

“The new horizons of the Economy of Communion”
International Convention – september 10 -12, 2004

PANEL 5
TRANSFORMING BUSINESS ENTERPRISES INTO
COMMUNITY OF PERSONS

Michael Naughton

Director, John A. Ryan Institute for Catholic Social Thoughts

It is characteristic of work that it first and foremost unites people. In this consists its social power: the power to build a community. In the final analysis, both those who work and those who manage the means of production or who own them must in some way be united in this community.

John Paul II

Introduction: I am deeply honoured to be here at this conference. I remember very distinctly the first time I heard about the Economy of Communion. I was at the University of Cambridge in England and Luigino Bruni gave a presentation on it. I remember being filled with excitement and hope about the concreteness of this project both in terms of giving good work to many people and in terms of its embodiment of Catholic social thought. As John Paul II has stated, “today, more than ever, the church is aware that her social message will gain credibility more immediately from the witness of actions than as a result of its internal logic and consistency.” I don’t know any better group in the business sphere than those companies in the Economy of Communion that exemplifies this message from the pope.

I am very grateful for Prof. Gui’s contextualization of Paul Ricouer’s work in relation to the Economy of Communion. He has provided a great service to understand the practices and structures of the Economy of Communion in a rich and fruitful way. He has asked us to react to the Economy of Communion experience in the context of his Ricouean introduction, so as

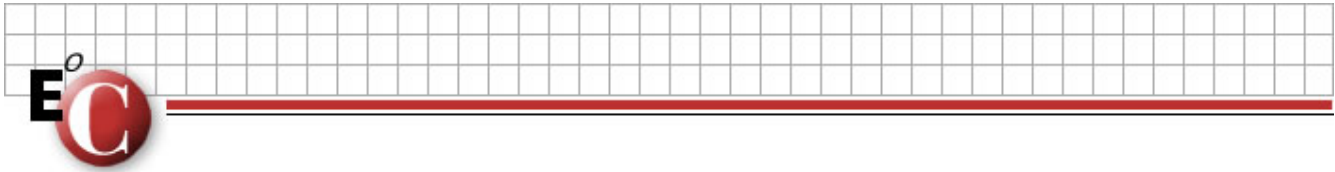


to give suggestions as to how best to realize the aims of the Economy of Communion. In order to stay focused on his task, I want to do 2 things:

- let me first explain why I think that the third level of ethical analysis, the “I” is so crucial for today’s businesses and also why it is so difficult to fulfil.
- and second, how this moral rationality of the “I” can move managers and employees of EoC companies to understand and design structures that foster communion, what John Paul calls a community of work. Specifically I want to focus on the question of wages.

1. Intrinsic Meaning and Moral Reasoning: I am sure that if I knew Ricouer’s work in greater depth, my analysis would be sharper, but what I understand from Prof. Gui’s analysis, is that crucial to the businesses within the Economy of Communion is an ethical vision that unites the I with the Other. Like the Trinity, our own unity as a person, our ability to overcome our division, is founded only in relation. Our unity is from the outset ordered to and from “com-unity.”

Yet, one of the major problems in businesses today that prevents this community in the workplace, what John Paul II calls a community of work, is the logic and ethic of instrumentality, where the moral reasoning of people is cut off from the deeper realities of their lives, creating what many people have called a “divided life.”¹ This I believe is one of the major reasons why building authentic communities at work is so difficult. This stems from a failure of what Prof. Gui stated as “intrinsic meaning” in the realm of business and organizational life. Because profit is crucial to a business’ survival, and because personal success is often marked by achievements of advancement, there is a strong temptation in any organization to view everything (it of course has to view some things this way) in the business as instrumental to profits or individual success. Treating people well is done because it will



enhance profits and lead to individual success not because I am intrinsically bound to the other as my brother and sister in Christ.

While such rationality is always present in people in all organizations, its ubiquity squeezes out any form of moral rationality that attempts to counter instrumental relationships. This instrumental rationality tends to focus the social responsibility of the business on what we might call extrinsic aspects of the business, namely giving excess profits to the poor, donating personal time to charitable activities, providing extra benefits to employees, etc. at the expense of how the actual work is done such as paying people, job design, decision making processes, marketing, ownership structures, strategy, governance, etc. What fails to occur in this pervasive instrumentality is the moral and spiritual transformation of one's self understanding of work and of how one works.

The challenges of all businesses, but especially those businesses within the Economy of Communion which was founded on the vision of *Centesimus annus*, is to examine organizational policies not simply through this logic of instrumentality (although logic will apply), but through ordering that instrumentality to a deeper moral and spiritual reasoning that has the capacity to establish and sustain a community of work.

One of the opportunities of the businesses of the Economy of Communion, is that they are able to draw upon the Catholic social tradition not so that they can be sectarian or triumphalistic in any self-righteous manner, but rather that they open their ideas and practices of business to the deep structures of what a community of work entails. But to do this, a community of work cannot simply be reduced to charitable giving, or good works in the community, but what also is needed is a deep understanding of how organizational policies

¹ Lorna Gold explains that for Chiara Lubich, “‘the heart of the problem’ . . . was the desire to claim possessions for oneself as opposed to feeling connected to others as a family. Whereas the distribution of wealth is perceived as an economic matter, the question of being brothers and sisters is regarded as a spiritual one.”



and practices contribute to a community of work that creates conditions in the organization for people to develop as moral and spiritual persons.

What a document like *Centesimus annus* as well as *Laborem excerens* helps us to do is to discern what structures of communion can look like. For what unites people in their work is not only a vision, but also particular organizational practices, policies, and structures that embody this communion. Prof. Bruni has stated that the EoC “hopes to transform business structures from within by striving to establish all relations inside and outside the companies in the light of a lifestyle based on communion, that is, based on the ‘reciprocal gift’ that the name implies.” (*Communio* 470). The challenge for EoC is to re-envision the day-to-day organizational practices in light of this notion of gift and communion. Now in my short time left let me explain how this could be understood as it relates to wages.

2. Just Wages: (use Powerpoint in this part of the presentation) Structure of

Communion: John Paul II stated that a wage and in particular a family wage indicates “the justice of the whole socio-economic system”—a litmus test of the fairness in society’s economic system. If we are to speak of an economy of communion, we have to view wages as a structure of communion. We have to ask ourselves how does our understanding and practice of wages foster a community of work. It is important to note as many management consultants and theorists will say, that wages are a dissatisfier not a satisfier. Wages cannot by itself provide community, but it can prevent community (e.g., if time Reell we like working here but wages are too low).



PowerPoint Slides:

A. Justice and a Culture of Giving: What are we giving when we work?

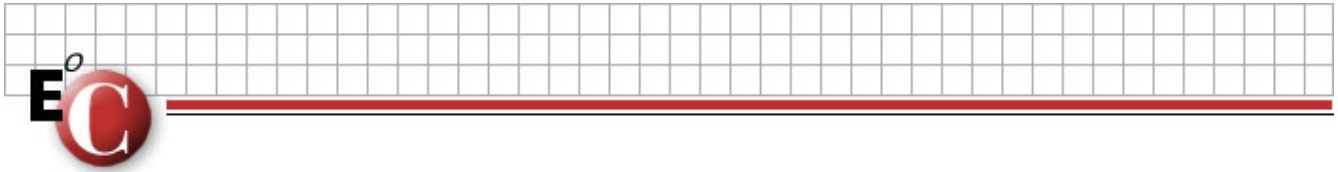
1. **Slide--The fundamental insight** of a Christian view of just wages is the following:

work can never be reduced to the pay given, that is, the wage given can never fully account for the labor done, precisely because work is always more than its economic output or instrumental value. This “something more” can be described in terms of its

- a. ***subjective dimension***—work not only changes objects, but it also changes the subject who does the work—and its
- b. ***transcendent dimension***—through our work, we participate in the ongoing work of the Creator.

Because of these particularly human and spiritual dimensions to our work, pay cannot exhaust the value of the work done. There is always something more to work than its instrumental value.

It is precisely at this point that we can see where role of “reciprocal gift” informs the wage relationship. When an employee gives her labor, what does she give? If we take the subjective and transcendent dimensions seriously, she is giving herself, her time, her gifts, and depending *how* this labor is given will depend upon how she changes, i.e., character development. If she views her labor with a minimalistic mentality, cynicism, legalism, etc., her giving of labor never flourishes to that of *gift*, namely, her giving never reaches the possibility of *communion*. There are many reasons why an employee fails to fully give her labor. It may be because of her own personal traits of cynicism, entitlement, laziness, etc., namely, her own personal sin prevents an authentic relationship with others. Another reason is also structural sin. Some jobs are designed so poorly, so mindlessly, so bureaucratically that the possibility of giving in such a situation is very difficult.



2. Slide--Justice: Because a wage can never exhaust the meaning of one's work, the Christian social tradition sees wages always in the context of justice, that is, **right relationships**.

In receiving and giving of a wage, the employer and employee have an opportunity to deepen their relationships, an opportunity to strengthen their deeper community of work. Hence, it is better to avoid speaking of pay as primarily an *exchange* as one finds in economics and business, and to speak of pay instead as part of a *work relationship* between employer and employee, a relationship that at its center has a gift dimension that can serve to strengthen a community of work. Even on the issue of compensation, that deals with external goods, with monetary wealth, the question is not only how the pie is divided, but what kind of relationships, bonds of affection, are created to foster a community of work.

This understanding of justice leads us to see at least three main principles to help clarify what this right relationship between an employer and employee would look like as regards to pay:

3. Slide--Principles

- meeting employees' needs (*a living wage*),
- recognizing their contributions (*an equitable wage*),
- sustaining a viable economic order in the business (*a sustainable wage*).

A just wage is the integration of these 3 principles through the habit of justice and prudence.

So, for example, in the Christian and in particular the Catholic tradition there is an insistence on *the principle of need* is at the root of the very notion of a living wage. A living wage rests on the fundamental Christian insight I described above, namely that because work can never be fully accounted for or exhausted by the wage given, the employer/employee relationship



cannot be understood only as a legal contract or a market exchange. There is something more, and what describes this “more” is a moral and spiritual relationship.

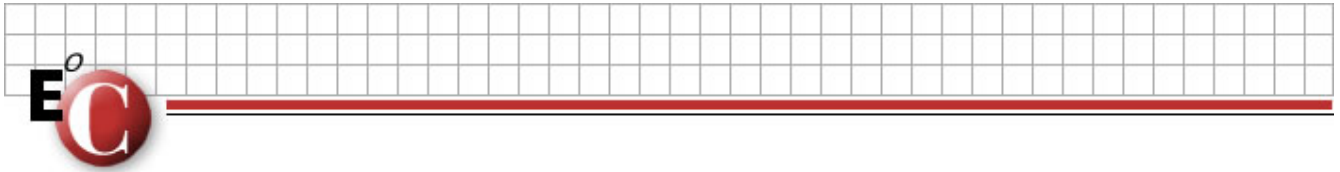
- At minimum for the employer, this entails a living wage, since a wage that fails to meet the needs of the employee is a wage that cannot carry the weight of a real relationship.
- At minimum for the employee, this entails that they will be as productive and efficient as he/she can.

Reell Case if time: Slide

Conclusion: Every road has two ditches. As the Economy of Communion project grows it will need to better perfect the art of “middle level thinking and acting” in order to stay on the road of an authentic community of work.

- **Theology of Communion:** This art will draw upon the wells of Catholic social thought and communion theology, but it will not be satisfied with abstract principles or spiritual platitudes.
- **Structures of Communion:** It will also draw upon the best of what business and organizational thinking has to offer, but it will resist the temptation of reducing its project to the best financial and managerial techniques has to offer.

It will instead seek deeper integration between theological, ethical and managerial thinking and develop new ways to renew and expand its community of work. It is this integral thinking that is one of the strengths of the EoC project, but like any muscle it needs to be exercised and developed. I believe that one of the key ways that the companies of the Economy of Communion can develop authentic communities of work is to be careful of not overly identifying the special character of the companies with particular actions, such as charitable giving of the poor, and to develop this art of middle level thinking that connects the theology of communion to the day to day operations of firm, which includes not only wages, but also job design, ownership of the firm, advertising/communication, product development,



environmental safety, etc. Here I think the Economy of Communion will be of great help in providing models of business that will be of great service to the church, especially for business people in the church and for Catholic business schools.