

THE PRUDENCE OF THE ENTREPRENEUR AS DISCERNMENT OF THE POSSIBLE GOOD

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Abstract

The prudence of the entrepreneur has to be thought as «mediation» or «discernment». It aims to the individuation of historical ideals really available in the particular situation of the enterprise. And it drives the decisions in the ambient of the enterprise, decisions which are in the discretionary area, where we cannot be guided by only professional-ethical rules and where the education of the virtuous character determines the capability of pondering courageous and respectful of all the values involved.

The prudential discernment recognizes the right and the good, which are to be carried out through the discovery of opportunities inside the enterprise, which are to be concretized in strategies. The prudent entrepreneur discerns the good reasons in order to commit himself through a process of careful perception of the situations, of wise deliberation, of decision and action.

Introduction

The lack of moral commitment can frustrate the well-intentioned structural reforms. Today the reflection on this area seems to be more subjective and elusive compared to the critical study of the decisions and of the structures. And yet, especially today, attention should be given to the professional virtues. The increase of huge organizations has augmented this need. Although the bureaucracy offers an increased opportunity to monitor the services and therefore a lesser need of an internalized virtue - on the other hand, renders the society, which is evermore hindered by a lack of professional virtue by those who work for it. The big organizations have enormous power to hide the errors of their workers. Moreover, the opportunity to an increased specialization, which these organizations provide, signifies that few know what an expert does.

It deals with rediscovering the determined role of ones responsibility and the importance of the subjective attitudes which defines the character, the mentality, the personality, the conscience of the worker, and in which he expresses his freedom. Among the virtues, prudence has a dominating role: it is the ability to take right decisions in the real life situation: "*Prudentia est sapientia in rebus humanis...circa bonum humanum*"¹. In Aristotle-Tomistic terminology, it deals with the virtue of wisdom (phronesis), and it could be qualified as a necessary condition so that the entrepreneurship could express itself and could manifest within it, its virtues.

¹ SUMMA THEOLOGICA, II-II .q.47,a.2.

It implies discernment with good reasons so as to commit in the interventions through a process of an accurate perception of the situations, of a wise deliberation, decision and action.

Prudence as a practical discernment (1.) singles out the right and the good to be done through the discovery of the opportunities offered within the enterprise (2.) and is concretized in its strategies (3.). It assumes a type of entrepreneurship characterized by a capacity of a realistic pondering and at the same time courageous (4).

1. Prudent discernment

Moral judgment does not immediately proceed from doctrinal principles, which remain as unignored normative references, but is established in relation to the entrepreneur experience understood not as a material fact but as a place where concrete ideals emerge, a fact therefore which needs an appraised understanding in view of the judgment on the "*greater possible good*" which is an act of Christian witnessing². This reciprocal composition of the constitutive elements of judgement can be described in terms of "*mediation*" or "*discernment*" and aims at identifying the historic ideals concretely pursued in the precise situation of the undertaking³.

It needs to take into account that usually the decisions to make in the sphere of the enterprise is situated in that discretionary zone, where one cannot be guided by mere ethical-professional rules and where the formation of the virtuous character determines the capacity of a courageous and respectful reflection of all the values involved⁴.

The virtue of prudence works on the "*internal differentiation of the principle*", in other words, it discovers appropriate ways of living—in that particular circumstance—a determined moral principle; in such a way that, that moral principle renders visible to the subject who understands it in a more conscious way and with a greater quality of significance.

Wise prudence actualizes such mediation between the moral principle, or the general moral orientation and the particular circumstance, but not in the sense that weakens the principle to face the realities, but in the sense that one identifies the significance of that principle in those circumstances⁵. In the situation of the enterprise, the meaning and the value has to be discerned as one lives and produces in the concrete business situation, a judgement which operates from a Christian and ecclesial conscience, in reference to, in the ultimate analysis, the supreme criterion: the image of the Lord of history⁶.

² The facts and productive and working experience in their materiality should not be regarded as brute conditioning, but as an essential step of the emergence of the ideal.

³ About the epistemological problem of discernment and the concept of the major possible good, Cfr. G. MANZONE, *Una comunità di libertà. Introduzione alla teologia sociale*, Messaggero, Padova 2008, pp.28ssg e pp.303ssg.

⁴ In the neo-Aristotelian approach it is an ethics of character rather than an ethic of rules. The problem is not to devise the rules of coexistence among individuals with goals, preferences, rights or needs potentially in conflict, but shaping the personal character of each of us in the light of virtue (A. MACINTYRE, *Dopo la virtù*, Feltrinelli, Milano 1988).

⁵ This requires, however, two things: first, that in the interpretation of that general moral principle isn't yet included that particular type of circumstances, because in this case it would be a better time out applied and secondly, the general moral principle is not sufficient to respond appropriately to the circumstances. Indeed, if knowledge of the principle were sufficient to act, it would not arise the problem of discovering what is the best way to achieve it (D. LORO, *Formazione ed etica delle professioni*, Franco Angeli, Milano 2008, p.88ssg.).

⁶ "C.THEOBALD, *Christianisme comme style*, v.II, Du Cerf, Paris 2007, p.762

The virtue of prudence as a process of practical discernment is structured in three logical moments strictly linked and communicating in a hermeneutic reciprocity: analysis, evaluation, and planning (SRS n. 41).

As a logical conclusion, analysis and evaluation need the planning moment of identifying the choices and the model of the enterprise to be constructed and developed. The prudent discernment takes the situation of the enterprise exploring the various dimensions of the facts and strategies to face, and the economic and institutional structures from which problems derive and from which politics come in.

Thus, practical discernment looks into the causes, weighs the consequences, delimits its connections and identifies the leading men. And helps in giving meaning to the productive experiences, putting them in a wider horizon and identifying their connections. It deals with identifying the more profound structural problems, identifying the key factors, tracing the tendencies in a long-term period, moving them to a larger horizon, which permits a more efficacious action⁷.

The analytic moment of discernment is not planned to provide an immediate response to the question regarding what has to be done, but to clarify the context in which the planned moment has to be situated and to take an efficacious stand⁸.

The prudent discernment implies more on the development of judgement and on moral reasoning. The moral sensibility is in question, the character and the motivation. Such questions are posed: how do the agents arrive in perceiving the situations the way they feel? How does a specific situation arrive at having a particular character for a particular moral agent?

In a narrative thinking approach, prudent discernment is thought of in the context of the development of the person as a moral subject capable of assuming his responsibilities: such development is not determined by isolated actions and situations but by a process in which the person is configured and in which all the pros and cons and other varied ethical considerations and tensions are being integrated. This comes from the discovery, which could be described as obedience to a vocation. The personalistic perspective becomes important to manage the conflictual demands of the stockholders and to understand the different points of views: the norms and the personal expectations are not detached, as it happens in a case of applied ethics, from their concrete context and from which the persons are called to act analogically in their own professional or private context. Such narrative context renders every situation ethically relevant. The prudent wisdom consists in the ability to balance the complexity of the situations maintaining coherently the moral intentions.

The prudence of the entrepreneur is a part of the "*important virtues*" of which Pope John Paul II offers a list: "diligence, industriousness, prudence in assuming hazard reasoning, affability and fidelity in interpersonal relationships, fortitude in executing difficult and

⁷ J. HOLLAND & P. HENRIOT, *Social Analysis linking faith and justice*, Centre of Concern, Washington 1980, pp.7-46.

⁸ Social analysis is the social strategy such as the diagnosis is the treatment; it is the prerequisite for curing social ills, offers broad parameters within which specific strategies can be suggested but not the formula. His contributions should not be exaggerated. The experienced professionals of social analysis are valuable because they expose the widest context of the situation and train people in the use of analytical tools.

painful decisions, but are necessary for the common labor of the business and to be able to face eventual overturns of fortune"⁹.

2. The possible major good

There are appeals to greater values like the common good, justice and other classical values, which presume not only a common language and institutional models of moral deliberation but also transcendental capacity of knowledge and reflection on the part of the agents, and a significant level of autonomy in the human action. For example asking the administrators and employees to act in such a way as to improve for the common good which implies that they are in the position to discern and to be motivated by a communitarian vision; it is also to be assumed that they have a significant level of power to contribute to the realization of such vision. Are the organizations of the enterprises, permit the exercise of such capacities? Are these ideals within everyone's reach in the enterprise?

In the theory of the systems, the contribution of the subject becomes insignificant, void of every capacity to manage the interconnections among the sub-systems, the system itself and the ambient¹⁰. From the perspectives of the economic doctrines, many theorists emphasize the powerful, fallible role of the human interests and the motive of the enterprise¹¹. According to these visions, the individual performance of the enterprise is formed more powerfully by the limits of the human vision and by the restricted spaces of freedom of action than by the wider potentialities underlined by the theologians. Either from the sociological or from the economic point of view, doubts arise regarding of the optimistic emphasis of the moral theologians on the values and the virtues of the entrepreneurs and of the economists in general.

The theological consideration of the ethical attitude of the individual in the enterprise must begin from an attentive analysis of the characteristics of the human action in the business organizations. The enterprises channel the motivations in the interpersonal relationships, render the human action a routine and encourage a limited reasoning to duties within the restricted confines of knowledge and habit, generate a complexity of relationships of dependence which repress the freedom of the participants.

Taken seriously, these characteristics render the ethical and theological indications virtually irrelevant for the conduct of the enterprise. The point is not that the members are incapable of expanding their moral horizons or of developing their character and virtues, but the fact that the processing of the enterprise shows characteristics, which discourage such responsibility, and therefore renders problematic a call to higher values or visions. The human thrust towards a cause or towards a community who transcends the individual, can be one of the most important human thrust, but is channeled in a reduced manner, if it has not been frustrated or deformed, in the management of the enterprise.

⁹ JOHN PAUL II, *Centesimuss annus*, n.32.

¹⁰ Cfr. P. DONATI, *Pensiero sociale cristiano e società postmoderna*, AVE, Roma 1997.

¹¹ H. Simon & J. March conceive companies as knowledge processes and human communication (H. SIMON & J. MARCH, *Organizations*, Wiley, New York, 1958). They see them as brains or processing systems of information, where the organizational action is channelled and determined less by clear rules and directives than by perceptions and communication purposes. The shareholders of the companies is not simply governed by a rational business flowing from top to bottom, but it develops from a compound of rationality and interests at all levels of the structure.

It deals with assuming the structural elements without reducing the individual action as such. The structural dimension goes with the personal action in an open rapport. The point is not to shift to the subjective dimension disregarding the institutional-organizational dimension, but rather, to see the reciprocal interrelations and the spaces that the ambivalence and the ambiguity of the institutional structure, permeable to external influences are left open in which the action of the subjects takes place.

The existing models of the enterprise are not antithetic to the moral behavior not only that they should but that, they must be taken seriously to develop an efficacious ethics of the enterprise. Instead of ignoring the elements of limitation, the ethics of the enterprise should begin a research of the signs of the transcendence within the characteristics, which we have mentioned and from which the prudence of the entrepreneur cannot prescind.

The point of departure of the theological perspective of the prudent discernment will be a limited perspective, suggested by the exchange of relationship, from the limited commitment of the participants, by the duty of routine, by the limited reasoning and from the relation of power based on dependence. It could be asked: how could a great moral vision be developed in a limited and reduced point of view.

Considering the space of the freedom of the entrepreneur, the level of the responsibility of the manager is in relation to the extension of his decision and the space of action. In the micro level, considering the internal personal limitations of the subjects, the prudence of the entrepreneur is exercised in the conditions, which limit the decisions and the actions of the leader from the outside. At the mid-level, the enterprise determines, through its culture, politics, and strategy: conditions, which the entrepreneur cannot but accept. In the macro level, many circumstances are formed from the forces of the business sector, from civil law and from other socio-cultural factors. Thus understood, the prudent and practical judgement can reflect the commitment to express the Christian faith in a way that takes an account of the limits of the human and moral possibilities.

Certainly, to discern that which is an appropriate and correct ethical decision for an administrator in a particular situation often results in a complicated and ambiguous process of the moral judgement¹². It is not an easy, immediate, and autonomous inference from the first principles. The moral choices of the enterprise were considered as we have seen, from a myriad of contextual and complex factors. The administrators act within a network of varied responsibilities, subordinates and objectives. To discern clear hierarchy of moral values can be illusive. The actions are formed from the organizational objectives and culture, from labor's procedures, from the directives on the part of the administrators, from relationships and participated responsibilities with the collaborators. It will then depend on how one understands his role, how one perceives his one's power and that of others.

These contextual factors create the opportunity and the possibility to act with prudence, which determine the functions and the structures that put limits to the moral responsibility of the manager. They complicate the prudent decisions with regards to the persons to be directed or not; to confront a moral problem or not, in the organization, or to ignore it; which kind of product to improve or not to.

¹² D. KRUEGER, "Can Christian Ethics Inform Business Practice?" in S. NATALE ed., *Work Values: Education, Organization and Religion Concerns*, Rodopi, Amsterdam 1995 pp.53-71.

In this context, subtleness emerges, which has no immediate negative meaning but has to take into account the reality. The "astute" administrators try to bring the situations to the advantage of their enterprises, using various strategies.

They know when to enter and when to get out from the competition, when to hide their business agenda in a delicate negotiation and when to have decisive measures to save money. But astuteness must be done with integrity. And because of this, it is necessary to discern with prudence.

Thus, the possible good is being recalled. It is not to abandon the moral principles in the name of the contrivance: there is a positive way to deal with the compromise¹³. Thus, we prefer to talk of the major possible good. It deals with prudent choices, which we try to do justice to different moral claims, which are valid. The enterprise recognizes the responsibility towards the different groups of stockholders. Sometimes there is no conflict among the varied interests but sometimes it exists especially in times of crisis. When there is a need of cutting down the costs, the enterprise has to choose between reducing the dividend of the stockholders, to decide some discharges, to limit the series of products for the clients, to postpone the payments to the suppliers or to lessen the reclaimed process of pollution.

The choice of the possible good has its significance in searching for a balance between varied interests and to maintain the trust of the different groups rather than abandoning a group in favor of another. But the principal point is that, the financial reality oftentimes obliges the administrator to make some decisions which cannot meet the legitimate moral needs of the various groups as he would fully want to¹⁴. In the choice of the possible good, there must be an element of tension towards a better choice in the future. Where there is a lack of this, the choice can degenerate into acritical conformity, in a gratifying acceptance of the status quo. The prudent choice of the major possible good takes seriously the promise, which is inherent in that creative choice: the hopes of something better in the future. «Astute as the serpents and simple as the doves»: the saying of Jesus urges to combine together the various capacities of the entrepreneur, with wise prudence of the idealism tempered by realism, values joined with astuteness, integrity and cleverness.

To tend towards a possible good within an ambient known from a limited and reduced point of view, implies that there must be an understanding of the enterprise according to its factual-empirical expression, but also according to its mission, its virtualities, its prefigured expectations and "projects". An idea of good is legitimate when it is capable of putting in crisis every specific and partial acquisition, therefore rendering it contingent. And puts together the total good with "modes", "time" and "persons" characterized by finiteness and partiality, through an interpretative act which tries to join the moment of universality with that of the particular.¹⁵

Illumined by the Christian logic of the Incarnation, which goes to the opposite side of idealism, the prudent discernment permits man to discover that ones fidelity to God passes through the knowledge of the major possible good in the present. To the one who has a maximum demand, patience is opposed and the rigor of the concrete duty and oftentimes less glorious, which becomes necessary if you don't want to disappoint the legitimated

¹³ R. HIGGINSON, *Transforming Leadership*, SPCK, London 1996.

¹⁴ Cfr. G. MANZONE, *La responsabilità dell'impresa. Business Ethics e Dottrina sociale della Chiesa in dialogo*, Queriniana, Brescia 2002. pp.96ssg.

¹⁵ "Et ideo necesse est quod prudens et cognoscat universalia principia rationis et cognoscat singularia circa quae sunt operationes" (Summa Teologica II-II, q. 47 a.3).

expectations of others. Is there a way of living the resurrection in the form of that possible dormant in every impasse, or in the same death? Valuing the good possibilities in the concrete and apparently modest decisions is efficacious and reasonable¹⁶.

The moral good of the enterprise is always linked to the possibilities and the historical conditions; in other words, it is the possible good. The category of the possible—which is present in all areas of existence—present here most of all its necessity: it deals with valuing the measure which is more or less great towards good which is immanent in the multitude of possibilities in the concrete action, interpreting its intrinsic consistency¹⁷.

In the perspective of the possible good, the prudence of the entrepreneur is confronted with three types of ethical challenges. The needed ethical conduct of the enterprises consists of minimal ethical needs, positive obligations and ideal aspirations¹⁸. The first type includes basic ethical norms, sanctioned by the juridical system, in which the contents must be specified at a concrete level, where the difficulties emerge and the prudent discernment enters at work¹⁹.

But social justice invites to a more positive attitude of an active contribution for the common good on the part of all the sectors of every community, a contribution which goes beyond the minimum ethics sanctioned by right. Such attitude consists in creating and maintaining relationships of trust with the stockholders, in helping the employees in need, to compensate the community for the non-intentioned damages, in committing for the conditions of a just enterprise. At this level it is more difficult to find consensus, but other positive norms are necessary for the functioning of the economy.

Finally, the prudent action is characterized from aspirations to ideals, capable of mobilizing energy and motivations in the enterprise. These aspirations create the specific identities and the "missions" of the enterprise²⁰.

The art of acting with prudence in the enterprise consists in the identification of the spaces of freedom, which are always limited, widening as realistically as possible its confines, in the light of a moral sensitivity in which the contribution of the social teaching of the Church can be relevant²¹. In that way, moral reasoning reconciles with the economic rationality,

¹⁶ No one thinks that the terrorism will be won by some terrific action, but you can score a clear victory with a patient, methodical and microscopic struggle: the one that reveals the underground, rebuilds ranks, dismantles the networks and mobilizes constantly. The resignation e.g. of a senior officer in the face of corruption: does not eliminate evil but shake our consciences and instil confidence in things other than cowardice or fatality.

¹⁷ In another way the understanding of the possible good, is not compared to the presence of negative values in the various sectors of social life. It is the awareness that you cannot clearly separate the good from evil, right and wrong: the complexity of all this is mixed.

¹⁸ R. T. DE GEORGE, *Competition with Integrity in International Business*, Oxford University Press, New York 1993.

¹⁹ Without consensus on these norms, in a pluralistic society, the enterprise cannot survive. The ethical value of non-damaged or restitution for any damage done is already a demanding standard for the company and its customers.

²⁰ To reach a consensus on these positive aspirations in a pluralistic society at social level does not seem possible, while at the enterprise level, a certain consensus seems to be required for efficiency.

²¹ Saxon Business Ethics focuses on responsible freedom while that of Europe focuses on how cultural and structural conditions should be trained responsibly. The comparison of the Social Doctrine of the Church and Business Ethics reveals that the enterprise as a community is not simply something to take part but implies first of all the participating people, with all their public and religious beliefs. Duty, responsibility and loyalty are essential to the community (G. MANZONE, *La responsabilità dell'impresa*, o.c., pp.39ssg.).

conceived with a widened concept, which includes the social legitimacy, which is the constitutive element of the economic reasoning.

3. The prudent strategies of the entrepreneur

A wider concept of economic rationality permits to put into function a prudent action which tries, as the strategic theory of management suggests, the superior result through the good realization of a strategy which unites capacity and organizational resources with ambiental opportunities in such a way as to create competitive advantages.

And there are numerous strategies of the enterprise that the business could adapt. The adequacy of the appropriate adherence of the capacity of the enterprise, the interests of the subjects and the selected strategies will determine the impact of the social activities of the enterprise on its long term survival and of its economic results. It treats of an illumined strategy of a prudent discernment and tends towards a possible good in a complex situation.

It is for a long term that the importance of the social results of the enterprise becomes evident. While the economic result says if the enterprise would be vital for a brief period, it is the result together with the social and economic elements, which determine the social and economic legitimacy for a long term.

The ethical and economic evaluations cannot be but divergent when the first are expressions of moralistic judgements, which prescind from an adequate knowledge of the concrete situations, and the second are guided by the indiscriminate search for profit, without distinction between profits of short or long period, of profits which take advantage of any opportunity, without giving attention to constructing a strong, competitive, cohesive capacity, and profits that come from such capacity; profits which serve to prioritize wealth to some and profits which are destined to sustain the development of the enterprise²².

The strategy of the prudent entrepreneur tempts to add values to his ambient in order to legitimate his existence and to assure a future. It could be an appropriate strategy in as much as the enterprise is better able to encounter and to bring together his particular resources with economic objectives and the needs of his stockholders.

It has to be taken into account not only the conflict between the social and economic interests, but attention must be first of all on the strategic orientation of the enterprise, which is the origin of the conflict situations and the way of present them²³. Thus, the fundamental choices regarding the objectives of the enterprise are being evaluated and discussed, the area of its activities, its organizational philosophy, that is, the basic attitudes that is the origin of the strategies of the enterprise and the ways in which they are concretized. In this perspective, the orientation in shorter term, where the restructuring with its human and social responsibilities,

²² Shareholders are very interested in the pursuit of profit, but not necessarily selfish: they become selfish, and worse, profiteers, if their interest does not take into account the interests of other parties involved in the company.

²³ Particular choices are placed in very different terms precisely just under the basic orientation of the company. If, for example, the basic orientation is characterized by a somewhat opportunistic pursuit of profit, not at all worried about basing profitability on a solid foundation, the organization may be far more exposed to the possibility of heavy involvement in corruption business than if it were characterized by a strategic thrust to reduce costs, improve quality, give the customer a better service.

appears to be an inevitable consequence of a guided journey from a short sighted search for profits or from their objectives different from that of developing a lasting enterprise.

An acceptable strategy of obtaining profits will not be that of developing a monopolistic position, but that which tries to identify the strong points of the enterprise and to develop those that are capable to produce, efficiently, new products and services. Only this prudent strategy works in accord to the spirit of competition and contributes to the common good or represents a generalized interest, the others are irresponsible and therefore immoral²⁴.

Also in the case of the social responsibility of the enterprise, the fundamental options are at work. For the prudent entrepreneur, it has a sense asking the business firm of this or that social problem, beyond that which the law imposes, only in as much as it is able to manage to get into its social commitment in a coherent strategic design, having a validity also in the economic level, and therefore able of assuring its functionality and the long term development of the enterprise.

A prudent, social responsibility has to be realized in a situation which is always complex, because it is characterized by a multiplicity of needs, economic and humanistic, all of which are relevant and related to each other by so many dynamic relations that in a short period of time are prevalently rivals, while in the longer period, they become complementary.²⁵ To act with prudence proposes effective, verifiable, honest, rigorous, moral proceedings: all of which, have to avoid unconsidered enthusiasm and the global and pretentious condemnations serve as to divert the will of discouragement and to look for ways for a modest exercise, but efficacious, with responsibility in a dynamic perspective which takes into account the tension towards choices which concretize in a better way, that fullness of the good, which remains always at a distance from the business reality.

4. Concluding observations

The intent of the responsible entrepreneur is not only that of finding another way of having the economy function, but that of being able to mediate between the needs of the competitors and the social obligations to whom one feels linked, starting from recognizing the political obligations of ones business operations. The manager assumes this tension between the system and the managerial operations in the search of original routes, with the effort of reconciling the irreconcilable, to invent ways in a context, which tend not to recognize it. From here comes the availability to come to reality and to discern the major possible good. It is that, that we are waiting is a relative autonomy, made of ambiguity and weakness, but able to create reality, partially new. "Tentative limits, therefore, which do not have the ambition to modify the logic of the functioning of the system, but take advantage of the spaces of autonomy and the freedom to have a modality of heterodox attitude"²⁶. With this regard, the illuminating words of Paul VI who talks about the figure of the prudent entrepreneur: "If a

²⁴ No strategy is inherently superior to another regarding the results and the legitimacy of the company: the superiority of one approach over another depends on how the company integrates social activities with economic activities to maximize the value in its various dimensions.

²⁵ "The corporate social citizenship is based on the knowledge that there is no antithesis between economic foresight and social responsibility, on the contrary, their conjugation can give very positive results" (COMMISSIONE EUROPEA, *Libro verde "Promuovere un quadro europeo per la responsabilità sociale delle imprese"*, 18.07.2001, p.2).

²⁶ M. MAGATTI, "L'impresa della responsabilità" in M.MAGATTI & M.MONACI ed., *L'impresa responsabile*, Bollati Boringhieri, Torino 1999, p.39. The work takes some vision of some business and their "socially responsible" strategies.

certain image of the traditional head of an enterprise is destined to disappear, says Paul VI, another one will be born, that person who listens to his time, of his discoveries and of his researches, of his aspirations of men and of their needs; a man who reflects and thinks before acting; a creative man, who puts aside negative old habits and turns with courage towards the future; a realistic man who knows how to choose the means to translate in life his ideals; - in other words, he is the leader who exercises his authority as a mission for the good of his collaborators and for the entire society"²⁷. It deals with a personality in which the moral virtues (strength, justice, prudence, temperance) and spiritual (sense for others, availability, humility) are the models to know how to be; which today is more important than to know how to do.

The conditions are thus indicated because the entrepreneur can be prudent entrepreneur, in his capacity to be capable of having a historical - practical judgement, overcoming the unevincenced ethics in the actual world of the enterprise, and to identify critically and autonomously the historical forms in which the "human dimensions, which cannot be renounced" are actualized in the enterprise²⁸. He searches the signs of the transcendence within the ambient known as limited and reduced, and contributes to establish trust among the participants of the enterprise, generating and sustaining the mutual trust among the varied groups of interests²⁹. The economic manager who is a believer brings to refocus and establish his trust on God as the center of value from which the merit of trust is measured³⁰.

The prudence of the entrepreneur permits the creation of "a space of freedom": one refuses to accept that the economic determinants are necessarily absolute determinants³¹. Notwithstanding the economic restrictions to which one has to be subjected to, the creation of a space of freedom could lead to a choice for a more possible human solution in the given circumstances. One does with the capacity to operate beyond the dictated logic of the instrumentalized reasoning, re-elaborating the reality and moving towards the interior of those spaces of ambiguity and indetermination, which remain in every socio-economic situation and the diverse contingencies recreate continuously.

In a highly structured context, an intrinsic political element also emerges in a prudent operation, due to the tensions between the diverse sphere of the social and economic life.

²⁷ PAUL VI, *Address to the National Directors of the Catholic Union of Entrepreneurs of Portugal*, 25.11.1966.

²⁸ It's about creating, from the point of view of the same company, those conditions that make it possible a way of working where, "while developing personal skills, one can also achieve effective and efficient production of goods and services and this helps the worker to be conscious of really working in something of his own" (*Laborem exercens*, n.15 and *Centesimus annus*, n.43).

²⁹ Small communities, families and churches develop trust without much conscious thought, but in the case of companies which are artificial and conventional constructs with economic and involved grounds, building trust must become a conscious process.

³⁰ According to N. KAMERGRAUZIS (*The Persistence of Christian Realism*, Uppsala University, 2001) between the general statements of ethical demands of the gospel and the decisions that must be taken in specific situations, there is need for what can be described as "middle axioms". They are attempts to define the directions in which in a particular company's situation, the Christian faith must express itself. They are tentative definitions of the type of conduct required by Christians in a given period in the circumstances. A similar argument is also found in R. PRESTON, *Confusion in Christian Social Ethics*, SCM Press London 1994.

³¹ Economic circumstances and the survival of the company, for example, might make it necessary to dismiss some employees, but there is always more than a choice on how this can be done or the number of persons affected, with some choices more human than others. Moreover, the surplus staff will be able to find other jobs more easily, if during his career has received constant training opportunities. Another example: globalization and internationalization require a high degree of flexibility and mobility by managers, but the way in which managers are given the freedom to harmonize the demands of family life to work conditions can be very different, and depends on the values that guide their discernment.

Acting prudently sustains and animates a critical reflection on the general rules and the structure of the business acceptable from the human and ecological view. And it encourages a deliberative process open among politicians, enterprise and public opinion to assure a just and orderly economy. This could be gained only if all the participants have good will and the reforms are not hindered when the interests of the specific group are touched.

The prudence of the entrepreneur, enlightened by the Social Doctrine of the Church, is particularly sensible to the good of the person in all his aspects and has the duty to discern and promote the possibilities of what is good and which has to be developed: for this reason, one must be critical, able to overcome, and reform some norms in every business situation.

To have the capacity to identify when a decision has moral consequences, and therefore ethical modes of decision have to be used which go beyond other results for its survival and social costs must be considered, choosing to do what is right in a coherent way.

That's why the administrators are among the "the principal transformations of the society, those who influence greatly the conditions of the human life and they open new and unthought development. Whatever judgement one could give about you, says Paul VI to the members of the UCID, your being good administrators have to be recognized, your strength, your being indispensable"³².

To conclude, the prudence of the entrepreneur attests the possibility of acting in a different way which disposes the resources from its tradition: living in the cultural and communitarian nucleus of the Church brings about a promise of transformation and a sign of fresh air.

³² PAUL VI, *Address to the "International Christian Business Executives" (UCID)*, 8.6.1964.