



The Path to Holiness and Wholeness: Mission in the Marketplace

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As it is in every age Catholics and people of faith are called to read the signs of the times and find new ways to shed the light and truth of the Gospel on the pressing issues and questions of the day. If we are faithful to that vocation, we enter into both a holiness and a wholeness that are rooted in God and promised to those who make themselves available to continue the mission that Jesus Christ entrusted to the church and his disciples.

The near-total destruction of the city of New Orleans by Katrina, the most destructive hurricane ever to strike the United States in August 2005; the near meltdown of the financial system in mid-September 2008; the debate between those who espoused austerity instead of stimulus as a response; taxpayer-funded bailouts as opposed to survival of the fittest; the oil drilling disaster in the Gulf of Mexico; the ever expanding cries for freedom and prosperity in different countries across North Africa, the Middle East and Gulf States that are evolving as we gather, and the earthquake-spawned tsunami in Japan that has reopened the debate about nuclear power across the world are but a small sampling of the events that create the context for my thoughts to this assembly this morning.

To remind ourselves of the extent of the near-financial meltdown in 2008 we need to simply recall that according to one commentator, “U.S. households have seen \$13 trillion in wealth evaporate. More than 6 million jobs have been lost, and the unemployment rate appears headed for its highest level since 1940.¹ Today the proportion of U.S. homeowners who owe more on their mortgages than the properties are worth has swelled to about 23 percent (almost one in four).

In addition, governments around the world have had to commit up to \$5 trillion to both stem the crisis and stimulate growth. In the past 12 months the International Monetary Fund has made loans of \$30 billion to Greece and \$22.5 billion to Ireland, with all indications that Portugal and Spain will need help soon.

Many of the events mentioned above were also the context for the papal encyclical *Caritas in Veritate* of Pope Benedict XVI, which was issued in June 2009, wherein he sought to address the pressing issues of our time, especially those related to the worlds of commerce, finance and development. The encyclical, which is now part of the body of Catholic social teaching, offered guidance and insights to Catholics, people of faith and men and women of good will everywhere on the choices, decisions and challenges that they face in today’s ever more complex, globally integrated environment.

The Holy Father states that “the church’s social doctrine has always maintained that justice must be applied to every phase of economic activity because this is always concerned with man and his

needs. Locating resources, financing, production, consumption and all the other phases in the economic cycle inevitably have moral implications. Thus every economic decision has a moral consequence.”²

A fertile new mission field, I want to suggest through my presentation this morning, has opened up for Catholics and people of faith in recent years through the convergence of certain developments in the areas of investments, corporate social responsibility and global financial integration. This has emerged because of the hard work that was done by the early pioneers in the area of faith-consistent and responsible investment, a changing appreciation of corporate social responsibility in the business community, rapid advances in technology and communication, a deepening awareness of the interconnectedness and interdependence that exists across all of creation and the near catastrophic meltdown of the financial system in September 2008.

I want to explore the implications that these developments have for those in the finance and asset-management sector as well as those in the business and commercial sector, operating today in a world that is global and flat, connected and gated, united and insecure.

My hope is to accomplish three things: 1) to look around at what is presently taking place in the field, 2) to take a look back at the work of those who were pioneers in opening up this field as a part of their missionary vision and 3) to identify some of the challenges and opportunities that we face together in the years ahead. The latter will include an examination of how the moral and ethical wisdom of church teaching can be a rich resource for those who seek to follow what the prophet Micah says that the Lord requires, “to do justice, and to love kindness, and to walk humbly with your God.”³

A Look Around

First, let’s take a look around and examine our current context. Today there is a growing movement across all faith traditions to rediscover the principles and the wisdom of their teachings in the areas of commerce and finance and to present them in a way that they can be applied to the activities and transactions that take place in the financial and commercial sector.

Religious institutions and individuals of all kinds are continuing to deepen their appreciation and understanding of the foundation, principles and tools that are available to facilitate the integration of their beliefs into the investing process and to act with greater integrity in a financial system that is often described as both amoral and guided by a purely secular ethos, that glamorizes greed and ignores virtue.

These investors are also bringing a renewed appreciation of a theology of creation that appreciates creation as a gift that can be exhausted to both the investing process and the management of their properties and land holdings. This vision was described by soon-to-be-Blessed Pope John Paul II as the “ecological dimension of our vocation.” This vision is also reflected in *Caritas in Veritate* when Pope Benedict XVI reminds us that “the environment is God’s gift to everyone, and in our use of it we have a responsibility toward the poor, toward future generations and toward humanity as a whole.”⁴

The growing number of faith-consistent and socially responsible investors who are both actively choosing to invest in industry sectors and corporations that are consistent with their beliefs and values and avoid those companies whose products, practices or policies are contrary to their beliefs and values continues to grow. This is demonstrated in their use of negative screens that address

issues like human rights abuse, child labor, human trafficking, the production of abortifacients and the production of nuclear weapons. Positive screens, promoting education, access to potable water, sustainable agriculture and alternative energy are also being used.

According to the 2010 Social Investment Forum report on socially responsible investment trends at the beginning of 2010, professionally managed assets following socially responsible investment strategies stood at \$3.07 trillion, a rise of more than 380 percent from \$639 billion in 1995, the year of the Social Investment Forum Foundation's first Trends Report.⁵

Faith-consistent and socially responsible investment groups have filed more than 150 resolutions with corporations in 2011 and have engaged the management of numerous other corporations on numerous priorities.

Any brief survey of the changes that have and are taking place in the business arena offers clear evidence that their approach to the social responsibility of corporations is evolving. The call to corporate social responsibility, which was initially ridiculed as outside the framework of standard business practices and models, is now on the agenda of numerous corporations across the world.

Many corporate executives are evaluated on the achievement of certain social and environmental goals and not only on the financial returns that have been realized. They are also expected to assess and manage the social and environmental risk that may exist across the different business lines of their companies. Supply-chain management and monitoring have become a critical concern in the protection of the image, brand and reputation of most enterprises.

In December 2008, the Danish parliament adopted a bill making it mandatory for the 1,100 largest Danish companies, investors and state-owned companies to include information on corporate social responsibility and socially responsible investing in their annual financial reports, and these requirements became effective in January 2009. These represented the most stringent reporting requirements of any social screening, including implementation and assessment plans.

In the last decade the United Nations launched both the Global Compact that began in June 2000 and the U.N. Principles for Responsible Investment, initiated in 2008. The Global Compact is founded on the realization that social, political and economic challenges and opportunities do affect business more than ever before and must be addressed collaboratively through partnering with governments, civil society, labor and the United Nations. The increased awareness of this concern is reflected in the rapid growth of the Global Compact. With over 8,700 corporate participants and other stakeholders from over 130 countries, it is the largest voluntary corporate responsibility initiative in the world.

In 2008 the U.N. Principles for Responsible Investment process was launched as a network of international investors working together to integrate the principles that are focused on environmental, social and governance issues into their operations and activities. In just two years more than 800 asset owners, investment managers and professional service partners have signed the principles. Each signatory makes a commitment to both integrate the principles into their operations and institutions and to report annually on what they have accomplished and any challenges they are encountering.

One final note in this mapping of the field is worth noting. It was reported last month that one of the outcomes of a conference jointly sponsored by the Pontifical Council for Justice and Peace and the University of St. Thomas located in St. Paul, Minn., was the creation of a task force to craft

something akin to the “Catholic Sullivan Principles.” The latter is a reference to the Sullivan Principles crafted by the Rev. Leon Sullivan in 1977 to bring pressure on the apartheid government of South Africa by establishing criteria whereby companies could operate in that country without being judged to be complicit with the system of apartheid.

Underlying the discussion at the conference in Rome was a frustration expressed by some that the noble aspirations of Catholic social teaching often seem to evaporate when it’s time to move from theory into practice. As one participant was quoted as saying, “We seem to have a sense of what we yearn for, but behavioral specificity is thin.”

This point goes to the heart of the challenge that so many of us face in daily life of putting our aspirations into practice. Developing and creating the tools, mechanisms and processes that make the realization of some of the aspirations in this field more accessible is one of the challenges where a significant amount has been accomplished.

A Look Back

The proposal for a set of Catholic Sullivan Principles is in many ways the culmination of a 40-year journey that was initiated by people of different faith traditions and embraced by large numbers of Catholic religious, laity and institutions. They saw their commitment to this sphere of action as entirely consistent and in the tradition of the numerous other missionary endeavors that they and their congregations had undertaken as well as an opportunity to incarnate in a new way the missionary mandate of Jesus Christ and the charism of the founders of their respective religious orders such as Catherine McAuley, St. Francis of Assisi and many others.

Exactly 40 years ago this year people of different faiths working together, including a group of Catholic religious and clergy, established the Interfaith Center for Corporate Responsibility. They joined together to give public witness to their faith by choosing to exercise their ownership positions in public U.S. corporations and thereby to express their solidarity with the suffering majority of black people in the Republic of South Africa.

In response to the call of the church at the Second Vatican Council that religious congregations needed to rediscover the Spirit-led vision and zeal of their founders, these men and women worked to uncover and develop new tools of action and explore new modes of evangelization and mission. These initiatives were seen as faithful to their founding vision, in harmony with the missionary character of the church and a creative response to the challenges of the contemporary period.

Against great odds and encouraged by the strong skepticism of their co-religionists, I would contend that these religious pioneers courageously entered into the world of commerce, finance and business with the same dedication and hard work that they and many before them had brought to their earlier missionary endeavors in schools, clinics, hospitals and orphanages across the United States and around the world.

For 20-plus years they strenuously and consistently engaged major U.S. corporations and banks, companies like Ford, GM, IBM, Citigroup, Chase Manhattan, Bankers Trust and others about the tremendous loss of life, suffering, discrimination and exclusion that the majority population was experiencing in South Africa simply because of the color of their skin.

How can any of us look back on that period of history and not celebrate the release of Nelson Mandela from Robben Island after 27 years in prison? The recent movie *Invictus* is a powerful story

that serves to remind us of that period of historic change in which people of faith participated and embraced, and as an opportunity to share both its power and the courage of that struggle with our children and grandchildren.

In the intervening 40 years numerous faith-based investors have participated in the work of bringing the truth and light of the Gospel into all aspects of the corporate and financial worlds. This has been grounded for Catholics in Scripture and the tradition of the church, in the body of Catholic social teaching and in collaboration with the experience of other socially responsible investors. It has also been encouraged by the call of their colleagues and associates in mission across the world who were deeply concerned about the causes and consequences of widespread impoverishment and hardship around the world.

The stories of oppression from Brazil and Bolivia, the accounts of torture and disappearances from Chile, Argentina and Indonesia, the stories of forced and child labor in Central America, China and Southeast Asia, and the accounts of the destructive pollution and decimation of the natural environment were all shared in letters, phone calls, general chapters and conversations, and came with an urgent plea for solidarity and advocacy.

It is fair to say that these efforts were almost completely resisted by the corporations and judged to be either a nuisance, an unwelcome intrusion by outsiders into their business or misplaced idealism by people of faith.

Looking Ahead

The ability of governments and corporations to turn a blind eye to the suffering and hardship of millions of men, women and children in regions and countries where they want to do business or solidify friendships and partnerships, as the recent events in North Africa and the Middle East demonstrate, continues to the present day. As the Jasmine Revolution offers another testament to the inalienable thirst for freedom and truth that we believe is in the hearts and minds of all God's people across the world, the convenient "political" and "commercial" relationships that have existed with rulers in individual countries give us all plenty to ponder.

In his encyclical Pope Benedict says that "the current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones. The crisis has become an opportunity for discernment in which to shape a new vision for the future."⁶

The double-edged sword of the Gospel of Jesus Christ, as we are reminded during this Lenten journey, is a reminder to all of us that the path of holiness and wholeness must be discovered and embraced anew each day and followed with the dedication of the marathoner who knows that the promise of finish line is realized in the completion of every stride.

From the public record of the returns that have been demonstrated by a number of faith-consistent and socially responsible investors we can clearly assert that the investor does not sacrifice on return or breach fiduciary responsibility by integrating either beliefs or values into the investment process. I think we can safely say that we have crossed the Rubicon in this debate. In addition, a number of the leading practitioners in this arena are exploring and developing ways to apply their faith-based and value principles to the newer and emerging asset classes such as private equity and hedge funds.

These investors are also a part of the growing interest in positive social impact investing, a field that many of them pioneered on a small scale in earlier decades and is now being mainstreamed through the efforts of the Global Impact Investing Network. This not-for-profit organization is dedicated to increasing the effectiveness of impact investments that aim to solve social or environmental challenges while generating financial profit.

More and more corporations are demonstrating their understanding and commitment to corporate social responsibility as they realize how it contributes to their image, brand and reputation and therefore to their ongoing success in today's global marketplace. Having experienced the damage that negative stories of child labor, slave labor, employee grievances or safety concerns, careless and reckless disregard for the environment can cause, they are convinced that a proactive approach is the best response.

The continuing positive returns and profits by companies who have adopted policies on human rights, just compensation, the environment and good governance have confirmed the benefits that are possible by a business model that is socially responsible and takes into account the contribution of all stakeholders. This is consistent with the guidance offered by Pope Benedict XVI when he writes: "There is nevertheless growing conviction that business management cannot concern itself only with the interest of the proprietors but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference."⁷

In concluding I would like to identify some of the specific wisdom and direction that can guide us all as Catholics and people of faith and as people with access to some capital and equity. These may be seen as opportunities in the coming years that flow from the confluence of issues and developments that I have outlined and a response to the call to the "new evangelization."

- Catholic social teaching is rooted in the dynamic interplay between the teaching of the Scriptures, the lived tradition of the church that includes a positive evaluation of the contribution of human reason and the active presence of the Holy Spirit in the leadership of the church and the lives of the faithful. This foundation and experience equip us well as a community to wrestle with the pressing global issues of sustainable development, ethical leadership and investing that respects human rights, promotes human dignity and safeguards the environment.
- The teaching of our tradition when it comes to the responsibility of governments to enact the legal framework and rules so that financial and commercial activities fulfill their social purpose and function smoothly has consistently asserted a positive role for a limited government in society. It is, in this regard, according to Michael Gerson, in a recent Washington Post op-ed, neither "collectivist nor libertarian" and is "a perspective fully consistent with the designs of America's founders."⁸ The clear priority for government to promote the universal common good that is found in the tradition suggests, therefore, a need for a balance between mandatory and voluntary rules in both the economic and commercial spheres. The application of this insight from the tradition should encourage all of us to an honest conversation, debate and discernment about how to best promote the stability and vitality that communities and economies rely on.
- In the larger public arena that is both religiously diverse and secular, the approach of the Catholic tradition that I have outlined above should facilitate a conversation across diverse communities, guide the discovery of common ground with believers from other faith

traditions and provide a basis for discussion with those who come from a purely commercial or secular perspective. Catholics should be eager to embrace these opportunities and to bring to them the gifts that the tradition has developed over the centuries. These engagements can also be unique opportunity to participate in the “new evangelization” that both John Paul II and Benedict XVI have emphasized in their teaching.

- At a time when religions and faith communities are often presented and judged to be a source of divisiveness and civil conflicts even to the point of genocide, the common witness of people and communities from different faith traditions working together to build sustainable and life-enhancing communities will provide an alternative and more inspiring picture, and be a hopeful narrative of God’s presence and action in the contemporary world.

The experience of the holy is found in our very willingness to welcome the world of holiness into the ordinariness of our lives, to be led into a future which is not of our own making and a transformation where we are called to be active and not passive, in solidarity and not neutral, faith-filled and not doubtful. For Catholics who are eager to bring the wisdom of their moral and spiritual traditions into their business and financial activities and choices and thereby integrate the quest for holiness into their life journey, the end of this journey promises to be a deeper and more life-giving encounter with the living God, who is our future.

As the countries of the world struggle with the numerous issues about human dignity, human rights, freedom, climate change, energy and natural resources, we must be ready to be faithful to our Catholic tradition by advocating for a platform and a plan that do not take access to development, education, health care and quality of life off the table for the children born today in Bangladesh, Botswana or Bolivia.

We can by working together help each other to bring the wisdom of our principles and the conviction of our faith to build a better future for generations to come. I hope that the new tools and mechanisms that are being developed for people of faith will afford the business and investing communities many new opportunities to bring the light and the truth of the Gospel to the pressing issues and challenges that we face together.

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¹ Paul Krugman, New York Times Magazine Sept. 6, 2009, p. 41.

² Caritas in Veritate, 37.

³ Mi 4:6.

⁴ Caritas in Veritate, 8.

⁵ 2010 Social Investment Forum Trends Report.

⁶ Caritas in Veritate, 22.

⁷ Ibid., 40.

⁸ Washington Post, Feb. 8, 2011.