

Catholic Social teaching and Education in Business and Economics:

A Non-Catholic's Perspective

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Introduction

In the spirit of full disclosure, I must confess that I undertake my assigned topic with considerable trepidation. Save for the episodic professional visit to Georgetown, Santa Clara, Notre Dame, Loyola Marymount, Woodstock or Saint Mary's, my personal immersion into the world of Catholic Higher Education is scarcely two years young, dating from July of 1994. All of my prior life in higher education (dating from 1954), as student and teacher, had been spent in large private and public research universities long removed from their religious foundations—if, indeed, they had any—The University of Pennsylvania (Quaker/Protestant), Yale University (New England Congregationalist) and the University of California at Berkeley (which, of course, has no religious affiliation). Given both the newness of my Catholic connection and, the fact that—as part of the title of my presentation, "a Non-Catholic's Perspective," clearly indicates—I am neither a Catholic nor a Christian but, rather, a committed Jew—you have every right to wonder what I can possibly bring to this conversation. Indeed, I run the risk, that at the completion of this presentation, you may come to the unflattering conclusion that the answer is patent: Nothing.

Yet, ironically, virtually from the day I set foot onto the Saint Mary's campus I have had to deal with the question of the Catholic character of a School of Economics and Business at an institution which, for a century and a quarter, has been built upon Roman Catholic, Lasallian (Christian Brothers), and liberal arts foundations. During my first years as dean, the campus was in the midst of developing a Mission Statement (since completed), and the debate waxed heated within the faculty of the College regarding the contemporary significance of our three-fold heritage in defining the comprehensive institution which is Saint Mary's today. The crafting of the Mission Statement was part of a larger undertaking, the development of a report on the current state and future directions of the College by what, appropriately enough, was called the "New Century Committee." As a part of this process, each unit of the campus was called upon to explain and, to some extent, justify its *raison d'être* in the context of the College's heritage. The sub-committee which dealt with the School of Economics and Business Administration (SEBA) posed such easy questions as:

How does SEBA understand the College's Catholic character? its liberal arts character? its Lasallian character?

Should, and does, the SEBA's understanding of these characters inform the SEBA curricula?

and,

Does Roman Catholic social teaching inform the SEBA's curricula?

Concurrently with the College-wide efforts, within the SEBA we commenced a Mission Statement-Strategic Planning Process. Perforce, my colleagues and I have had to engage the question of the philosophical and operational pertinence of our Catholic and Lasallian heritages (as, also, our liberal arts tradition) in determining our current identity and, more importantly, in serving as pole-stars for our journey into the twenty-first century. We are striving, in short, to define and implement what I am want to characterize as "the Saint Mary's Difference" in business and economics education, a "Difference" which distinguishes us from the myriad public and private institutions engaged in kindred educational endeavors.

The SEBA mission statement adopted by the faculty this past spring commits us, among other things, to

engage our students and faculty in the examination of issues which reflect our Catholic heritage, such as individual, organizational, and societal ethics and a concern for human welfare;

and provide, in the spirit of our Lasallian tradition, teaching excellence in a student-centered learning environment.

Suffice it to say that as a result of these factors, over the past two years I have been deeply engaged in the enterprise of seeking to comprehend the unique characteristics and responsibilities of a School of Economics and Business Administration in a Roman Catholic-Christian Brothers institution. It has been an all-encompassing, and occasionally daunting process. At the same time, however, the process has been intellectually fulfilling and, if the truth be told, one which has hastened my understanding of, and integration into, the community I have joined.

With this rather lengthy—but I believe necessary—introduction, let me proceed to my assigned task of providing my perspectives on the relevance of Catholic social teaching to business and economics education in Catholic institutions. To use the idiom of the times: So you know where I am going, let me share with you "where I'm coming from."

The Essentiality of Catholic Social teaching

to Business and Economics Education: A Jewish Analogy

My first-order principle or foundational premise—my *Gründnorm*—is that at a Catholic institution, Catholic social teaching should be an inextricable element of the education of our students, functioning as an ethical and social policy *leit-motif* which is incorporated in appropriate contexts throughout this curriculum. Let me underscore this point with an analogy.

If, instead of being at Saint Mary's, I were deaning at Yeshiva University, Brandeis University, or Hebrew University of Jerusalem, it is inconceivable to me that the curriculum would not be informed by Jewish ethical teachings drawn from Torah, Talmud, Mishnah and two millennia of Rabbinic writings. This incorporation of Jewish source materials would be the case not only in courses explicitly devoted to business ethics or the environment of business but at pertinent junctures throughout the curriculum. As Jewish scholars such as Meir Tamari (1987, 1991), Aaron Levine (1980), and Ronald Green (1993) have amply demonstrated in their writings, Judaism has much to say about the ethical and social policy aspects of contemporary business and economic behavior.

Of even greater importance, there is an underlying attitude or approach—a *Weltanschauung*—which permeates Jewish thought regarding economics activity. The Rabbis, as well as being Men of G-d and of the Spirit, were men of the world engaged in earning a livelihood. Basic to Judaism is the notion that it is in the conduct of everyday life and in the most mundane aspects of human interaction that one fulfills *mitzvot*—duties or commandments concerning a person's obligations with regard to other human beings and the Almighty. Judaism has long accepted profit as a normal and legitimate aspect of commercial activity *so long* as it results from just, honest, fair, ethical business dealings. In summary, Jewish teachings with regard to business and economics is the application in the realm of socio-economic activity of such fundamental Jewish ethical precepts as:

Thou shalt love thy neighbor as thyself (*Leviticus XIX:18*)

Justice, justice shall you pursue (*Deuteronomy XV:20*)

Do not separate yourself from the Community (*Ethics of the Fathers 2:4*)

and

If I am not for myself who will be for me? But if I am only for myself, what am I? And if not now, when? (R. Hillel, *Ethics of the Fathers 1:4*).

Catholic scholars will surely recognize in these precepts the Jewish antecedents and counterparts of these foundational concepts in Catholic social teaching:

recognition of the essential dignity of every human being;

pursuit of the common good;

striving for social justice.

I have made this digression into the essentiality of Jewish teachings regarding economy and society for business and economics education at a Jewish-affiliated institution to reinforce my fundamental point. Incorporation of Catholic social teaching is, in my

opinion, axiomatic to appropriate education in business and economics at the Loyola-Marymounts, Saint Mary's, Notre Dames, and Marquettes of the world. Surely the Church's rich and varied intellectual and spiritual insights, dating nearly two-thousand years and spanning the range of human inquiry, have much to contribute to personal and professional development of students in Catholic-affiliated colleges and universities.

As I have suggested is the case with Judaism, Catholicism provides an essential *Weltanschauung* concerning the role of economic activity in the human community. Just as it is inconceivable to me that Jewish institutions would not expose their students to pertinent Jewish perspectives concerning critical socio-economic issues, it is equally inconceivable to me that Catholic institutions would not incorporate the teachings intrinsic to the Gospels, the writings of Saint Thomas, Jacques Maritain, and John Henry Cardinal Newman; the insights of papal encyclical letters such as *Rerum Novarum* and *Centesimus Annus*; and the perspectives of the National Conference of Catholic Bishops, as expressed in *Economic Justice for All: Catholic Social Teaching and the U.S. Economy* (1986) as well as in the commentaries of critics of the pastoral letter, such as Michael Novak and William Simon. If the teachings inherent in these works do not find a home in Catholic institutions, where will they and where should they?

Catholic Social Teaching Source Materials

The very themes pertinent to economics and business education which I mentioned in the Jewish context have been the subjects of profound insight by Catholic theologians and intellectuals for centuries. Can it be seriously argued that Saint Thomas Aquinas's contributions to natural law philosophy are irrelevant to our understanding of such legal aspects of the management process as questions of good faith and fair dealing, the fiduciary obligations of managers to diverse "stakeholders," and the usefulness of agency theory to justify current modes of corporate governance? Or to take the work of a contemporary, pre-eminent Catholic legal scholar, my former Berkeley colleague and now Judge, John T. Noonan, Jr.: is it not apparent that his insights concerning the complex and multifaceted nature of bribery, as explored in his monumental book of the same name, (Noonan, 1984) offer invaluable perspectives for students of international trade and marketing, as well as law?

Are not the issues and teachings of *Rerum Novarum* ("The Condition of Labor," Leo XIII, 1891), *Mater et Magistra* ("Christianity and Social Progress," John XXIII, 1961), *Populorum Progressio* ("On the Development of Peoples," Paul VI, 1967), *Laborem Exercens* ("On Human Work," John Paul II, 1981), and *Centesimus Annus* ("On the Hundredth Anniversary of Rerum Novarum," John Paul II, 1991) basic to courses in macro-economics, organization behavior, and labor relations/human resources management? By like token, it would be hard to improve on the debate, within the Catholic and larger communities, surrounding *Economic Justice for All* (1986), the National Conference of Catholic Bishop's pastoral letter, to highlight in sharp focus issues fundamental to welfare economics and finance, in addition to the areas implicated in the Papal Encyclicals. The incorporation of these materials is not a "stretch," but a very natural inclusion. Indeed, *Economic Justice for All* and *Centesimus Annus* have become

part of the standard curricula in Business Ethics and Society courses, not only in Catholic institutions, but at colleges and universities of every description throughout the United States (see *Journal of Business Ethics*, 1996).

Thus far, I have said nothing specifically about the role of Catholic social teaching in courses in Business Ethics, Social Issues in Management, or Economy and Society. Perhaps, naively, I assume that no argument need be made about the appropriateness—indeed, essentiality—of Catholic Social teaching within these curricular venues. Indeed, perhaps the greatest contribution that Catholic scholars and scholars in Catholic (and, particularly, Jesuit) institutions—these cohorts are not, after all, identical—have made to American management education over the past three decades has been in the area of Business Ethics and Social Issues in Management. It is no exaggeration to suggest that, but for the "Catholic contribution," the recent emergence of Business Ethics as an important field of teaching and scholarship in business schools both in the United States and abroad would not have occurred, or would have taken much longer.

Some Caveats and Examples Relating to Catholic Social teaching

In terms of the appropriate "quantum" of Catholic social teaching to be incorporated throughout the curriculum and within individual courses, I have no precise formula to propose other than a lawyerly "rule of reason" The shoe should be worn where it naturally fits—not forced or contrived.

There is a critical corollary point. In my view, Catholic social teaching cannot, and should not, be the exclusive source of ethical or social-policy wisdom even at Catholic institutions, save perhaps in a course devoted specifically to Catholic social thought and the economy or business. Other religious/philosophical and sociological perspectives must be essential parts of the intellectual mix. Exclusivity would result in a parochialism which is unacceptable in quality higher education, where learning—not indoctrination—is the coin of the realm. At most, Catholic social teaching should play a part akin to that of the British Prime Minister within the Cabinet—first among equals. Catholic social teaching can well stand on its own in the marketplace of ideas and does not require a monopolistic position for it to be convincing to students. Indeed, the pluralist context would underscore the commonality of Catholic social teaching—diverse as it is—with other philosophical, analytical, and religious traditions, but no less, also its uniqueness, on occasions where it speaks with a singular and powerful voice.

I recognize that incorporation of Catholic social teaching throughout the curriculum is not an easy task. Many faculty—Catholics and non-Catholic alike—have little or no grounding in Catholic social teaching. Similarly, many students at Catholic institutions (even those educated previously in Catholic schools) are essentially ignorant of Catholic social teaching. In terms of providing appropriate background for faculty and students to explore Catholic social teaching within their disciplinary fields, there would be a need for workshops, seminars, and the like to inform (indeed, to educate) persons not already familiar with Catholic tradition and sources about these matters. There are useful models of faculty "in-service" training which can be drawn from other academic fields. For

example, the Business Ethics and Business and Society fields have utilized summer workshops to assist faculty in obtaining requisite background. Students could be introduced to the riches of Catholic social teaching through courses or modules within their degree programs.

We may draw upon issues pertinent to business economic education which have been highlighted in the business and popular press to demonstrate that Catholic social teaching is surely instructive regarding such matters as:

- 1) the dispute between a corporate CEO and a Roman Catholic sister who, on behalf of her order (which holds shares in the company) proposes the addition of women and minorities to the company's board (*Wall Street Journal*, 15 July, 1996, p. 1);
- 2) the controversy between a large Catholic health-care organization, no longer managed on a day-to-day basis by its founding order of sisters, and the union representing the organization's contractual workers (*San Francisco Chronicle*, 23 July, 1996, p. 17);
- 3) the Macro-economic and moral implications of recent reports suggesting a strong correlation between low household income and mortality (*San Francisco Chronicle*, 22 July, 1996 p. B2);
- 4) workplace conditions in sub-contractors' facilities in developing countries which supply goods (often apparel or athletic equipment) or services to companies in the United States and other industrialized nations (*Business Week*, 29 July, 1996, p. 46);
- 5) evidence of a pattern of illegal and ethically questionable activities among corporate leaders in France and Italy - both predominately Roman Catholic countries (*The Economist*, 13 July, 1996, p. 48);
- 6) the marketing of religion and spirituality through books such as *Jesus, CEO* (Hyperion, 1996) and "supermarket" or "corporate" churches (*Business Week*, 29 July, 1996, p. 13, and *The New York Times*, 21 July, 1996, p. 14);
- 7) the appropriateness of multi-national corporations seeking to influence (often in the name of "human rights") policies and practices of Third-world countries where these firms are operating (*The Economist*, 20 July, 1996, p. 15);
1. the increasing "Americanization" of corporate governance practices in Europe, involving increasing emphasis on "shareholder value" at the expense of long-term relationships among managers, owners, and workers (*The Economist*, 13 July, 1996, pp. 15, 21).

The courses in which such issues—as well as questions relating to the profound social and ethical implications of rapid and dramatic technological change for all of us as employers, consumers, and citizens—would be appropriate for discussion range across the business and economics curricula. In each of the instances cited above, Catholic social teaching has much to contribute to the examination of an issue's multiple facets. How the issues will be addressed will vary with the size of class, the background and the educational level of the students (graduate or undergraduate, *etc.*) the character of the course, and the familiarity and comfort-level of the faculty member with Catholic social teaching.

A number of years ago, I had developed the concept of the Social Policy Process (SPP) in an effort to provide a useful conceptual and operational framework to assist business managers in instituting, within their organizations, processes, policies, and practices which are "ethical," "socially responsible," and "socially responsive." The nub of the SPP concept—which incorporates key elements from business ethics, corporate and social responsibility, and corporate social responsiveness analyses—is the institutionalization within the corporation of processes facilitating value-based individual and organizational reflection and choice regarding the moral significance of personal and corporate action for identifiable stakeholders in specific situations (Epstein, 1987).

Underlying the SPP concept is the basic Aristotelian premise (see Aristotle, *Nichomachean Ethics*) that, like all other social institutions, business organizations exist to fulfill societal purposes, and the furtherance of the "common good" or community (Aristotle's *polis*) is the ultimate rationale for their continued existence. Catholic social teaching goes to the heart of the value-based reflection and choice regarding the moral significance of business decisions that the SPP concept is designed to promote.

Research and scholarship in economics and business offers excellent opportunities for utilizing sources and concepts drawn from Catholic social teaching. The importance of Catholic social teaching's theoretical and methodological approaches in economics, finance, marketing, organization behavior, and accounting holds the potential for promoting insights and perspectives which are underdeveloped in the standard academic literature. In summary, Catholic social teachings constitute a very rich lode of intellectual ore which has scarcely been mined by business and economics scholars.

Another dimension of Catholic social teaching warrants mention. I refer to the matter of *praxis*. An important aspect of the incorporation of Catholic social teaching throughout the curriculum is providing opportunities for students to engage in meaningful community service which utilizes the competencies they are acquiring in their programs in business and economics. Some Catholic institutions have already built professionally pertinent community service components into their curricula—*e.g.*, Gonzaga, Georgetown, and Loyola of Chicago. A recent symposium issue of the *Journal of Business Ethics* (January, 1996) presented useful models of such programs. As in the case of in-class incorporation of Catholic social teaching, the nature of community service opportunities would depend upon the specific institutional situation and the precise character of the curriculum.

Final comment

It is gratifying that this session and this conference are examining the Catholic character of management education and, more specifically, the role of Catholic social teaching in this process. During both my aforementioned, rapid immersion into Catholic higher education at Saint Mary's and the preparation of this paper, I have been struck by the paucity of discussion, in Catholic sources, to business and economics education in Catholic institutions. Two recent books on Catholic higher education—Philip Gleason, *Contending with Modernity: Catholic Higher Education in the Twentieth Century* (Oxford, 1995) and Theodore M. Hesburgh, C.S.C, editor, *The Challenge and Promise of a Catholic University* (Notre Dame, 1994)—devote scant attention to the subject. The former, with 322 pages of text, includes, cumulatively, one page on the subject, and the latter, a single chapter. Our convenors, Thomas Bausch and Michael Naughton (in one instance, in collaboration with my Saint Mary's colleague Ernest S. Pierucci) have done all of us a great service by engaging this subject in two recent papers, the first of which appeared in the *California Management Review* (Summer, 1996). I trust we are only at the beginning stage of addressing these matters which must be of concern to all of us.

At Saint Mary's School of Economics and Business Administration, colleagues and I will continue to be deeply engaged in this endeavor, as we seek to distill the essence of "the Saint Mary's Difference" in business and economics education—a "Difference" in which our Catholic and Christian Brothers-Lasallian heritages will remain defining sources of mission and practice.

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