoming unsustainable and losing its moral and political legitimacy. The destruction of the planet, poverty and growing inequalities, extravagance of certain behaviors, situations of injustice, exclusion and alienation herald the ghosts that from time to time haunt the history of Mankind and make it deviate from the paths of civilization.

An influential force for change

We all feel that a change is necessary, and that it is time to give back economic activity its ethical and political dimensions. As business leaders and main actors in the global economic sphere we must play our part in the coming evolution. But the form it will take needs to be made clearer.

With its values, its spiritual dimension and its international network, we believe that UNIAPAC is in a position to make a difference. We want to be an influential force for change, acting as a prophetic minority, testing and implementing alternative approaches to the purely financial model that has too long been dominant and which led to the present failure.

I. Creating economic progress for mankind is our specific way to participate in the work of the Creator

We want to enlarge the “raison d’être” of our business activity in the light of our faith and anchor it in our entrepreneurial specificity: initiative, creativity and innovation of small, medium or large business organizations.

Using our creative resources to serve humanity

Today, the business enterprise possesses considerable empowerment. In order to carry out our activities, we harness and combine the key resources needed for the creation of wealth: scientific and technical knowledge, money and finance, organizational, managerial and commercial skills, information and communication networks. New technological advances constantly reinforce our capacity to act and to innovate. New domains open up to our activity which tends nowadays to unfold in a borderless world. As business leaders, we are responsible for making these resources serve the respect of human dignity and the common good.

If one observes successful companies, over a period of five to ten years, there is not a single one that has not adapted, transformed and renewed itself. Each one has evolved, innovated, be it in their products, their markets, their procedures or their organization. This fact means our action is dynamic and creative.

If we want this extraordinary creativity to serve human development, we have to, as Christian leaders, orient it and to give it its true meaning: the advent of the Kingdom.

Our role in the unfolding of creation

Christian theologians tell us that Creation is unfinished and that man is responsible for its completion and its humanization. In this sense, we all are co-creators.

As business leaders we have a specific role to play in the unfolding of Creation. We not only provide the human community with goods and services and constantly improve them by harnessing science and technology; we also help to shape and lead organizations that can extend this work into the future.

Creating material progress and building productive organizations are our primary way to share in the unfolding of the work of Creation. As business leaders we realize the grandeur and awesome responsibility of our vocation. When participating in the work of the Creator through our stewardship of organizations and the use of the powerful potential of science and technology, we want our decisions to be guided by the values of the Gospel and use our creativity

to serve a true and sustainable human and societal development.

In this context, we propose defining the purpose of the company in the following way: the creation of *true economic progress in a sustainable way to serve human development and the Common good*.

II. Transforming our business culture

New CSR practices are emerging in many sectors. It is an interesting first step in the right direction. But the business firm will only become socially responsible if it transforms its mindset and its culture and if it really gives back economic activity its ethical and political dimensions. This goes well beyond a new coat for an old system and requires us to properly revisit and rebalance our key functions of entrepreneurship, leadership and statesmanship.

Entrepreneurship: economic creativity and innovation.

We have to enhance and orient our entrepreneurial action. This is the core of our mission: to be creative in a real world of goods and services, as opposed to a mere logic of short term financialism and quarterly results. It is mainly through our entrepreneurial capacity that we can serve the common good and contribute to face the challenges ahead. Shareholder value is but one of several measures of business

performance. The enterprise cannot be reduced to that single aspect.

Redefining the purpose of companies

Defining the *raison d'être* of the business firm in terms of economic and societal progress will influence our strategies, our structures and managerial behavior as well as our specific contribution to the common good. We will pay greater attention to the societal consequences of our decisions and to the “externalities” of our actions.

It will help us to direct our creative ability more towards the great challenges of our times and to better serve urgent planetary causes such as climate change and environmental problems, poverty and inequalities, non-solvable needs, education...

Another Christian perspective for us is to orient our creative capacity toward is the “bottom of the pyramid”. By addressing the unsolvable needs and going to the encounter of the poorest, we will not only help lift them from extreme poverty but could trigger their own creativity and entrepreneurship and contribute to launching a dynamic of development. Some examples are already visible and convincing: Grameen Bank and micro-banking, the Transformational Business Network, Danone Communities, Essilor and Aravind in India, the Shell Foundation...

Some business leaders are testing out a new and strong assumption: an enterprise experiences encounters with the poor, the handicapped, the fragile, the excluded, can itself be profoundly transformed and change its *raison d'être*, its mindset and its corporate culture¹. If this approach is realistic it would offer the best link between the Gospel and entrepreneurial co-creation.

Leadership: ethics and human development

Leaders who 'give sense'

Management is no longer enough. If we want to put ethics back at the heart of economic activity, we do not only need managers or administrators but also a new type of leadership: We need leaders to be "sense givers" and as "sense makers", leaders as "architects of corporate conscience"², leaders as ethical stewards.

We must always remember that ethics begins at the first cry of human suffering, at the point where one finds oneself facing another person. It prevents us from being indifferent to the suffering of others, a fortiori if we ourselves caused it.³

In a positive way, we can define ethics as a process of life that is always searching for the solution that will bring the most love.⁴ Love thy neighbor.

¹ Ivan le Mintier, *Communication aux Bernardins*, le 9 octobre 2010; Oblat de l'abbaye de Fleury et entrepreneur social, in *Renaissance de Fleury*, Avril 2011.

² Kenneth Goodpaster

³ See Fourez, C., *La Construction des Sciences. Introduction à la philosophie et à l'éthique des sciences (The Construction of Science : Introduction to the Philosophy and Ethics of science)* De Boeck, 1988.

⁴ Cochinaux, Ph., *L'éthique (Ethics)*, Fidélité, 2007.

For business executives, the closest neighbor is obviously the staff of the company to which we may sometimes add stakeholders such as suppliers, customers, region, etc....

We have to empower, develop, motivate and help them to fully participate in our collective mission of creating a type of progress that enhances human dignity and serves the common good.

The social doctrine of the Church is clear in this regard. Salaries, working conditions and health are essential elements, but the key to dignity at work is the degree of responsibility that the company confers on its workers. The encyclical *Mater and Magistra* is perfectly clear on this point.

If the nature of the structures and operations of an economic system compromise the human dignity of the workers who work for them, blunt their sense of responsibility, take every personal initiative away from them, then we consider this system unjust, even if the wealth produced reaches a high level and is distributed according to the laws of justice and equity.⁵

Placing human dignity and human development as central values makes a fundamental difference to the atmosphere, participation and personal accomplishment. Global competitive pressures threaten this kind of approach but we consider it essential to keep it.

⁵ Jean XXIII, *Encyclique Mater et Magistra*, Spes, 1962

Immediately following this priority, our responsibility as economic actors should be extended to the dimensions of the system itself and to questions concerning the negative aspects and the consequences of globalization and its failings.

If ethics begin at the first cry of human suffering, we have to listen to the clamor of those that our development model, our instrumental logic, our one-dimensional thinking makes suffer in one way or another. Listen to them directly whenever possible or to their spokespersons as they start to multiply.

Statesmanship: Common Good and Politics

Facilitating the emergence of a sustainable model of development

As business leaders we recognize societal interdependence and the urgency to shift to a more sustainable model of development. Therefore we have to facilitate its emergence. We also have to participate actively in the research and definition of the Common good of our world and try to incorporate it into our sphere of activity even if global governance is still in its infancy. We have to play a responsible role in the emergence of a new culture of debate, in concert and co-operation that would replace the simple current “lobbying”. We want to play a more active role in the search and creation of new forms of governance.

In this perspective we will add to our role of entrepreneurs and leaders that of statesmen willing to contribute to the debate on global Common good.

Statesmanship is the way we can give back to our business activity its political dimension.

The Church defines the Common good as the set of social conditions that allow all people and all groups that make up society to achieve their own accomplishments in the most positive manner.⁶ If one accepts this definition, the criterion of the Common good presents a fundamental principle of moral judgment with regards to the organization of a society, including the global system.⁷

The specific contribution that the enterprise today can bring to the global Common good begins to take shape in the thinking and the work that calls into question our development model. The United Nations suggests the concept of sustainable development.

Business statesmanship goes further. It addresses the real political question of our time: what world do we want to build together with the vast resources and the enormous skills at our disposal? In entrepreneurial terms, it can be translated as how should we use our creative capabilities to build a better world?

⁶ Berten, I., *L'Enseignement Social de l'Eglise: Bilan et Perspectives (The Social Teaching of the Church: Balance and Perspectives)*, in Berten, Buekens and Martinez, *Enterrée, La Doctrine Sociale ? (Is Social Doctrine Buried?)* Bruxelles, Lumen Vitae, 2009, pages 15-37.

⁷ *Ibidem*.

III. Personal transformation (UNIAPAC has convincing texts on the theme)

The transformation of our economic system will only be sustainable if the men and women who lead it are transformed themselves. Changes in structures will not happen “by order”. They will only come to life if they are driven from within by people of good will. This is where Christians can play a major role. Are we not called to be the salt of the earth and light on the mountain?

Saint Paul constantly invites us to become new human beings, created holy and fair, in the likeness of God.

The testimonies of Christian leaders who are trying to balance their professional lives and their religious lives are numerous. They all head in the same direction:

The conscious commitment to their own humanization and to a process of heightening their freedom and their choices.

The concepts and thoughts presented here are totally compatible with the presentations and dialogues we have been engaging in at the conference today. I do hope we can make this research process a reality soon!

Sharing the Field Expertise of UNIAPAC Associations, by José Maria Simone, Vice-President of UNIAPAC Latin America

The prophetic role of UNIAPAC Business Leaders (comments on Pierre Lecocq's presentation)

Although there are multiple definitions for a prophet, I came across one where he is the one who reaches the heart of his fellow citizens. He is the one who can induce awakening and cause the whole society to change.

You cannot do this without having confidence, and if you are not reliable.

Being credible: Practicing what we preach

Etienne Wibaux, in his contribution above, raised the issue of how we can reach this in a one-year time frame. How can we be credible on this?

My main concern is to become credible among our peers, our fellow business men. This is a tremendous and challenging task.

We have to show that we are conducting business with a different attitude and different strategies, and that what we preach can be seen in our practical way of doing things. We have to be reliable and we need to inspire confidence.

If we can do this, we can, then, bring about this change and evolution. This is not only done by ourselves but we have to persuade and provoke many other people who may not have

similar religious beliefs. Young people if they see that we are in a position where we can take decisions, they will look at us to implement these changes.

We have a tremendous responsibility in corporations because people live and spend a large part of their life there. So, we have to be able to promote a way where we can transform what we are doing inside the firm, so that they can translate it in their own family life: This is part of our responsibility. How do we go beyond what we are doing today?

With vibrant examples such as the powerful testimonies presented by Etienne Wibaux today, we need to show, using experiences from our own lives, that what we say is the truth, and show how we experience our values and principles in our daily business practice. We need to illustrate that whatever we do, say and think, we put it into practice at all times.

What have Business Leaders been doing for more than 50 years in Latin American local associations?

Work on the ground

Throughout the 80 years of UNIAPAC's existence, Business Leaders have been endeavoring to share their values and have been putting them into practicing in contact with people on the ground.

Discussions and dialogues on issues for the future have been conducted between members of associations, academics and well-known politicians, just like in a Think Tank; this is how

our own paths in Latin America have been directed, and why we have managed to develop sound experience in different countries.

We develop international congresses, seminars and we publish articles.

Ensuring visibility

In Argentina for example, ACDE our association, provides visibility because we are the only local association that is able to speak aloud what UNIAPAC business leaders think about the values of the Human person, and the values of ethical business people.

Moreover, in some of the UNIAPAC Latin American associations, we have introduced training and educational programs about the Church Social Doctrine and on how to implement its principles in business life (e.g. the so-called CUFOSO workshops, and Corporate Social Responsibility Protocol courses).

Our members are people who today conduct business in the global market. As an example, during the 2009 UNIAPAC Mexico World Congress, we had 30 company-speakers, business leaders, whose aim was to carry out their business duties in accordance with Corporate Social Responsibility values. They did not find answers to all the challenges, but they were present and testified.

The same topics were discussed at the UNIAPAC Latin America Guayaquil (Ecuador) Congress in September 2011.

Local associations' presence in an international arena: Sharing our field expertise

Local associations develop the concepts, follow up with anything that is needed, and try to show the rest of the community what they are doing and be visible; which means being recognized by the business community and then by society, and by showing that what we are doing is different. Business Leaders need an international arena, the Foundation, to allow them to do on an international level, what has been done for years on a local level by associations.

For example, local associations from some countries, have developed sound experience in terms of Corporate Social Responsibility and its Christian vision, and could provide a tremendous contribution to the *international arena* of UNIAPAC's Business Leaders.

The concept of *subsidiarity management* is new, and has to be discussed and translated concretely on the ground in terms of practices.

Let us show others what already exists, and, what has been done on a local level.

UNIAPAC business leaders need an international forum to make visible what they are doing in their everyday life. The Foundation suits this purpose very well.

Business leaders are practical and they have to have companies which are profitable, and provide an economic response. Let us use the strengths we have around the world in an *efficient way*. Business leaders know how to translate their ideas into practice.

Let us use the literature produced in the numerous countries of our associations. The first article mentioning Corporate Social Responsibility was published in 1964 in Argentina. Obviously, such inputs may need updating, but let us show the global business community what we already have.

Let us share with the rest of the world community, the messages voiced by each association through the UNIAPAC Congress wherever they are organized, be it in Latin America, Europe or Africa.

Let us continue to be actively present in international organizations and further show, in an efficient way, what is done by UNIAPAC business leaders. This is the practical way to disseminate our message.

Local Accomplishments

In Argentina, some business leaders inspired by the encyclical *Rerum Novarum* teachings have managed to successfully transform certain labor laws: We have changed our system of pay compensation by including family support thereby reinforcing the strength of the family and the key-role of recognizing the value of the Human Person. These

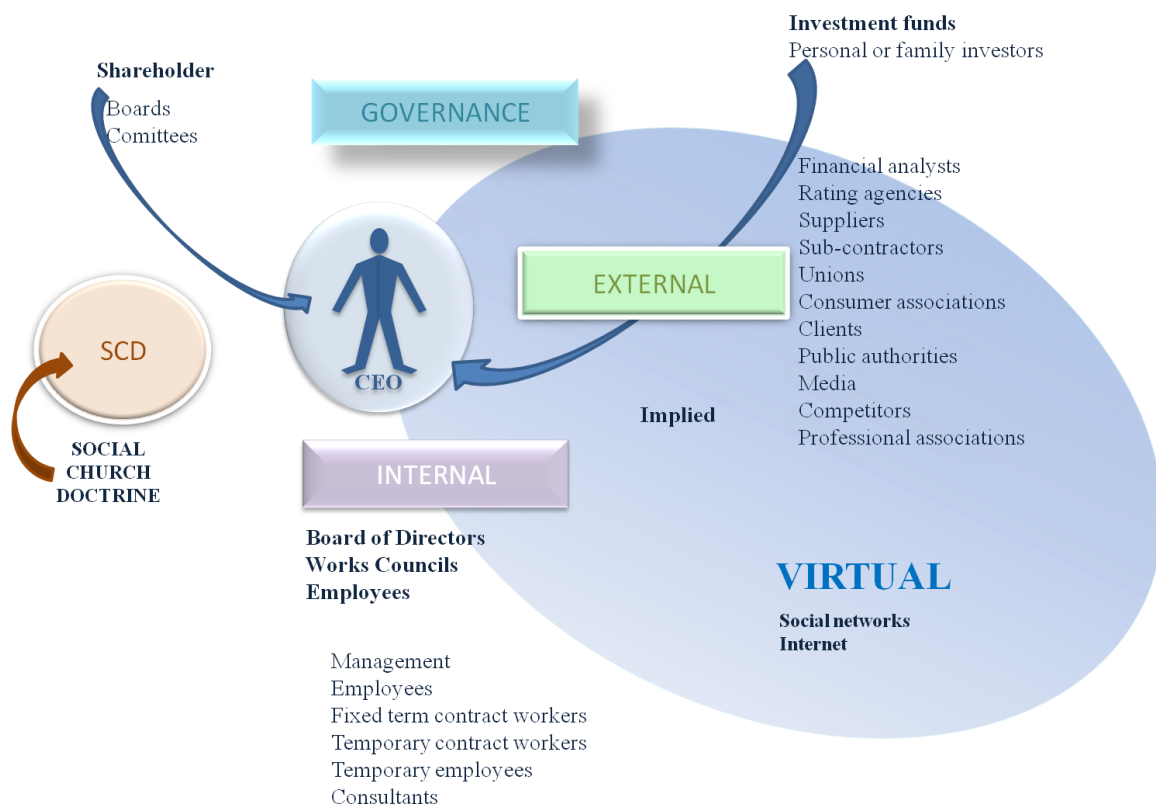
achievements have also been experienced in some other fellow countries thanks to the influential force exerted by our UNIAPAC associations acting locally.

As we can all judge and see from my examples and testimonies here, we are in a position to have a tremendous level of positive influence, if we take our visions forward with efficacy.

The Manager's role as "Linking Pin", by Vincent Lehnardt:
Senior Advisor to the Boston Consulting Group

The Christian Manager (CEO – Chief Executive Officer) is someone who is responsible for multiple interfaces both internal and external, in his relationship with God, himself and all the components of his company. He is a 'Linking-pin' in this complex universe (between his personal and managerial identity and the context within which he operates). In a crisis, his role as the manager of interfaces and his focus on his identity become extremely important, the complexity and pressure he experiences means that he needs to be even more vigilant: He has to deal with the complex mix of tensions, contradictions and paradoxes: and when there is something he can't control, he must apply the Ignatian motto: 'Act as if everything depended on you, and pray as if everything depended on God.'

The CEO as the 'LINKING PIN'



QUESTIONS specially relevant in this crisis period

1. Are these various levels of identity closely linked ?
2. Where are the anchorage points ?
3. What are the weak points ?
4. What are the values vis-à-vis :
5. Creation (what I bring to the world ?)
6. Experience (what I receive from the world and from God ?)
7. Attitude (the constraints and struggles that I give meaning to?)
8. What are the challenges? And where should I direct my attention and my energy ?

The need for Spirituality, by *Father Edouard Herr, S.J*

UNIAPAC has expanded significantly during the last years with a successful focus on Africa. The presence of African countries within UNIAPAC is a structural change and is somewhat challenging. Up to then, we were accustomed to working together in Europe and Latin America, and we must now adjust to a third dimension, which requires some specific work.

Burkhard Leffers, president of UNIAPAC Europe, came and visited ADDIC, UNIAPAC's association in Belgium, a few days ago and was warmly welcomed by the people for whom this encounter was particularly meaningful; so, we might consider this a sort of renewal sign in Europe.

With regards to the mission and vocation of UNIAPAC, Pierre Lecocq spoke about important directives concerning the role business leaders can play, such as the spiritual commitment we should have, and the role of Corporate Social Responsibility.

I am very moved by the spiritual level of discussion. I want to stress that the main energy for us comes from the spiritual way. Spirituality is the way to train business leaders and to bring them closer to Christian values.

We should think about how to translate this into action, and how we bring this message to people. Therefore, I have committed myself to writing a new paper, my own humble contribution, but specifically on the: *“The Specific Spirituality for an Entrepreneur”*.

In his capacity of decision-maker, the entrepreneur becomes co-creator alongside God: on a spiritual level in the Eucharistic sense, the entrepreneur brings the whole world back to God.

At this point of the discussions and after listening to so many good suggestions, let us discern how we can turn our values into actions by choosing ***two or three concrete priorities*** that will allow UNIAPAC business leaders to spread their core message to the world.

Improving our Force of Influence: new ideas, *by Lord Brian*

Griffiths

I was very moved this morning by the excellent paper of Pierre Lecocq on how business leaders can speak to the present crises. Following Professor Zamagni's challenge for business leaders to be "prophetic minorities" (because on the one hand of their practical involvement in the real world and on the other of their understanding of Christian theology) he showed how following the teaching of Jesus we can influence a business firm, an economy, a society, indeed how this world can be changed for good. I believe this was sound theology but I would very much like to see it expanded into a major lecture/presentation, based specifically on the example of Jesus.

That is my first observation.

What does it really mean to be prophetic?

The second is to highlight the approach, which is not sufficiently developed in my judgment in the Anglo-Saxon Christian tradition, which combines the importance of personal salvation and growth in one's spiritual life with the social dimension of the gospel, namely the call to be salt and light.

The “brand of UNIAPAC”

Third, I wonder what it means to speak prophetically as a company executive, without being perceived as a fool or without being an embarrassment. How can you be a prophet? My image of the prophet is John the Baptist, Jeremiah or Isaiah. Can prophets today be players in the game of business? Or are they similar to poets and playwrights, on the touchline of society? Moreover, when you serve a company or an organization, how can you have integrity as a prophet without disrupting the organization so much, that other executives say it is better to let him go? If we had time, we could go around the table, and ask ourselves what, within the last year, we have done in our business life, which we felt was genuinely prophetic. That to me is where the rubber hits the road.

Next and without being presumptuous, I believe that UNIAPAC has an extraordinary platform from which to speak to the ethical challenges of our time. Whenever one mentions the importance of values in companies, the need for leaders who serve rather than control, the challenges to the integration of faith, work and family I have found personally that there is a much greater response than one might imagine. The growth worldwide of the Christian church includes many involved in business. The New York Review of Books recently reviewed 3 books on religion in China. More people go to church on Sunday in China than in the whole of Europe. If global poverty is to be permanently reduced

continued growth in India, China and Russia is absolutely crucial and I believe that what we have to say regarding business strikes many people of goodwill, whether they are people of faith or not as sensible.

So what is the specific brand of UNIAPAC? One option is to present a distinctive UNIAPAC brand: namely to construct a single view of issues such as the integration of family in work, climate change, corporate governance. The other option, is to say we are here as servant leaders. We are like coaches to a team. There are different views about climate change. There is not one unique view on climate change. There are different views about corporate governance, about how you should structure equity ownership, how to deal with stakeholders and so on. I think it would be a mistake to create one unique brand which is a strong brand and which is UNIAPAC and to which all people must sign up.

I think it is much better to be more open, to encourage meetings of small groups but, to have at their heart Christo-centric integration of the person and of the economic order.

What works?

Finally, I was very inspired some years ago when I worked in 10 Downing Street by William Bennett who was then Secretary of States for Education in America (1985-1988). At his request his department produced a series of publications on education called “What works”, for example, what works in literacy, what works teaching mathematics, what works in

maintaining classroom discipline and so on. We pride ourselves in business on being practical. When it comes to the practical agenda of UNIAPAC could publications such as these be an inspiration to us? A world class accessible series of publications – in length no more than 15,000 – 20,000 words each – but punchy, theological and practical and relevant not just to Europe but the whole world.

Our wealth of experience

Finally, as I have listened to the contributions today, what has really impressed me is the breadth of vision and the wealth of experience which exists in UNIAPAC. Now however is the time the action must begin.

Thank you once again for providing me with this opportunity of sharing my views with all of you.

Prophets and Progressivity in Action: Comments on UNIAPAC's Challenging Agenda, *Written Notes taken from Michel Camdessus' intervention*

There is a complementarity between the two presentations we have just read. Etienne Wibaux showed us a way to the prophetic attitude that Pierre Lecocq was suggesting: having the younger generation as our focus, a Cassiopeia, under our watchful and on-looking eye, in order to guide us in the right direction.

José Maria Simone was telling me yesterday that in his own group, young workers from his enterprise organize themselves within the firm and are represented in front of the Board of Directors. I believe this is extremely important because the world around us is full of uncertainties but those who are affected the most are the next generations. We could have a dialogue with them and associate them in our efforts and give them the 'baton', so to speak; this will be important.

As a matter of fact, prophets are always a nuisance: this is why they are often killed, as said by Christ. So, our problem here for UNIAPAC is to think about how to reconcile the definition of a prophet which is embedded in the Gospel – and the Gospel with which we want to live every day– and the real business life.

UNIAPAC should be a place which creates a kind of platform or pool of experiences that can be shared to encourage all of us to grow as much as possible from the experiences of others.

I feel particularly encouraged by the opportunity to combine all our efforts and academic proposals as a way of highlighting the tremendous work realized out there among the people, at local level by UNIAPAC and the root associations.

If we combine this, we have something at hand; provided we give the proper emphasis to make things happen.

Our role as agents of change

First, we are on the brink of a major change in the world. This means that UNIAPAC must contribute to provide its members with the knowledge of what is going on in the world and what it requires from each of us to really be the *agents of change* in the world for the better. It will require a degree of prophecy. The dialectic between prophetic message and real life is of particular importance here.

Subsidiarity has also a role to play. I totally agree with José Maria Simone, and there are things that only the UNIAPAC can do to help each of the national units.

Furthermore, I want to insist on two points we have touched upon:

Africa: Africa is asking us to help them and to be there. This is our “next frontier”. Let us see how we can make that extra effort to help Africa.

The young: Let us see how we can extend to future generations the views presented by Pierre Lecocq and the prophetic call to business leaders.

UNIAPAC Propositive Message, *by Bishop Emeritus Dr. Christian Krause*

We all agree that prophets don't go for ready-made solutions but rather for a vision. However, are we able to formulate the vision which we could share within UNIAPAC?

Finding the right definitions

We need to define what we mean when we speak about a "responsible freedom". This is a crucial and important issue. At the end of the 20th century, we had a freedom that was regulated and defined by the East/West conflict. When that was over we had unlimited freedom without borders, which has quite often been exploited and abused under the motto "anything goes". Sometimes the consequences of this freedom were even worse than what we had before.

We have to make others understand that we are a "faith-based" organization. And again we have to define what we mean by that. We need to make it clear that, for us, our Christian faith is the indispensable basis for acting responsibly with the freedom of our time: Being responsible to God and to mankind.

A need for solidarity and mutual commitment with a view to being heard

Business leaders like others are driven by competition under the pressure to make profit and to be successful. Within UNIAPAC, however, we need to create an atmosphere of

mutual trust, reliability and accountability between one another by acting together on the basis of the same, mutually accepted values of faith, freedom and responsibility. In my opinion, this would make UNIAPAC more powerful and more attractive for others to join. And it would introduce two more important aspects which I do not seem to have found in our papers so far: Solidarity and mutual commitment.

I am reminded of a movement which recently emerged under the name “Together for Europe”. It has grown very fast and presently represents some 300 spiritual communities from all over Europe and from many different Christian traditions (including the Focolari, San Egidio etc.). Considering the quite often rather bitter competition and suspicion between such spiritual and evangelistic groups, it is really a miracle that they have agreed to come and to work “together for Europe” in a very concrete and constructive way, thus transcending their former quarrels. Among other things, they have formulated and published seven shared values which they are ready to stand up for, together (cf. www.together4europe.com). Let me just mention briefly the seven catchwords under the positive approach of “**Let us say yes to...!**”

Let us say yes

- **to Life** and its inviolability and dignity at every stage;
- **to the Family** as the foundation of a united society that looks to the future;

- **to *Creation*** by protecting our natural environment as a gift of God also for future generations;
- **to a *Just Economy*** as a service to every person and to all humankind;
- **to *Solidarity*** with the poor and suffering be they near or far – they are our brothers and sisters;
- **to *Peace*** in committing ourselves to act for mutual understanding and reconciliation in situations of conflict;
- **To *Social Responsibility*** that our cities might become places of solidarity and welcome for people of different nationalities and cultures.

You as entrepreneurs may use different content and emphases. But what counts here is the *method* aimed at formulating *your vision and* making the world know about it: Here we stand! Here you can count on us!

As highlighted by Michel Camdessus, this approach is very similar to the initiative undertaken by the United Nations and Global Compact “We stand for... We stand for...” Let us come forward and speak.

Priorities Ahead - Advisory Words about Think Tank Priorities, *by Eduardo ANINAT*

Listening carefully to all the presenters today, the commentators and dialogues, I judge we have come a good way for the long road ahead, in the challenging process to move forward with programs/actions of the Think Tank in the UNIAPAC Foundation. We thus remain extremely grateful to all the participants; and especially to the role played by Honors Committee members.

These ideas shall become crucial key inputs to the process of formulating or reviewing the priorities of our Programs for the period 2012-2014. It is clear the Foundation cannot realistically pursue all areas and subjects, and must respect both its individual specificities and the limitation of resources at hand. This is certainly not contradictory with the main thread of our long term direction, which our participants have given us throughout this day.

I will attempt to summarize in three paragraphs the thread of the propositions given and rely, in this respect, if I may, on the excellent summary phrases employed at different points of the dialogues by Michel Camdessus, Pierre Lecocq , De Woot , Wibaux , and Jose Maria Simone.

Our own ‘specificity’

Simone pointed out clearly and loudly our own ‘specificity’, i.e. the distinct role business leader can play. We are business

leaders, we have to act in the real world, and we must attempt to behave as prophets for change. The wealth and breadth of the Christian Social Doctrine is there to aid us in this task, and, the empirical value of eighty years of solid UNIAPAC history must also form a basis for our present journey. With these facts in mind, let me state that the structural design of the Think Tank will follow exactly the characteristics of combining and facilitating the interaction, on a continuous basis, the work of the central antenna (foundation level) with several local antennas (local associations) on the ground; so as to make sure we act with the appropriate representation on what our decentralized members want to pursue, at each stage.

Making a difference

Lecocq, seconded by both de Woot and Wibaux in various ways, emphasized that the Foundation should help and contribute to making a difference: to carry both vision and contents, supported by the values, that an inspired prophetic minority – swimming against the current – must bring about at this epoch. In this respect, the role of the Foundation must be to create and develop an institutional process that makes UNIAPAC become a Voice in the World, where participating business leaders act as a linking pin, between their own personal lives, the corporations promoting human encounters, and the global world (globalization). The Foundation must help build a solid context, a fraternal house,

where people of good will can partake in a humanistic new economic system.

Providing knowledge of what is going on in the world

Camdessus, with his visionary approach, reminded us that the world is “on the brink of a major change (call it a change of epoch). Then, he brings us to the specific task at the Think Tank which requires that “UNIAPAC must contribute to giving its members the knowledge of what is going on in the world, and what it requires for each of us, to become agents of change for the better, in the emerging new epoch.” Again, this identifies the contours of new dynamic frontiers for our tasks, and places the emphasis on the spirituality and preparation needed in order to be transformed into real prophets of change.

With these and other concepts, the staff and Board of the UNIAPAC Foundation will, in the coming months outline a priority path, which integrates the views and proposals received here and what we hopewill be an enlightened ‘road map’ to guide our programs for the Think Tank.

A heartfelt **thank you** to all of you again

Some of the typed versions correspond to direct recordings and notes obtained during the two sessions. Main presentations, however, strictly follow individual authors' papers that were specially prepared for this Conference.

Remédier à la Crise : le rôle des Dirigeants d'entreprise

Think Tank de la Fondation UNIAPAC

**Version Synthétique de la session annuelle du THINK TANK
Paris le 12 décembre 2011**

« Les causes de l'actuelle crise financière », Contribution de Lord Brian Griffiths of Fforestfach, Membre de l'International Advisers Committee de Goldman Sachs

Retenons un angle d'approche élargi : le rôle joué par les politiciens, les banques centrales, les agences de notation, les régulateurs et l'opinion public

Il est important de regarder les défaillances du système bancaire comme un épiphénomène. Les années qui ont mené à la crise furent une période de prospérité sans précédent. L'économie mondiale croissait à un taux moyen annuel de 3-4% et la croissance des échanges commerciaux mondiaux était encore plus rapide. Il en résulta que le nombre de la population vivant dans la pauvreté, spécialement en Asie, déclina par centaines de millions. Au Royaume Uni, nous avons 64 trimestres de croissance économique continue, accompagnée d'une inflation basse et du plein emploi. Au même moment, le prix des maisons était multiplié non plus

par 4,5 mais jusqu'à 9 fois si ce n'est davantage. L'euphorie que cela générait signifiait que l'emprunt irresponsable répondait au prêt irresponsable. Au milieu des années 70, la part du crédit à la consommation correspondait à 40-50% des revenus des ménages. En l'an 2000, cela correspondait à 100% et au moment de la crise cela avait atteint 170%. Cette proportion était d'une ampleur bien supérieure que celle des autres pays européens et même plus élevée qu'aux USA.

L'avènement de la crise n'était pas un phénomène strictement britannique. Sa portée était internationale et induite par 3 facteurs exceptionnels.

En 1978 Deng Xiaoping s'écarta du socialisme économique pour mettre la Chine sur de nouveaux rails conduisant vers l'économie de marché et l'ouverture au reste du monde. Durant les 30 dernières années, l'économie chinoise a cru au rythme de 9% par an. En 1989, la chute du Mur de Berlin conduisit à la fin de la guerre froide, l'effondrement de l'empire soviétique et la liberté politique et économique pour les pays de l'Europe de l'Est. Au début des années 90, l'Inde commença à libéraliser son économie des interminables quotas, rationnements et autorisations de planification, qui furent l'héritage du fabianisme britannique. Qu'un de ces éléments surviennent eut déjà été remarquable. Que les 3 événements surviennent au cours d'une même période similaire relevait du miracle. Il en résulta que plus de 2 milliards de personnes humaines issues de l'ancien empire soviétique, de Chine et d'Indes intégrèrent

l'économie mondiale comme producteurs et consommateurs, ce qui a déjà trouvé son terme dans nos sociétés occidentales. C'était la croissante prospérité de cette époque qui conduisit Gordon Brown, alors Chancelier de l'Echiquier britannique, à affirmer avec confiance que les temps d'une économie cyclique fondée sur l'alternance expansion/recul était finalement révolue. Aux USA, Républicains comme Démocrates, membres des cabinets et agents des institutions publiques (spécialement ceux liés avec Fannie May et Freddie Mac) appelèrent les banques à augmenter les prêts destinés aux plus déshérités, les emprunteurs des sub-primes, de telle sorte que le « rêve Américain » sur l'accession à la propriété puisse devenir une réalité pour les familles avec faibles revenus et les minorités ethniques. Aux USA, l'immobilier était un investissement tellement attractif car les prix n'avaient pas connu de baisse depuis 70 ans.

Prospérité mondiale et déséquilibres internationaux

En même temps que la prospérité internationale croissait les déséquilibres internationaux. Peu avant la crise, le taux d'épargne en Chine avoisinait les 40% alors qu'il était devenu négatif aux USA. Ce n'est pas car les Chinois sont par nature plus parcimonieux que les Américains mais parce que la Chine est caractérisée par une population plus jeune et dépourvue de protection sociale et de système de santé publique, d'où la nécessité pour les jeunes gens d'épargner. Une autre cause de déséquilibre fut la montée du prix du pétrole de 25US\$ le baril en 2000 à 150US\$ le baril en 2008.

De telles épargnes ont généré d'énormes surplus dans la balance des paiements au profit de la Chine et des pays producteurs de pétrole et, a contrario, d'énormes déficits pour les USA, le Royaume-Uni et les pays européens. Cela entraîna d'importants influx de monnaies particulièrement aux USA. C'est en raison de l'énorme quantité d'argent disponible, que les taux d'intérêts chutèrent à leur niveau le plus bas depuis des décennies favorisant la recherche de plus importants retours par les investisseurs, ce qui conduisit à une énorme bulle dans les prix des actifs. Cette structure financière devint extrêmement complexe et à cause de cette complexité est l'ennemi de la transparence, à tel point que les investisseurs professionnels eurent des difficultés à la comprendre.

Je me suis adonné à tant de détails sur la constitution de la dette et des déséquilibres internationaux dans les années qui ont conduit à la crise financière afin de montrer sa complexité. Le système bancaire joua une part importante dans la crise et il ne s'agit pas de l'exonérer des erreurs commises. Une pleine compréhension de la crise, cependant, accorderait des rôles majeurs à d'autres participants clés : en premier, les politiciens (pour avoir encouragé les banques à prêter des sub-primes aux clients immobiliers, ensuite les banques centrales (qui ont gardé des taux d'intérêts beaucoup trop bas pendant trop longtemps) et en troisième, les agences de notation (qui assigne un triple A à un grand nombre de titres représentatifs qui se sont révélés être

garantis par de créances hypothécaires défaillantes), quatrièmement les régulateurs (qui ont échoué à reconnaître l'effet de levier de la croissance dans le système bancaire), et finalement l'opinion public (ravie de de bénéficier de crédits). Les causes économiques de la crise sont complexes, global et implique tous les acteurs clés du système financier ainsi que le public d'emprunteurs.

Le système bancaire doit accepter que les repères utilisés par les dirigeants pour les guider aient été erronés. Ils ont pris trop de risques dans leur bilan financier. Ils ont recherché, sans toute la diligence requise, à réaliser des acquisitions à des prix inconsidérés. Ils ont manifesté un défaut d'attention aux détails et poursuivi les emprunteurs irresponsables. L'obligation pour les banques d'être rachetées par les institutions publiques et l'éviction de directeurs constitua une extraordinaire censure du système bancaire. Il existe suffisamment de preuves qui permettent de suggérer que dans la montée de la crise financière, il y eut, à travers tout le système bancaire, de sérieuses défaillances en matière de normes éthiques en dépit des apparences de l'époque.

En prolongement des remarques ci-dessus, les commentaires exprimés par **Michel Camdessus soulignent l'importance du facteur culturel** et spécialement de **l'aveuglement collectif dans les tentatives d'explication des causes de cette vaste crise actuelle.**

Commentaires de Michel CAMDESSUS

Aveuglement collectif

Il existe également une *explication culturelle*, qui est un point ignoré par beaucoup. Le néo-libéralisme suggère que tout type de régulation doit être écarté. Nombreux sont ceux qui vivent comme s'ils n'étaient soumis à aucune loi ni à aucune foi. Cependant, pour le développement optimal d'une économie de libre marché, il est toujours nécessaire de garder à l'esprit l'intérêt de la communauté (le Bien Commun).

En 1996, nous avons vécu un moment d'irrationnelle exubérance (merchandisation) libre de toute limite qui aurait pu lui porter un frein. Etant acteur de cette époque, je me suis interrogée « pourquoi prenions nous part à un tel effondrement alors qu'aucune opposition n'avait été organisée par les citoyens ? Comment tout cela pouvait-il avoir lieu ?

L'explication retenue est que le comportement déviant, tel que la séduction de l'argent, crée une forme *d'aveuglement collectif*, qui désarme toutes les formes de loi. Comme le souligne les œuvres de Kafka, le facteur culturel a une extraordinaire capacité de prendre le contrôle sur une société.

Dans les pays émergents, la devise est de gagner de l'argent pour consommer. A défaut d'argent, il convient d'en emprunter ! La personne humaine est réduite à sa seule dimension économique : la consommation.

La culture exerce une puissante influence sur la société. Le Président Barack Obama, dans une récente intervention, invitait à mener la guerre à la cupidité.

La cupidité nous apporte un parachute doré. L'idolâtrie nous conduisit au désastre et dans la cercle vicieux du système des dérivatifs et des sub-primes, deux formes de spéculations des banquiers. Nous avons collectivement succombé aux charmes de ces nouveaux instruments.

Que pouvons-nous faire ? Le modèle économique a besoin d'être reconstruit. Il convient de revenir à ce qu'est l'économie réelle, c'est-à-dire au service de l'amélioration de la vie de tous. Nous devons rendre le monde plus *humain*. Si j'avais un rêve, ce serait de retourner aux affaires **humanises**. La dignité humaine est trop souvent oubliée.

Au cœur des remèdes à apporter à la crise, le rôle déterminant que peuvent jouer les dirigeants d'entreprise est souligné.

Pierre Lecocq, Président d'Uniapac International et de la Fondation Uniapac, met en valeur la dimension prophétique de la vocation du chef d'entreprise.

Derrière les principales forces qui ont conduit à la présente crise, c'est-à-dire le secteur financier mondial et son effondrement, l'individualisme et les perspectives de court terme, le pouvoir des media masochistes et parfois ... irresponsables, la dissociation de l'éthique et du politique, nous voyons que les principales causes peuvent être attribuées à la *perte de sens* ressenti dans notre actuelle société mondiale.

Dans un tel contexte, le titre de notre session annuelle « Remédier à la Crise : le rôle que les dirigeants d'entreprise peuvent jouer » peut apparaître dépourvu d'humilité.

A la barre de ces entités économiques, qui à tous les égards semblent éloignées de cette crise globale, ce sont des chefs d'entreprise individuels. Comment peuvent-ils avoir, ne serait-ce même que la plus petite influence sur cette crise planétaire ?

Une vocation prophétique

Lors du dernier Congrès de l'Unipac à Mexico en 2009, le professeur Stefano Zamagni, évoquant la crise, souligna la différence entre ce qu'il appelait une crise « dialectique » et une crise « entropique ». Une crise « dialectique » est causée par un conflit et contient la solution en elle-même. Une crise « entropique » ne détient pas la solution en soi. Elle peut également être décrite comme une *crise de sens*. Comment peut-on sortir d'une telle crise ? Le Professeur Zamagni

soutient que l'issue suppose l'émergence d'une « minorité prophétique » qui anticipe les nécessaires changements.

Les dirigeants d'entreprise peuvent-ils être une telle minorité prophétique ?

Les dirigeants d'entreprise ont certaines caractéristiques qui peuvent leur permettre de voir les *signes des temps* du monde économique actuel.

Avant tout, ils sont pleinement parties prenantes de ce monde économique. La réalité de ce monde constitue leur quotidien. Ils doivent produire des résultats concrets ! Ils sont ceux qui peuvent profondément former la culture et le comportement des individus au sein de leurs compagnies. Il leur revient la double mission de maintenir l'unité et de créer un sentiment d'appartenance à leur compagnie, de même que de représenter, auprès du monde extérieur, le groupe de personnes que la compagnie incarne. Ils constituent le maillon de liaison, dans le sens du lien entre la société comme un tout et la compagnie, comme le développe Rensis Likert.

Ils prospèrent sur la liberté qui est le fondement de l'économie de libre échange dans laquelle ils opèrent. Ils savent que l'économie de libre marché est la voie *la plus efficiente* pour créer de la richesse et utiliser leur mission « prométhéenne » de générer de l'innovation et de la créativité. Ils savent, à la lumière de leurs pratiques quotidiennes, que le libre marché nécessite des règles et

réglementations pour pouvoir opérer avec une efficience optimale. *Si ces caractéristiques donnent effectivement aux dirigeants d'entreprise la capacité de comprendre le monde économique de même que la crédibilité de s'exprimer à son sujet, leur donnent-elles l'aptitude à déceler les signes des temps, à lire, dans leurs pratiques quotidiennes, les tendances qui peuvent conduire le monde à l'échec ? Ces caractéristiques peuvent-elles leur apporter une dimension prophétique ?*

L'Eglise rappelle la « logique du don » et invite à « orienter l'institution du commerce en direction d'un faisceau de comportements qui permettent le **plein développement humain** ».

Grâce à une vie spirituelle nourrie et vécue dans le partage avec ses pairs, le dirigeant chrétien peut répondre à l'appel de l'Evangile en vue de l'exercice de ses responsabilités professionnelles dans le respect :

- d'une politique de Responsabilité Sociale de l'Entreprise centrée sur **la dignité humaine**, et
- d'une gestion fondée sur le **principe de subsidiarité** qui unifie et développe les personnes, permettant simultanément la reconnaissance de la personne et sa responsabilisation.

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ANNEX

UNIAPAC Think Tank

We are happy to share with you here the areas of action identified as priority by the Foundation's Board of Directors for the Foundation's Think Tank, held in Rome, April 9th 2011

Areas of Action

Working within the framework outlined in the first part of the presentation, a collegiate brainstorming session was held to define the areas of action for the Think Tank.

Working in accordance with the Social Doctrine of the Church, the aim was to identify work themes on which the Think Tank would focus its reflection, designed to assist, guide and support the actions of Christian Business Leaders and to respond to the challenges presented by globalization.

The sources of inspiration are the Compendium of the Social Doctrine of the Church, the study published in 2008 by UNIAPAC, which, based on 80 years of experience of entrepreneurial practice, presents the principles of Corporate Social Responsibility under the heading “ the Value of Values” and the address given by the President, Pierre Lecocq, entitled “ The Encyclical letter Caritas in Veritate – Ethical

Challenges for Business” during the seminar organized by the Pontifical Council for Justice and Peace on the theme of “the logic of giving in economic life” (Rome, 24-26th February 2011).

A dozen priority themes were put forward- themes which take into account the differences and particularities of each region and the current international economic situation.

The content of these themes will be modified and adapted by local Associations during the implementation of the Pilot-Project for the Think Tank.

The themes hinge on four main axes: The new playing field faced by Business Leaders which now exists because of globalization, the consideration of human assets, the necessary pursuit of the Common Good and a renewed vision for tomorrow’s Christian Business executives.

I – A new Playing field

With regard to the new playing field which now exists because of globalization, the three following sets of problems appear to align particularly well with the concerns of Christian Leaders:

1) New Technologies

The constant development of new technologies, notably in the field of communication and IT has affected company life. The omnipresence of the internet and the proliferation of virtual interfaces of communication (social networks) tend to

force Business Leaders to become immersed in a culture where everything is instantaneous.

Thanks to this technology boom, we have seen an increase in the number of people who have access to information. This has reinforced the way in which a democratic and participative approach to management is applied.

Finally, in order to find their place within a society that increasingly prefers virtual reality and intermediated exchanges, the role and the terms of interpersonal relationships in the company need to be redefined.

These developments are equally a source of and a vector for an abundance of economic opportunities. How can Business Leaders react to these new possibilities?

How can they control the speed at which commercial operations are realized, accelerated by the rapidity of new means of communication?

How do we deal with the development of hybrid company structures and the diversification of structures that companies now come in: medium-sized enterprises, non-profit making institutions, establishments providing microcredit or even cooperatives?

Finally, these advances in technology are causing us to readdress and refresh aspects of certain principles, as well as the traditional practices of Business Leaders. The following principles are notably concerned.

- The principle of transparency
- Protection of intellectual property and copyright
- Financial strategy

2) Migratory flows of people

The increase in the movements of population will increasingly develop; spurred on not only by economic imperatives such as the pursuit of income, but also as a response to the natural phenomena which are leading to an increase in “climate refugees”.

These migration movements will not only occur on an international level but also on a regional one (cf. 25% of the Ivory Coast population are immigrants) It will not only concern populations moving from the states in the northern-hemisphere to those in the south but also between southern states: to illustrate this, we need only recall the settling of the Chinese and Indian populations on the African continent.

In this context, Business Leaders must consider the following two points:

- What limitations are there for a company hiring workers who do not possess work permits or are without the proper legal documentation?
- What impact will these movements have on pay levels and working conditions?

3) The global financial crisis

The lessons to be drawn from the financial crisis of 2008 constitute indisputable food for thought and study for the Think Tank, especially with regards to the limitations of financialization in economic practices.

The Think Tank will have the possibly to focus its reflection on the three following axes of thought:

- The limitation of short-term strategies and the need to promote long term initiatives and to encourage projects expected to exert a large impact (i.e. in terms of number of beneficiaries)
- The gaining of insight into the inherent limitations of unfair policies and the need to promote active public policies leading to state interventionism, depending on the situation (deregulation policies, self-regulation, and optimized regulation polices)
- Opportunities for access to funding, to credit and to financial markets

These axes of thought aside, the major question now is how do we assess the extent to which the creation of wealth through financialization is acceptable, as well as the legitimacy of financial proceeds derived from it.

The second area of thought on which it was proposed the Think-Tank should focus its work concerns human capital, i.e. the human dimension of the company.

II - Human capital

For Business Leaders who are committed to promoting an economy centered on the preservation of dignity of the Human Person, the three following themes cannot be forgotten: The questions of labor and employment, social protection and that of empowerment.

4) The question of Labor is multi-dimensional and is subject to varying realities depending on the regional situation and regional differences.

The dialectics that principally aligns with the concerns of Business Leaders are access to work, dignity at work, (an issue that the current campaign launched by the International Labor organization expresses under the following terminology “Decent work for everybody”)

The question of access to work implies reflection by Business Leaders on the defining and putting into practice of the principle of equal opportunities, notably with regards to ethnic and social origin as well as the consideration of gender.

5) Social protection

In relation with the issue of work, Business Leaders are faced with the task of implementing social protection.

Depending on the regional situation and on the models of economic and social development, social protection may incorporate the following three dimensions: national

Insurance, pension schemes (a retirement system) and even unemployment insurance.

On this subject, the work of the Think Tank could provide insight, which is especially useful to Business Leaders, into the recognized role and responsibility of the state and/or of the company, depending on the cultural and economic models employed, as well as the manner in which the regions develop over time.

A particular emphasis will be placed on the role of companies in regions where there is no welfare state.

6) Training

The training of future and younger generations is necessary, so as to allow the passing on, not only of professional, technical and intellectual skills but also of know-how.

More than merely the adoption of a necessary professional code of ethics, the training of students and young professionals needs to include the passing on of a collection of values of references that are to be viewed in the light of the principles of Corporate Social Responsibility.

May we stress the importance of this challenge for the Think Tank in its vocation of putting forward a renewed teaching method (cf. Vocation and Objectives?)

7) Empowerment

The putting into practice of the principal of subsidiarity, which is a feature of the Christian vision of the social

responsibility of companies promoted by UNIAPAC, implies that we reflect upon and suggest to companies means and conditions of empowerment.

To this end, the Think Tank will be a conduit for exploring and promoting the conditions for the implementation of democratic (participative) approaches to management as part of a more humanized management model.

How do Business Leaders promote freedom of initiative and the giving of responsibility to the stakeholders, as well as at the same time controlling the risk that can ensue from this increased level of autonomy?

Access to participation is prescribed by the pursuit of the Common Good, which constitutes the third area of action for the Think Tank.

III - The pursuit of the Common Good

Designed to allow the respect of the dignity of the Human Person, the pursuit of the Common Good is a priority theme for thought for the Think Tank.

The three following sets of issues appear to be important levers in this pursuit: the mobilization for sustainable development, reduction of poverty and the fight against corruption.

8) Commitment to sustainable development

The notion of sustainable development relates to the dialectics of acquired heritage and its passing on to future generations.

It implies the protection of the natural resources entrusted to us.

The role of the Think Tank will consist in reminding Business Leaders of their responsibilities in this matter and in encouraging the development of implementation strategies for the company with regard to sustainable development.

The sharing of the practical experiences collated by local associations constitutes an especially important instrument for assisting Business Leaders to participate in initiatives designed to encourage the saving of energy, the development of renewable sources of energy, carbon capture and storage, and the procuring of a “license” to produce carbon dioxide.

9) Reduction of poverty

As a direct consequence of the principal of the Universal Destination of Goods, the fight against poverty represents a crucial issue for the Think Tank. The financial crisis has made this issue all the more urgent.

With regards to this mobilization against poverty, the main areas of action notably include:

- The regulating of activities of multi-nationals; for example the practice of hoarding of lands on foreign

soils by states worried about not being able to guarantee their nature reserve stocks;

- Providing the means of implementation to reinforce solidarity and promote the redistribution of income;
- The renewal of practices concerning development aid such as the increase in the flow of public resources.

In a practical way, the following two axes of thought align with the concerns of business Leaders:

- The defining of their role and the responsibility acknowledged by companies and their leaders in the current poverty aggravation on an international scale;
- The providing of strategies and means that business leaders can use and implement, so as to help reduce poverty.

10) The fight against corruption

The impact company leaders can have in helping to fight against the misappropriation of funds, breach of trust, influence peddling and tax fraud is considerable.

It has notably been proposed to submit to the Think Tank for thought the question regarding the tolerance threshold that business leaders should set for themselves on this subject, on the fundamentals of their Christian frame of reference for values recognizing the dignity of the Human Person as being paramount above all over ends.

IV - Entrepreneurs of tomorrow

Having outlined the major responsibility for business leaders with regards to the putting into practice of principles outlined by the Social Doctrine of the Church and by the notion of Corporate Social Responsibility, the main vocation for the Think tank is to strengthen the mobilization of business leaders in this area.

Business leaders are the privileged players in the innovation environment present within the company as well as the enablers of “living forces” in the company.

The two priority areas of study⁸ concern the importance of the innovative practices and the introduction of new models of governance at the head of the company.

11) Priority given to innovative practices

The Think Tank will stress the priority of bringing innovative initiatives that can be implemented by companies. These initiatives will go beyond the simple study of the effect of size and scale aiming for economic efficiency. The initiatives will be innovative either due to the nature of the objectives they hope to achieve or by the way they are to be implemented

The studies and other initiatives of the Think tank will highlight the very many opportunities offered to us to allow the acknowledgement of the primacy of the Human Person.

The diversity of the stakeholders in the life of the company and the negotiating partners constitute a veritable asset, be

⁸ Demonstrated by the contribution made by de Gérard Biolley, Consultant for FGB Conseils (Family company strategy and governance consultant)

they clients, suppliers, employees, consumers, distributors, shareholders or executives.

Finally, the Think Tank will suggest tools, techniques and innovative strategies designed to promote a humanized management model and one that is founded on the principles of CSR.

A new approach to corporate governance will thereby ensue.

12) New corporate governance model

The current crisis has highlighted the need to review the corporate governance mechanism and for companies to re-appropriate the notion of “shareholding”, so as to found a trust-inspiring and rational form of governance.

The emphasis will be placed on the economic efficacy of dualistic models for “top-down” governance, which present new forms of power-sharing between the decision makers, explore the channels designed to boost the necessary synergy between the shareholders and the company managers.

The role of the Think Tank will consist, first of all, in increasing awareness among Christian business leaders on the economic benefits that can be reaped from dualistic models of corporate governance, known as “top-down governance models”. It will consist, secondly, in proposing designs for new models for dualistic corporate governance.



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