

The Integrative Justice Model* and its Relevance to Business Education at Catholic Business Schools

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Abstract

In keeping with the Church's preferential option for the poor, Catholic Business Schools are particularly obligated to develop and teach frameworks in a wide range of disciplines such as Finance, Management, and Marketing that aim towards "just" business engagement with impoverished consumers. This paper offers a normative framework, labeled the Integrative Justice Model (IJM), for ethically marketing to impoverished consumer segments. The ethical imperatives of the IJM are derived from moral philosophy theories, corporate social responsibility frameworks and religious doctrine. The paper briefly presents the fundamental elements of the IJM and shows how these emerge from the principles of Catholic Social Teaching. The paper finally concludes with a discussion of the implications of the IJM for Business Education at Catholic Business Schools.

I. Introduction

A report released by the Aspen Institute in 2007 indicates that the number of business schools that include material focused on low-income markets, also characterized as the bottom (or base) of the pyramid (BOP), grew phenomenally in 2007 compared to 2005.¹ According to the report, the inclusion of BOP-related material is taking place across a wide range of disciplines in the MBA curriculum as well as in business schools across the globe. This trend reflects a growing interest of multinational companies (MNCs) in BOP markets, particularly those in developing countries. Major global companies that have ventured into the BOP market include Cemex, Kodak, Nestlé, Proctor and Gamble, and Unilever.² There have also been a number of academic conferences in recent years that have focused exclusively on the BOP market.³ The involvement of MNCs in the BOP market affords the opportunity of a more inclusive capitalism, one that seeks to include groups that were earlier kept at the periphery or margins of economic development. As Prahalad points out, "when the poor are converted into consumers, they get more than access to products and services. They acquire the dignity of attention and choices from the private sector that were previously reserved for the middle-class and rich."⁴

* The basic elements of the Integrative Justice Model presented in this paper are drawn from other working and submitted papers that we have co-authored. See Note no. 14 for a listing of some of these papers.

Historically, the minimal economic involvement displayed by MNCs in the low-income segment was largely a result of this sector being perceived as unprofitable due to their limited purchasing power.⁵ However, this financial hurdle was overcome by multiple analyses demonstrating that there was now an emerging profit potential in low-income markets.⁶ With saturation experienced in servicing many high and middle income markets, as well as excess production capacity, seeking out growth opportunities in developing markets, especially if there is a profit potential, is a logical strategy from a business perspective.⁷ Additionally, engaging the low-income market afforded MNCs the opportunity of contributing towards poverty alleviation⁸ thereby regaining public trust that had been eroded in the wake of business scandals or adding to the goodwill that constitutes a corporation's public reputation.

While the interest of multinational corporations in the low-income market segment is a recent phenomenon, there has been periodic business involvement with low-income consumers for many years. Along with this, there has been concern raised about a plethora of unethical practices accompanying marketplace transactions with low-income consumers. In what could perhaps be deemed as the first comprehensive presentation of some of these unethical practices, sociologist David Caplovitz shows how "the marketing system that has evolved in low-income areas is in many respects a deviant one in which exploitation and fraud are the norm rather than the exception."⁹ Examples of exploitive practices in the low-income segment include predatory lending, tainted insurance, unconscionable labor practices, and exorbitant rent-to-own transactions.¹⁰ While such exploitive practices take advantage of the vulnerabilities of the impoverished segment due to lack of financial resources, education level¹¹ and even access to land,¹² they are also driven by the powerful desire of these consumers to reach out for better quality products and an improved quality of life.¹³

Simply stated, this involvement of multinational corporations in the low-income market affords, on one hand, the opportunity for a more inclusive capitalism, and on the other, the threat of greater exploitation of poor and disadvantaged consumers. We can be confident that as business organizations embrace the idea that the low-income market constitutes an economically viable market segment, it becomes critical that exchange situations that are directed towards such segments be shaped in a manner that is "fair" and "just" to both parties (i.e., the business unit and the consumer). This is particularly important in an impersonal economic marketplace that too often exploits the poor due to an "imbalance" of resources, information or financial leverage on the part of the less advantaged member, typically the buyer.

In keeping with the Church's preferential option for the poor, Catholic Business Schools (CBS) are particularly obligated to develop and teach frameworks in a wide range of disciplines such as economics, finance, strategy, management, human resources, entrepreneurship, and marketing that aim towards "just" business engagement with impoverished consumers. In this paper we offer a normative framework for ethically marketing to impoverished consumer segments. This framework, which we label as the Integrative Justice Model (IJM) for impoverished markets, is a work-in-progress resulting from a series of conference presentations, articles in press and working papers.¹⁴

The IJM is constructed using a normative theory building process in philosophy proposed by the philosopher John Bishop¹⁵ and is comprised of ethical elements that *ought* to be present when marketing to the poor. The ethical imperatives of the IJM are derived from moral philosophy theories, corporate social responsibility frameworks and religious doctrine. We begin this paper by briefly presenting the fundamental elements of the IJM. We then discuss the core principles of Catholic Social Teaching (CST) and show how each of the fundamental characteristics of the IJM emerges from the principles of CST. We finally conclude with a discussion of the implications of the IJM for Business Education at Catholic Business Schools.

II. Fundamental Elements of the IJM

When one hears or reads the word “justice”, it often invokes imagery of laws and regulations, the domain of legal justice, and something that most businesspeople want less of, as indicated by their opposition to Sarbanes-Oxley.¹⁶ However, justice also means “righteousness” or “equity.” This should not be construed to suggest that laws and regulations have no place in this definition of justice but rather that the domain of justice extends beyond black letter law and regulations. The concepts of “righteousness,” “fairness,” or “equity” that are at the heart of justice, largely flow from the social nature of persons, the result of their personal interconnectedness with one another and to the greater community. Consistent with this perspective, business corporations today realize that they do not operate in a vacuum, but instead are part of a complex network of relationships including with the ecological environment.¹⁷ Therefore, it is in the interest of business organizations that these relationships be governed by fairness and equity. For one, as the World Bank Development Report points out, “greater equity can, over the long term, underpin faster growth.”¹⁸ In addition, fairness and equity also ensure “sustainability” for the business organization, in terms of long-term relationships with its various stakeholders.

Second, the development of an integrative justice model does not imply a blending of the different theories or types of justice (e.g., legal justice, procedural justice, etc.). Rather, in the context of marketing to impoverished market segments, the type of justice that is of prime concern is that of *distributive* justice—i.e. the fairness of marketplace transactions.¹⁹ Thus what is integrated instead is the notion of “fairness” or “equity” in marketing transactions as developed from different strands of thought in moral philosophy, management theory and religious doctrine. These perspectives, when examined together, reveal certain ethical imperatives that ought to generally guide the fair allocation of income, wealth, and power in the market economy. Importantly, many of these theories, frameworks and approaches seem to provide substantial evidence—by marshalling evidence developed from divergent perspectives and traditions—for the same set of ethical elements to shape and steer marketer relationships with impoverished consumer segments. Based on these pertinent streams of thought we identified five characteristics of “just” market situations.²⁰ Together they form the basis of an Integrative Justice Model (IJM) for marketing to impoverished markets. In the ideal, each of the following elements should be discernable (i.e., palpably evident) in business organizations when they “fairly” and ethically market to poor and disadvantaged consumers. The characteristics are:

1. Authentic engagement with consumers, particularly impoverished ones, with non-exploitive intent

2. Co-creation of value with customers, especially those who are impoverished or disadvantaged
3. Investment in future consumption without endangering the environment
4. Interest representation of all stakeholders, particularly impoverished customers
5. Focus on long-term profit management rather than short-term profit maximization

III. Catholic Social Teaching (CST) and the Fundamental Elements of the IJM

Catholic social teaching comprises of the tradition of Papal, Church Council, and Episcopal documents that deal with the Church's response and commitment to the social demands of the gospel in the context of the world. While CST is rooted in scripture and founded on the life and teachings of Jesus, a generally accepted starting point of this tradition dates back to Pope Leo XIII's encyclical *Rerum novarum* in 1891, a moral commentary inspired by several of the social abuses rooted in the Industrial Revolution. At the heart of the CST corpus are four principles that are referred to as the permanent principles of the Church's social doctrine.²¹ These are: the dignity of the human person; the common good; subsidiarity; and solidarity.

While the four principles are interrelated and are intended to be appreciated in their unity, a foundational principle is that of the dignity of the human person.²² In fact, the whole of CST can be conceived as unfolding from this first principle.²³ Basically, what the Church affirms is that human life is sacred and human beings by virtue of being created in God's image (cf. *Gen* 1:27) have a certain "inviolable dignity".²⁴ This dignity is not something that is acquired by one's efforts, but rather, it is a given. In other words, all human persons, regardless of race, color, and creed possess an inherent dignity of being in the likeness of God, and therefore, righteously, should be accorded full respect.

The second principle, namely, the principle of the common good, in its broad sense is understood as the social conditions that enable individuals or groups to attain their fulfillment more easily.²⁵ A significant implication of the principle of the common good is that of the universal destination of goods. This implies that the goods of the earth have been given by God for all to use. Thus, all have a right to benefit from these goods. As CST points out, this does not mean "that everything is at the disposal of each person or of all people, or that the same object may be useful or belong to each person or all people."²⁶ However, it does mean that "each person must have access to the level of well-being necessary for his [or her] full development."²⁷ While CST clearly upholds the right to private property, it also requires that all people have equal access to the ownership of goods necessary to achieve their potential.²⁸

The third principle is that of subsidiarity. This principle "is among the most constant and characteristic directives of the Church's social doctrine" since *Rerum novarum*.²⁹ Basically, the principle of subsidiarity holds that "it is an injustice and at the same time a grave evil and disturbance of right order to assign to a greater and higher association what lesser and subordinate organizations can do."³⁰ The word *subsidiarity* comes from the Latin *subsidium*, which means *help*. Thus, the principle of subsidiarity refers to helping or supporting others while respecting their initiatives and capabilities.³¹ In the organizational context, Alford and Naughton point out that "the operation of the principle of subsidiarity requires that power rest at the most

basic level of production.”³² A major implication of subsidiarity is that of *participation*, expressed as a series of activities through which individuals, either in their own capacity or in association with others, contribute to the various dimensions of life in the community to which they belong.³³ For example, the idea that workers are merely cogs in the production system or that expanded consumer markets are solely a mechanism for the achievement of enhanced profit marginalizes the role of other persons and their rightful participation in the economic system, and therefore violates the principle of subsidiarity.

The fourth principle, namely, that of solidarity, affirms the intrinsic social nature of the human person and the awareness of the interdependence between individuals and peoples.³⁴ Solidarity is not just a “feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, it is a *firm and persevering determination* to commit oneself to the *common good*.”³⁵ The term “solidarity” as used by the teaching authority of the Church, “expresses in summary fashion the need to recognize in the composite ties that unite men and social groups among themselves, the space given to human freedom for common growth in which all share and in which they participate.”³⁶ An important requirement of the principle of solidarity is that of a greater awareness that all men and women are debtors of the society to which they belong. “They are debtors because of those conditions that make human existence livable, and because of the indivisible and indispensable legacy constituted by culture, scientific and technical knowledge, material and immaterial goods and by all that the human condition has produced.”³⁷ In terms of marketing, solidarity suggests a spirit of partnership among buyers and sellers, consistent with the best executions of the marketing concept. Short term or one time exploitations of buyers are surely in violation of the solidarity principle.

A fundamental economic assumption made in the theory of exchange is that both parties to the exchange are on an equal footing, which is very often not the case.³⁸ In fact, it is precisely because of the *inequalities* that exist in the exchange process, that we see an ever-increasing amount of injustices. Therefore, a major challenge in the construction of “just” markets is of creating economic “win-win” situations for all participants. The principles of CST offer a framework for creating such “win-win” situations. In what follows we show how the fundamental elements of the IJM (characteristics of “just” market situations) emerge from the principles of CST.

1. Authentic engagement with consumers

If all human persons, as CST points out, have an inviolable dignity, then treating any person as merely an object or means to the profitability of the company is a violation of the principle of human dignity. Consistent with philosopher Immanuel Kant’s second formulation of his categorical imperative, Lacznik points out that “members of the human community, particularly those most subject to exploitation, should never be used as an expedient means to a financial end.”³⁹ An example of companies taking advantage of the vulnerabilities of consumers is that of the prepaid phone card industry.⁴⁰ For many immigrants, particularly those from Latin America, prepaid phone cards are their main connection to their families back home. Unfortunately, as press reports indicate, many providers of prepaid phone services engage in deceptive marketing and even fraud.⁴¹ These providers routinely manipulate the minutes that consumers can use and

also charge a wide array of service fees which are sometimes part of the fine print but cannot be easily deciphered by a largely illiterate population.

In contrast to examples of companies that exploit the vulnerabilities of consumers, there are several commendable cases of organizations that genuinely seek to address the disadvantages that consumers face. One such instance is that of the Grameen Bank in Bangladesh which was awarded the Nobel Prize for Peace in 2006. Grameen Bank started as an initiative in 1976 to provide small loans to entrepreneurs who could not qualify for loans from traditional banks.⁴² In 1983 it was set up as a formal bank. Since its inception, Grameen Bank has disbursed about \$6.5 billion in loans. Its total number of borrowers total 7.31 million of which 97% are women. An innovative approach of Grameen Bank is that the borrowers of the bank own 94 percent of the equity of the bank with the remaining equity being held by the government. Grameen Bank does not require any collateral from its borrowers nor does it require its borrowers to sign any legal document as it does not wish to take borrowers to court for non-repayment. Despite this, the repayment rate is about 98 percent which is much higher than the repayment rate of most traditional banks. Among several notable aspects of the Grameen Bank example is the idea that [impoverished] customers of the bank have been not only made partners in an economic exchange process but that the outcome of the transaction has allowed them to be a stronger future participant in the marketplace.

The difference between companies that exploit the vulnerabilities of consumers and those that seek to reduce the vulnerabilities or disadvantages that consumers face is that the latter are able to view their businesses as serving a greater social purpose than simply the relentless pursuit of profit maximization. In viewing customers, particularly impoverished ones, not as objects to be taken advantage of but rather as subjects who have legitimate needs, these companies adhere to CST's principles of the dignity of the human person, of the common good, and of solidarity. Using the example of companies such as the Grameen Bank, an important characteristic of a "just" market that emerges involves an *authentic engagement with consumers, particularly impoverished ones, with non-exploitive intent*.

2. Co-creation of value

In their path-breaking work involving the services-dominant logic (SDL) of marketing, Vargo and Lusch argue that Marketing is transforming to a new evolutionary logic, "one in which service provision rather than goods is fundamental to economic exchange."⁴³ According to Vargo and Lusch, "a service-centered dominant logic implies that value is defined by and co-created *with the consumer* [emphasis added] rather than embedded in output."⁴⁴ In the SDL, customers are treated as operant resources (producers of effects) rather than operand resources (something to be acted upon). Such a shift is in keeping with CST's emphasis on the inherent worth of each individual person. Thus, for instance, while the impoverished customers might have limited purchasing power, they also have a wealth of knowledge, skills, and ideas that can be potentially beneficial to business enterprises.⁴⁵ Consider for example, the approach of Proctor and Gamble (P&G). P&G sent its market researchers to spend time in rural villages in developing countries, observing the everyday behavior of poor consumers.⁴⁶ This approach enabled P&G to develop products that the customers needed rather than what P&G thought they needed. P&G was able to leverage the knowledge it gained from a first-hand experience of the

situation of its impoverished consumers to create value for its impoverished consumers as well as for itself. Another example is that of Ogilvy & Mather (O&M) which uses traditional folk performances to appeal to rural customers.⁴⁷ O&M's approach uses the skills of the folk performer to create brand value among customers for whom these traditional art forms have tremendous meaning and significance. Therefore, a second key characteristic of a "just" market that emerges is that *value ought to be co-created with customers, particularly, those who are impoverished.*

3. Investment in future consumption

The U.S. Catholic Bishops, in their pastoral letter *Economic Justice for All*, assert that an economic system should be judged "by what it does *for* and *to* people and by how it permits all to *participate* in it."⁴⁸ An authentic engagement with consumers and co-creating value with them undoubtedly enhances their participation in the economic system. However, the participation of particularly impoverished consumers is restricted by their lack of access to capital and other resources. Making capital and other resources available to impoverished consumers increases the potential of these consumers to participate in the market economy. We see evidence of this in the example of Grameen Bank. Further, as Marwaha et al. point out, "any attempt to grow the poor's capacity to consume must focus on increasing their income."⁴⁹ One result of business engagement with the impoverished market segment is the increase of employment opportunities. This can be either directly, by way of employment with the business firm or indirectly, as suppliers, distributors, and retailers. In part, the emerging popularity of "Fair Trade" products (e.g., coffee, cocoa, tea) with consumers embodies this trend. While the "fair trade" movement has often been a *consumer driven* social phenomenon, allowing buyers to "feel good" that they have not purchased products produced under "exploitive" conditions, the net effect has been to institutionalize a living wage and improved working conditions for partners in the supply chain. These conditions, typically at short term cost to the most powerful channel members, have often allowed weaker channel members to continue as partners in a future cycle of economic exchange. Thus, a third characteristic of a "just" market that emerges is an *investment in future consumption.*

4. Interest representation of all stakeholders

In the last few decades, multinational corporations have been involved in developmental projects in developing countries. While many of these projects were meant to help the ultimate beneficiaries, the poor, it was realized that instead they ended up with the poor being even worse off than before.⁵⁰ For example, Caufield cites the example of the Narmada Dam Project in western India.⁵¹ An objective of building this mega dam was to help irrigation, particularly in the drought hit areas of states such as Gujarat and Maharashtra. It was argued that by enabling irrigation, the productivity of the land would be improved, and the economic conditions of these areas would improve. However, the dam resulted in the displacement of hundreds of thousands of tribal people who resided on the banks of the Narmada River. The resettlement plan was very poor and the affected people were given arid land in exchange for the fertile land they previously held. The Narmada Dam Project, thus, resulted in pushing a large number of people into poverty instead of providing citizens in the area an opportunity for jobs and the monetary rewards to engage better in the consumption process.

In Rangan and McCaffrey's opinion, a major reason that projects such as this resulted in the poor being worse-off than before was that the interests of the poor end client were not sufficiently represented or taken into account.⁵² Together with the interests of the shareholders, it is important for the business organization to consider the interests of other stakeholders particularly those that do not have much voice in the economic negotiation process. For example, the Brazilian retailer Casas Bahia, which sells products to low-income consumers on an installment basis, has a consumer education process in which salespeople teach consumers to buy according to their budget.⁵³ At times, this process might result in the consumer selecting a cheaper product, which could be considered a loss for Casas Bahia. However, this loss is compensated by the relationship and trust that is built with the low-income consumers. Considering the interest of the often voiceless impoverished consumer is in accordance with the principle of the common good and the principle of subsidiarity. Thus, a fourth characteristic of a "just" market that emerges is that of *interest representation of all stakeholders, particularly impoverished customers.*

5. Long-term profit management

CST recognizes the legitimate role of profits in the functioning of the business enterprise and for economic development.⁵⁴ However, a preoccupation with profitability, ironically, can act against the long-term interests of the business organization.⁵⁵ Such a preoccupation is largely the outcome of a short-term mentality that is driven by quarterly profit increments or even annual ROI targets. The pressure for short-term profit maximization can lead to various forms of unethical business behavior as evidenced by the corporate scandals that broke out in the earlier half of this decade. The market development of impoverished segments is inherently a longer process than one that is dictated by the length of fiscal reporting periods and/or annualized share performance scores. An example of a company that has a long-term perspective is the Aga Khan Fund for Economic Development, a for-profit company based in Geneva. The Aga Khan, who is the spiritual leader of the Ismaili Muslim sect and the chairman of the company, maintains that he is more focused on long-term outcomes rather than being preoccupied with short-term profits.⁵⁶ One of the investments of the Aga Khan Fund is a fish net factory in Uganda. A project initiated by Karen Veverica, an aquaculture expert with Auburn University and financed by the United States Agency for International Development is jump-starting a fish-farming industry in Uganda. However, this project requires special types of nets. Presently, there is no demand for these nets but, without them, the fish-farming industry cannot take off. Mahmood Ahmed, the Aga Khan Fund's representative in Uganda, points out that investments such as these require thinking long-term. While the fund will not enter a business without the promise of profit, there are more considerations than just profit.⁵⁷ According to CST, the individual profit of a business enterprise should never become the sole objective of a company. Rather, it should be considered together with another equally fundamental objective, namely, social usefulness. A company is more likely to consider its social usefulness when it has a long-term rather than a short-term perspective. Thus, a fifth characteristic of a "just" market that emerges is a *focus on long-term profit management rather than short-term profit maximization.*

IV. IJM: Implications for Business Education at Catholic Business Schools

In the Apostolic Constitution *Ex corde Ecclesiae*, Pope John Paul II encourages Catholic Universities to feel responsible to contribute concretely to the progress of all people, particularly the poor.⁵⁸ As an example, the pope says that Universities could make education more accessible to the poor members of society as well as draw attention to the condition of the poor as part of its pastoral ministry. Even though such approaches are indeed laudable, they do not sufficiently address the issue of *how* the preferential option for the poor and disadvantaged can be an integral part of education, particularly in CBS. In their thought-provoking background paper for this conference, Naughton et al. point out that one of the four critical dimensions of business education at CBS is of integrating business and the needs of the poor.⁵⁹ The traditional approach to poverty alleviation has largely been that of charity or aid. However, as Archbishop Weakland points out, though charity is a necessary Christian virtue, it is not an economic solution to the problem.⁶⁰ For instance, although trillions of dollars have been expended by way of developmental aid in the last few decades, it has hardly made a dent in global poverty.⁶¹ According to Weakland, a better solution to the problem of poverty is to help poor people participate in the life of society by being able to make their contribution to it.⁶² The recent interest of MNCs in the impoverished market segment holds the potential of enhancing such participation by encouraging a spirit of entrepreneurship among the poor as well as seeking ways in which the poor can more actively be engaged in and benefit from the process of economic development.⁶³ And, as mentioned above, business schools are increasingly addressing the issue of poverty alleviation in the classes that they offer.

In a way, the increased involvement of business corporations in the low-income segment affords CBS the opportunity of aligning strategic business education with CST's preferential option for the poor. In this paper, we have offered the IJM as a possible framework for such an alignment. The IJM, which takes into account economic, ethical and theological dimensions, is aimed at creating fairness and equity in economic transactions involving impoverished consumers. Its long term perspective for the construction of just markets is consistent with a variety of basic, prescriptive marketing approaches including the marketing concept, customer relationship management (CRM), sustained brand equity and the emergent S-D Logic.⁶⁴ While the IJM is most applicable to the discipline of marketing, its scope extends to other disciplines within the business field as well. For instance, the elements of the IJM can be applied to the discipline of Operations Management (OM). The classic performance objectives of the operations function are identified as quality, flexibility, speed, and price.⁶⁵ The underlying purpose of these objectives is undoubtedly to generate increased revenues and profits for the firm. However, if this becomes the exclusive purpose, there is, as has been pointed out earlier, the increased possibility of exploitation, particularly when engaging impoverished market segments. Instead, the objectives of OM ought to be considered in conjunction with the characteristics of the IJM. Taken together, the performance objectives of OM and the characteristics of the IJM help not only to create a fairer and more equitable business engagement, particularly with impoverished consumers, but also one that is more strategically driven from a business perspective.

Earlier business approaches with the BOP market consisted of either selling failed high-income products to low-income consumers at a lower price or manufacturing low-quality, low-price products for these markets. While these strategies did perhaps contribute to the short-term

revenue of the business firm, they did not help in long-term market development or in creating and leveraging knowledge at a global level.⁶⁶ Consider instead, the examples of companies such as Proctor and Gamble and Hindustan Lever that adhere to some of the characteristics of the IJM. With consumer empathy at focus, Proctor and Gamble (P&G) sent its market researchers to spend time in rural villages in developing countries, observing the everyday behavior of poor consumers.⁶⁷ This enabled P&G to develop products that the customers needed rather than what P&G thought they needed. P&G was able to leverage the knowledge it gained from a first-hand experience of the situation of its impoverished consumers to better deliver on the four performance objectives of OM. The knowledge gained by drawing out previously unrepresented voices of impoverished customers enables the company to build a wealth of information capital. The company can leverage this knowledge base to gain synergies at a global level. For example, Hindustan Lever (HLL), a subsidiary of Unilever, in addressing the problem of iodine loss in Indian salt, developed a new technology called molecular encapsulation. This technology protected the iodine content in salt from harsh external conditions. Unilever was able to leverage this innovation to other countries besides India such as Ghana, Ivory Coast, and Kenya, where iodine deficiency is a problem.⁶⁸

In addition to its applicability at the micro-level of business disciplines or even courses within those disciplines, the IJM provides a framework that is likely to be useful for business education at Catholic Universities at a macro-level. Business scholars have recently called on academics to renew their engagement with the connection of business activity to broader social issues and systemic effects.⁶⁹ The IJM succinctly encapsulates the core principles of Catholic Social Teaching as well as macromarketing concepts such as distributive justice, stakeholder theory, corporate social responsibility, sustainability, and the triple bottom line.⁷⁰ We find it significant that the Vatican Office of Penitentiary recently suggested that Globalization gives rise to emerging and troubling social sins such as “polluting the environment” and “causing social inequities”.⁷¹ In postulating a normative ideal, the IJM implicitly informs the issue of the distinctiveness of Catholic Business Education. Entirely consistent with the IJM, what should distinguish business education at Catholic Universities--among other things--is that it strives towards: (1) an authentic engagement with consumers, particularly impoverished ones, with non-exploitive intent; (2) co-creation of value with customers, especially those who are impoverished or disadvantaged; (3) an investment in future consumption without endangering the environment; (4) interest representation of all stakeholders, particularly impoverished customers; and (5) a focus on long-term profit management rather than short-term profit maximization. Each of these distinguishing characteristics lends itself to further commentary, research and hypothesis testing. For example, while interest representation of all stakeholders is a normative ideal, at the practical level it would involve developing metrics to evaluate whether interest representation of all stakeholders has indeed taken place via some sort of advocacy protocol. Such research might need to draw insights from varied fields such as cultural anthropology, sociology, psychology and theology and could be of a cross-sectional or longitudinal nature. As is often the case, the challenge lies in the details of implementation and the setting forth of actionable guidelines (based on the IJM framework) as Catholic Business School faculty experiment with operationally refining this model.

But the most obvious utilization of the IJM in Catholic business schools would be to inject discussion of the above listed IJM “justice” dimensions into the wide variety of classes, already

taught in b-school curricula, which touch on impoverished markets in some fashion. Courses that come to mind are business ethics, corporate social responsibility (CSR), social entrepreneurship, international management policy, and assorted special units that offer “MBA consultancy teams” to social service organizations. Too often, the thinking of business school faculty is that the contribution that they best can make is to enhance the economic efficiency of organizations charged with dealing or helping the poor. Instead, they ought to also consider motivating their students to examine the factors that contribute to “unfair” marketplace transactions and the organizational mechanisms that exist for making them more ethical.

Notes

¹ Aspen Institute, “A closer look at business education: Bottom of the Pyramid,” June 2007. Retrieved July 19, 2007 from <http://www.beyondgreypinstripes.org/pdf/BOP.pdf>

² See V. Kasturi Rangan, John A. Quelch, Gustavo Herrero and Brooke Barton (Eds.), *Business Solutions for the Global Poor* (San Francisco: Jossey-Bass, 2007); C. K. Prahalad, *Fortune at the Bottom of the Pyramid* (New Jersey: Wharton School Publishing, 2005).

³ These include the *Eradicating Poverty through Profit* conference organized by the World Resources Institute (WRI) at San Francisco, California in December 2004; the *Global Poverty: Business Solutions and Approaches* conference organized by the Harvard Business School’s Social Enterprise Initiative at Cambridge, Massachusetts in December 2005; the *Business Opportunity and Innovation at the Base of the Pyramid* conference organized by the WRI in partnership with the Multilateral Investment Fund and Ashoka at Mexico and Brazil in August and September 2005; and the *Business with Four Billion: Creating Mutual Value at the Base of the Pyramid* conference organized by the William Davidson Institute of the University of Michigan and the Center for Sustainable Global Enterprise of Cornell University at Ann Harbor, Michigan in September 2007.

⁴ Prahalad, *Fortune at the Bottom of the Pyramid*, 2005, p. 20.

⁵ Ibid.

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