



"The new horizons of the Economy of Communion"
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PANEL 2

WHICH GOVERNANCE OF COMMUNION IS EMERGING FROM THE ECONOMY OF COMMUNION?

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1. Introduction

In this intervention I would like to go more in detail how, within a company of the EoC, the 7 aspects that Alberto mentioned are linked to each other: the aspect of labour and capital and the destination of profit; the commercial aspect; the ethical aspect: and that of the quality of the internal relations; the ecology and environment; the formation of the employees and the internal communication.

What I want to bring is a reflection about governance of communion.

In the EoC-companies the growth of capital and profit is not the main motivation for an entrepreneur any more. The main motivation of an EoC entrepreneur is to live communion in a commercial environment. This means that he combines two important motivations to be commercial and build a community of persons that is capable of producing goods and services for the market. He must make profit in order to survive and share with the poor. The EoC company is not only a commercial but also a social endeavourer. The entrepreneur takes a great corporate social responsibility.

The job of the entrepreneur has become far more complex than that of a "normal" manager. He is like a horse that has widened his profit blinkers and must run a race to reach a finish (communion) somewhere in a paradise on earth that has still to be constructed..

2. The problem of governing a multinational on more aspects than maximizing profit alone.

In the world of enterprise there is a lot of talk about corporate social responsibility.



Although many multinationals have kept their blinkers on to get even more profit, still there are a lot of them involved in the process of augmenting their corporate social responsibility. The most prominent example of this is the United Nations Global Compact. The Global Compact is a voluntary initiative based on principles derived from the Universal Declaration of Human Rights, the Rights at Work and on Environment and Development.

Even the acceptance and maintenance of these basic human rights creates already problems for the companies because of the mere fact that they lower profits. If a company is willing to use its power to take a social responsibility it is felt that it has to pay for it. The management problem is how much profit can be given away “to pay” for the other principles. The entrepreneur has to broaden his horizon uniting more goals together with the profit motive. In other words he takes care not only for the shareholders but also for some other stakeholders such as the environment, employees and community.

That this is a complicated issue may be illustrated by the fact that the shareholders in the U.S.A. even have the law behind them. This law criminalizes those managers who operate against the interest of the shareholder by giving favours to other stakeholders.

From our perspectives, how do we evaluate this movement of Corporate Social Responsibility? Of course we appreciate that the number of enterprises that go beyond profit maximization and want to look at social aspects, the environment, human rights etc. is increasing. The philosophy of the EoC does not coincide with what is now called Corporate Social Responsibility: In fact the EoC is responsible for the environment in which it lives “by vocation”, not for goals of communication, image, or social pressure. To conclude: we look with sympathy to the growing responsibility of companies but ask them to do much more.

3. Is there a theoretical solution to the problem?

Prof Zamagni of the Boconi University of Milan says that it is already a good thing that entrepreneurs want to be ethical in their behaviour but he challenges everybody to find in Anglo-Saxon or American economic theory a place where an answer is given to the fundamental problem to unite opposing aspects. How can an enterprise unite the interests of



all those who depend from the company: the shareholders, the clients, the suppliers, and civil society. In his opinion there is no theoretical answer to this problem. When it is impossible to solve this methodological problem on this material level, a solution has to come from another level. I will come back to this point.

4. The boss, the hierarchy profile.

Before I return to the role of the entrepreneur, some remarks about his present environment. We live in a society where the authority and values of the church, the family and many institutions are under heavy pressure. The church is seen as a hierarchic archaic institution. The coherence of the family is falling apart and has difficulties to understand the significance of love. The institutions have lost much of their authority. It is interesting and somewhat astonishing to see that the hierarchy within the company is not part of this social and cultural protest. In fact the most radical critique about the institute of company comes from '800 (we think about the cooperative movement). The hierarchy of the company has not been subject to a radical discussion not even by sceptics about the globalisation.

In his article in Nuova Umanità, in the context of the history of economics, Luigino Bruni defines the organization of enterprises as “a residue of a feudal society”. The revolutionary ideas of liberty and equality have influenced the church, the family and the institutions, but in his opinion, on the contrarily they have not touched the essence of the capitalistic enterprise system. The feudal system of corporations (guilds etc.) crashed in many parts of the world and has been substituted by a free market with its values of liberty and equality, but the hierarchic system of the governance of an enterprise, although it has to respect – in the advanced democracies – the laws concerning employees, environments, born in the fight of trade unions of the last two centuries, has not been changed much.



5. New ways of interpreting hierarchy in church and family life.

Before I return to the entrepreneur I want to give a very brief illustration of new ways of experience about hierarchy in church and in family life.

a. The hierarchy and the church.

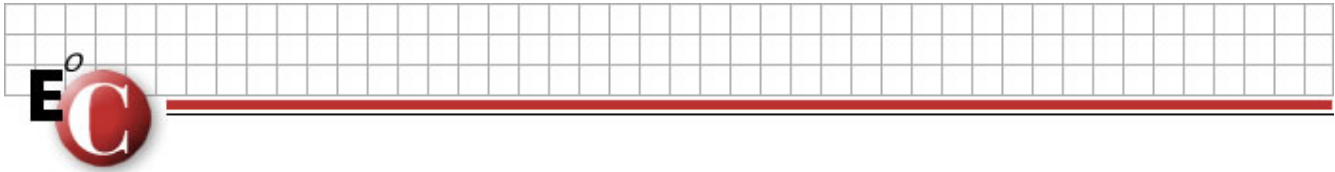
When the bishop of Trent, Carlo de Ferrari, met Chiara Lubich and her companions recognized that, I quote, “God has thrown a charism on the earth, a gift that rules society on the model of the Holy Trinity.”

As a result of religious movements such as the Franciscans, Benedictines and Jesuits the Church has got impulses to renew itself. The Church also recognized the new charismatic movements that came forward before and after the second Vatican Council. At a meeting of all the new movement at the St Peters square in Rome in 1998 the pope declared that the gifts of the old and new charismatic movements have to be seen as an expression of the charismatic or Marial profile of the church and that this profile is co-existential with the hierarchical, Petrinian profile, using the expression of the theologian Von Balthasar.

To translate this process in my simple practical lay language I understood that the church without the inspiration of the old and the new movements would be like a body, a structure; a hierarchy, without enough flesh and blood. What I want to say is that the hierarchical structures of the church get feedback from the movements. This Trinitarian relation strengthens both the church while making it softer, milder and less authoritarian, and strengthens the movements making them more responsible for the unity of the church, mystical body of Christ.

b. Who is the boss in the family?

The traditional model of authority in marriage, in many parts of the world - has lost its significance. It is said of this time that it is a fatherless time. Not only the father lost authority but also the mother and the grandparents have lost their esteemed position in western culture. Individualism and secularism attacked the institute of marriage. The marriages that



last also have big troubles to survive and grow to new relations of true liberty and equality between those who form family together, values that have often been absent in the past.

I know very well a certain period of our life as a married couple with 4 children we had a lot of trouble to accept as each other as we were and take decisions about e.g. the education of the children. Now we reached a stage of mutual love. We experience that the struggle who commands is melting down more and more. The hierarchy and love have become intertwined and united that when one of us takes the lead in proposing a decision the other is giving its idea on it.

From the continuous dialogue and feed back between us the problems of family life get solved through communion and without stress. Our marriage is no longer a market place of bargaining or a field of compromise between competing opinions. We find each other on the level of fraternity. And we are not unique. Many, many couples live this reality. The new aspect is that the charisma of unity has made it more visible and has strengthened it.

6. Who is the boss in the EoC enterprise?

Now I am back at the enterprise level. Before we talk about hierarchy within an EoC company we must look at its scope first. As was said before in the EoC-companies the growth of capital and profit are not the main motivations for an entrepreneur any more. The main motivation of an EoC entrepreneur is to live communion in a commercial environment. The role of the entrepreneur of an EoC company has become more complex than that of a “normal” entrepreneur. He must unify these economic and social aspects. The challenge is how to unify these aspects that sometimes may even conflict.

Seen from a viewpoint of the organizational theory it may be clear that an organization e.g. a commercial organization that has one goal, expressed in financial targets e.g. turnover, profit, cash-flow, shareholders value, the organizational form – the means to reach the goal - can be quite simple and the organisation can be quite hierarchical. The more complex the goal of an organization is (e.g. the governance of a state) the more complex its organizational form will be.



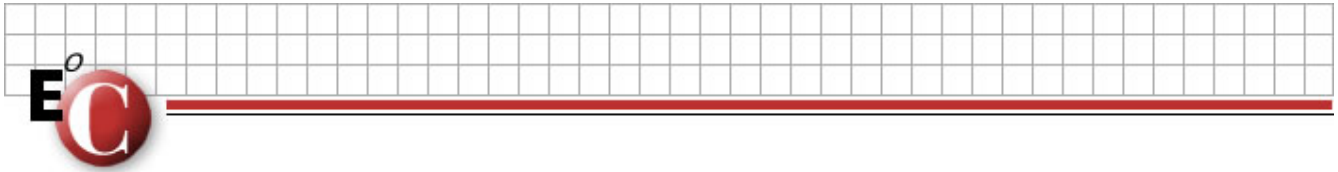
So, again, how to unite the dimension of command with that of fraternity in a company. I want to introduce an answer to this question with an experience.

I was a director of the Dutch Government Central Purchasing Office with 500 men working there. My secretary was a person who lived the same spirituality of unity. Every time that I had to make an important decision regarding the company I spoke with him about my motives and arguments. He was a kind of mirror for me. When I expressed my arguments to him I felt immediately if they were good or not. As a director it was a special experience to bring the decisions I had to take in unity.

It was a reality that I already lived in my personal and family life but that was now brought into the reality of the government of an enterprise. To describe the process I can say that it was the “hierarchy” that is my authority as a director that makes itself weak; it empties itself for the Charisma of love.

In practice we see that a lot of entrepreneurs want to confront important decisions with someone else. They want a counsellor who is free from interest (in the sense that he has the capacity to understand and to love) and can give advice in delicate moments. This kind of governance – which brings together the hierarchy with fraternity – has come up spontaneously in EoC companies and is becoming more and more a model for the EoC companies. To live communion seems a minimal condition in order to speak about an enterprise of the EoC.

Who has the responsibility for a company (the entrepreneur or the president of the board) who holds the Vision of the enterprise, it seems preferable that, at the same time, he is not also the unique Decision Maker: he has to have at least another one with whom he can be in dialogue. In a big company this “other” can be the managing director, who has the control of organisation and the day-by-day decisions. He is the person who – always in dialogue with the president - unites the different aspects with the help of his counsellors the various (7) aspects, into the Company Vision. It is this feed back that brings forward the new reality and



realises the company's vision. The dilemma that prof Zamagni mentioned cannot be solved at a theoretical level but only through the mutual love through communion in each concrete situation, like how it is done in a family. It is a big challenge to find practical ways to harmonize and integrate the interests of all the stakeholders. This is only possible when the Common good is uniting every body in the enterprise.

It may be clear that such a company vision cannot be executed without the cooperation of the majority of the shareholders and the cooperation or knowledge of a great part of the employees. Only in those companies where the communion is on all levels, those who are responsible for the governance of the enterprise can be a full expression of the fraternity instead of giving their personal vision. Those who bring in their money are not supermen, but like those who bring in their talents, normal persons. Then money loses its anonymity and becomes an expression of a person, an expression of love.

We believe that this vision can never be implemented by power and the introduction of ideas of one person alone, whoever he may be, but always and alone through a spirituality of communion that will validate the points of view from everyone in the interest of the common good.

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