Thank you for the opportunity to comment on an insightful and probing paper that seeks to reveal ways in which the CST tradition can add value to the CSR literature, especially to stakeholder theory which has for some time resided at the center of CSR.

On the positive side, according to Alford, stakeholder theory represents an advance on efforts to construct business ethics using “customers” as a common denominator. And stakeholder theory, at least in some of its versions, offers a grammar for expressing the social responsibilities of corporations – an analytical framework, but not a synthetic framework.

On the negative side, we see that stakeholder theory can be grafted on to various normative “roots” – some of which suffer from being amoral and others of which suffer from a different kind of weakness. The amoral versions, in the end, return us to instrumentalism. The other (deontological) versions suffer from what Alford calls individualism.

Instrumentalism. The first and third approaches to stakeholder synthesis discussed by Alford are criticized for their instrumentalism. (a) In the first approach, the emphasis is on the “Business Case for CSR” – and Alford rightly observes that in the end, the normative foundation of this approach is basically self-interest (or what some call ethical egoism). It may be misleading in this context to use the adjective “utilitarian” since that word is also associated in ethical theory with a more impartial kind of attention to the interests of all parties affected by decision making. But Alford’s central point remains: the Business Case for CSR reduces in the end to treating stakeholders other than stockholders instrumentally, not as deserving moral consideration in their own right.

(b) The third approach, which Alford calls “enlightened” stakeholder thinking, suffers from the same problem as the first – instrumentalism – only this time the reduction takes the form of “maximizing the long-run value of the firm.” The primacy of market-based thinking at the normative foundation of this view leads to an “ethical degeneration,” a loss of attention to stakeholders who cannot make their voices heard through the marketplace.

Individualism. The second (deontological) approach to stakeholder synthesis is not amoral, but both its Kantian and its Contractarian variations are rooted in what Alford refers to as ethical individualism. It is here that the principles of Catholic social thought can offer constructive criticism to stakeholder thinking and therefore to CSR. Kant’s approach to “respect for persons” and contractarian approaches to “individuals” in original positions inevitably involve interpreting the moral community as an accumulation of private, autonomous points of moral value and moral responsibility. But such an interpretation of the moral community -- in Alford’s view -- does not do justice to the reality and the dignity of the human person in relation to the common good.
The second half of Alford’s paper concentrates on the value that the Catholic Social Tradition can offer to stakeholder thinking, and thus to the normative foundation of CSR. Her underlying objective is to find “a stronger ethical basis for the CSR movement so that it can genuinely contribute to a humanization of business practice,” rather than risk being absorbed into conventional business-as-usual. She suggests that stakeholder thinking must overcome three problems and can do so with the help of the Catholic Social Tradition:

- the individualistic view of the human person, referred to above;
- the need to make “trade-offs” between stakeholders; and
- the role of the environment in stakeholder theory.

(A) Regarding the problem of individualism, the central issue is the nature of the human person. Catholic social thought offers us “an anthropology that gets us out of an individualistic mode” while respecting what is important about human rights and the dignity of the individual. Alford seems to be suggesting that the image of individuals “negotiating contracts” draws attention to economic interests and leads to an impoverished view of the relationships that human persons have with one another. Our destinies are linked and our happiness consists not solely in receiving but in giving as well. [I am tempted to add this analogy: Just as light must be understood both as particles and as waves, so too persons must be understood both as individuals (material and spiritual) and in relation to one another.]

Rousseau invoked the social contract in order to solve what he called the problem of association:

The problem is to find a form of association which will defend and protect with the whole common force the person and goods of each associate, and in which each, while uniting himself with all, may still obey himself alone, and remain as free as before.¹

The contractarian’s insistence upon obedience to self alone represents an understandable call for freedom and autonomy. True freedom is an incentive for participation in the contract. But there may be other paths to moral community – other “incentives” – that appeal to the whole human person, and to a freedom that springs from living according to laws deeper that human laws.² Such paths may be modeled more on a “family” or a “people of God” than on bargaining in a political assembly or a market economy.³

(B) Regarding “trade-offs” between and among stakeholders, Alford suggests that the conventional view has difficulty both counting stakeholders and adjudicating conflicting stakeholder claims. Identifying the universe of interests to be satisfied or the set of participants in the social contract is not an easy task. Indeed, it is not even a morally neutral task, as a moment’s reflection on abortion, euthanasia, and animal rights will show. Catholic social thought may offer a more robust

² Laws “written in our hearts” by the Creator, according to St. Paul (Romans 2: 14-15).
³ Whether or not skepticism or moral relativism is a natural concomitant of individualism, as Alford suggests, is open to debate. It seems consistent with a contractarian approach to normative ethics that a theory of primary and secondary goods might be offered that is more objective than “I’m OK, you’re OK.” Granted, modern philosophers have not shown much enthusiasm for developing individualistic theories that are not relativistic. Still, Kant was not a relativist and appears to fit Alford’s definition of an individualist.
(and organic) view of a work community and of the human community that business serves—more robust than corporate leaders adjudicating trade-offs among externally-related stakeholder claimants. To do so, however, CST must offer an account of the common good of the enterprise and of the societies in which enterprises function. This account may bring us back to the notions of “family” and “people” mentioned above.

Both calculation (for maximizing) and negotiation (for contracting) require a well-defined universe of participants. The Catholic social tradition offers a bold view of such a universe—it is a creation.

(C) Regarding the role of the environment, Alford suggests that Catholic social thought is better equipped than conventional stakeholder thinking to account for its moral importance. In stakeholder theory, the environment is treated either (anthropomorphically) as another claimant alongside employees, customers, suppliers, and competitors—or as a “trump card” in relation to all other stakeholders. The contribution of Catholic social thought may be that the environment is in fact a shared or common good of humankind, a necessary condition for life, liberty, and happiness. Alford uses the term “stewardship” to indicate that humanity is “neither totally disengaged from nor totally absorbed into nature.” It is important to notice that this construction of the relationship between humanity and the surrounding natural environment is substantive. There are alternatives that would undervalue humanity within nature (some going so far as to see humanity as a parasite) and others that would overvalue the role of humanity (completely ignoring the value of animals and plants and ecosystems). In the end, the Catholic tradition sees the environment as God’s creation, with a natural order breathed into it.

Summary. The idea that the Catholic Social Tradition can enrich CSR has much to recommend it. And as Alford reflects on the three arenas in which such a contribution might be made, it becomes clear that the foundation of stakeholder thinking calls for a deeper understanding of the human person, of the human community, and of environmental responsibility. The alternative to a hypothetical contract by which an indeterminate number of human beings construct the principles of ethics seems to be a moral community in history that has the principles of ethics written in the hearts of its members—already constructed, as it were—by a Creator with a common good in mind.

Helen Alford has challenged us, as an excellent plenary speaker should, to deepen our understanding of stakeholder thinking by bringing it into contact with the Catholic Social Tradition. If the problems underlying social contract theories can be resolved through this tradition, we are all enriched. The key would appear to lie in recognizing the spiritual dimension of personhood, the common good of the business enterprise, and the stewardship role of humanity in the natural order.