

An Ethical View of the Crisis



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Chair of Business Ethics

Published in the context of the current economic crisis, the new Encyclical by Benedict XVI, “Caritas in Veritate” (Love in Truth), is a document which focuses on the need for integral human development. It speaks about the current crisis, not to mention many other relevant issues.

Benedict XVI encourages us to confront today’s problems with confidence rather than resignation and to embrace the new responsibilities imposed upon us by a serious and complex crisis. And rather than stopping short at that, it puts forward a proposal for the future which is both profound and bold. He suggests a “profound cultural renewal and a rediscovery of basic values upon which to build a better future” (no. 21). The Pope sees the crisis as an opportunity to reassess approaches which are often taken for granted. “The crisis,” states the Pontiff, “forces us to re-evaluate our path, to adopt new rules and to find new forms of commitment, to build on positive experiences and reject negative ones. Thus, the crisis becomes an *opportunity to perceive and project in a new way*” (no. 21).

A new way? In what sense? And how? I would dare to surmise that this “new way” relates to a phenomenon that some of us business ethics scholars have been witnessing for some time now. I am referring to the frequent mental gap

between ethics and business activity. Ethics is often introduced at the tail-end of business as simply a restriction to activity which, in essence, is considered strictly economic. Ethics is seen as an add-on: avoid bribes, extortion, fraud, tax evasion, etc. Or it is used as a problem-solving tool, but never as a guiding principle that leads to the consideration during decision-making of the good or bad inflicted on people or groups.

I understand this “new way” as a recovery of something that is, in essence, commonsensical but which is easily forgotten: that business activity isn’t simply a matter of production, distribution and financing. Above all, it is a human activity, with an intrinsic ethical dimension. Profit-driven production, distribution or financing are activities with specific procedures, but they are at the same time human actions to which the decision maker is committed.

This last observation links to a request from the Pope which, in my opinion, has great significance: “new efforts towards a unitary understating and a *new humanist synthesis* are needed” (no. 21). This “unitary understanding” of the various aspects that make up management and, above all, this “new human synthesis” presupposes a broader rationality which includes the implicit moral aspect of every decision and the redefining of many theories and approaches pertaining to business activity. A real challenge, indeed.