The Pope's environmental manifesto and its challenge to business

John Weaver finds that Pope Francis sees climate change as most affecting the poor, whereas the solution lies with the developed economies. While criticising multinationals, the Pope affirms work as a setting for giving glory to God.

Introduction

In June 2015 Pope Francis presented an exhaustive encyclical to all the churches of the Roman Catholic communion, *Laudato si', mi' Signore* – 'Praise be to you, my Lord'. In it he affirms that all species give glory to God, who cares for each one (Luke 12:6, Matthew 6:26).

The Pope recognises the seriousness of the global environmental crisis and draws out its implications for the world's poor and disadvantaged. He identifies the human causes, and lays the blame fairly and squarely on the activities of the developed world.

This hard-hitting paper from the Pope is a welcome contribution to the

climate debate in the run-up to the Paris Climate Change Conference November 30 - December 11 2015, although it may make uncomfortable reading for some businesses and global multi-national corporations based in the western industrialised world.

The Pope holds out the positive challenge for the contribution that





the real economy can make through diversification and improvements in production, which helps companies to function well, and enables small and medium businesses to develop and create employment.

The Context for this encyclical

With St Francis as his inspiration the Pope expresses his concern about our common home and the need for global, sustainable, integral development. He challenges us to avoid the short-term outlook that has dominated politics, and calls for a new political will.

He maintains that the destruction and wanton disregard for the environment is both a sin against ourselves and against God.

He outlines the scientific consensus and develops the thesis of the climate as a common good or a global common. In rehearsing the scientific observations of drought, flood, loss of rainforests, reduction in biodiversity, aquifers, coral reefs and glaciers he challenges the developed world to see the impacts on the poor in the form of water poverty, declining crop yields and crop failure.

Some of the water shortages in the developing world result from the control of water by large multinational businesses. Overall poverty, food and water shortages may become a major source of conflict. These demonstrate global inequality and injustice, and threaten the breakdown of society. It has been observed that there is a coincidence of areas affected by climate change with those of conflict and unrest.

The Pope observed that world leaders were failing to hear the cry of the earth and the cry of the poor, and he urged developed countries to limit consumption and support sustainable development in the developing world.

But in conclusion he observed that 'In the meantime, economic powers continue to justify the current global system where priority tends to be given to speculation and the pursuit of financial gain, which fail to take the context into account, let alone the effects on human dignity and the natural environment.' (paragraph 56)

The Pope therefore proposed a new system of government to tackle this

unprecedented worldwide threat. He made a frank plea to world leaders to ignore the short-term outlook that has always dominated politics and look to the long-term instead. He stated that it was essential to root out widespread corruption which means that environmental concerns take a back seat. Previous world summits have failed to live up to expectations because they were unable to reach truly meaningful and effective global agreements on the environment due to a lack of political will. He called leaders to avoid a mentality of efficiency and immediacy that is prevalent today.

I was privileged to be invited to a pre-G20 event in March 2009, held in St Paul's Cathedral, London, at which Gordon Brown and Kevin Rudd (then Prime Ministers of the UK and Australia) spoke about the Millennium Development Goals. (The millennium development goals are: to end poverty and hunger; to provide universal education; to ensure gender equality; to ensure child health; to ensure maternal health; to combat HIV/AIDS; to encourage environmental sustainability; and to move toward global partnership.)



They both gave their view, from a Christian perspective, on the values and morals that the governments of the world needed to adopt in fulfilling these goals.

Gordon Brown expressed his view that the free market had become the setting for self-interest, where financial operators have become 'free-loading free-marketeers' - as subsequent events sadly demonstrated. He went on to state that markets need morals and we can no longer speak of the 1980s 'TINA', there is no alternative. Instead we must speak of 'THEMBA', there must be an alternative; noting that 'themba' is the Zulu word for 'hope'.

Kevin Rudd added that the god of the financial system has been found to be false and self-serving, and that 'market values' have been revealed as the 'Golden Calf' of our age. He believed that to our values of security, liberty and prosperity, we must add equity, sustainability and community. As such fair trade, overseas aid and addressing climate change must remain priorities for our agenda.

The Pope calls for an investment in people and the provision of employment for all. To this end he

challenges politicians and business leaders to promote an economy which favours productive diversity and business creativity (paragraphs 128-9).

Our technological world

Technology displays human creativity and power to overcome problems. Through scientific and technological advances there have been many possibilities, benefits and remedies for serious problems and diseases. Technoscience when welldirected has improved the quality of human life throughout the world. But sadly the use of patents on branded health products and genetically modified seeds, together with unfair trade practices and general poverty have seen the benefits of such advances largely confined to the developed world and their corporations. The Pope challenged the globalisation of the technocratic paradigm, the mastery of creation with accompanying exploitation. Progress, science and technology has become the new mantra, the new truth. This also dominates economic and political life, where every technological advance is accepted as profit.

But dealing with environmental issues needs more than simple science or technology - it is far more complex. We need to consider philosophy, sociology and ethics. The Pope urges us to use technology, limit or direct it, in the service of all humanity. We need to pause in our search for novelty and progress and recover Christian values and goals. He affirms that environmental, economic and social ecology are interconnected. Nature is not separate from us - we are in constant interaction with it - the interaction of natural systems with social systems. The Pope maintains that environmental degradation affects social structures and cultural identity - the meaning of life and community (paragraphs 143-6).

He calls for transparent political processes and environmental impact assessment of any business plan, including working conditions, people's health, the local economy, and public safety. He called for a consensus of stakeholders engaging in frank dialogue in the service of life. He was convinced that the environment could not be safeguarded or protected by market forces. Nor is there an easy technological fix (paragraph 190).

The challenges for the business communities and corporations¹

An article in the April 2002 edition of Institution of Mechanical Engineers' Professional Engineering magazine² stated that the rise of environmental awareness has resulted in many companies making sustainability an integral part of their business plan. Companies are releasing reports containing data on energy and material inputs and outputs, next year's reductions [continual improvement] and how ethically the company goes about its business; how it supports its local community; and even how the company is helping support human rights around the World.

The article also introduced the concept of a 'triple bottom line' (TBL) analysis of the company's performance, getting away from the traditional single 'bottom line' of profitability. Corporate Social Responsibility (CSR) is being closely linked with the idea of the so-called 'triple bottom line', whereby business success should be judged not just in financial terms but also on social and environmental. (For a fuller discussion of CSR, see David Parish's article on page 11).

Nowadays, CSR Statements are an integral part of most UK plc's Annual Report but they rarely seem to have any real impact on the governance of the business; even something as well-intentioned as CSR can easily become merely a 'box-ticking' exercise.

Good and effective though the TBL approach is, there are other important evaluation criteria, namely Political and Technological, which should be taken into consideration. Adding these to a TBL analysis is known as a PESTE analysis:

- Political
- Economic
- Societal
- $\bullet \ Technological$
- Environmental

Political factors are how and to what degree a government intervenes in the economy. Specifically, political factors include areas such as tax policy, labour law, environmental law, trade restrictions, tariffs, and political stability.

Economic factors include economic growth, interest rates, exchange rates and the inflation rate. These factors have major impacts on how businesses operate and make decisions.

Societal factors include the cultural aspects and include health consciousness

(including environmental pollution and associated health risks), population growth rate, age distribution, career attitudes and emphasis on safety. Trends in societal factors can affect the demand for a company's products and how that company operates.

Technological factors include technological aspects such as R&D activity, automation, technology incentives and the rate of technological change. Furthermore, technological shifts can affect costs, quality, and lead to innovation.

Environmental factors include ecological and environmental aspects such as weather, climate and climate change, which may especially affect industries such as tourism, farming, insurance and, to an increasing degree, energy sources and production. Furthermore, growing awareness of the potential impacts of global population growth, exponentially-increasing energy demand and climate change is affecting how companies operate and the products they offer, both creating new markets and diminishing or destroying existing ones.

The Pope rightly recognised that ecology teaches us that everything is interconnected. Environmental

degradation affects social structures and cultural identity, the very meaning of life and community. This is not just in our own time; he challenges us to consider what kind of world we want to leave for those who come after us, which leads us to consider the meaning of our own lives – who are we, and what are we here for?

He recognises the various global governmental attempts to address these issues, but stresses the need for transparent political processes in finding agreement on the governance of the 'global commons'.

'He challenges us to consider what kind of world we want to leave for those who come after us' He rightly notes that any technological solution will be powerless to solve these serious problems if we lose our moral compass to live in harmony, make sacrifices, and treat others well. The same

is certainly true of allowing market forces to control our decisions.

The biblical and ethical basis

The Pope's challenge to recover Christian values and goals focuses on our relationship with the environment, others, and God. These we can observe are the pre-Fall relationships of Genesis 2, which we see broken in Genesis 3, when human beings decide that they want to play God and have the power and control that belongs to God. Christ calls for the renewal of these pre-Fall relationships in the two commands to love God and to love our neighbour (Matthew 22:37-40).

The Pope offers a clear biblical mandate to care for creation calling for a Christ-like attitude, which recognises that all people are in the image of God and none is superfluous. He presents a picture of a sacramental creation, where God is manifest and present in the whole created world, and where all things are created, redeemed and reconciled through Christ (Colossians 1:15–20).

He goes further and states that 'every act of cruelty towards any creature is contrary to human dignity' (paragraph 92). He concludes that the earth is to be seen as a collective good – a shared inheritance, which offers fundamental rights to the poor and the voiceless.

In a positive affirmation of work, the Pope identifies labourers and craftsmen as instruments used by God to maintain the fabric of the world (Ecclesiasticus (38:34). He calls for a correct understanding of the spiritual meaning of work, seeing work as the setting for personal growth, for 'creativity, planning for the future, developing our talents, living out our values, relating to others, and giving glory to God' (paragraph 127). For this reason he encourages businesses to give priority to employment for everyone, which is good for society.

This is part of the Pope's call for sustainable development rather than a maximisation of profit with little regard for the environment and society, present and future. He commends to the church new lifestyles, which demonstrate a covenant between humanity and the environment. He suggested that we need to develop an 'ecological citizenship' expressing an 'ecological conversion', whereby the effects of our encounter with Jesus Christ become evident in our relationship with the world around us.

The Pope stresses that living our vocation to be protectors of God's creation is essential to a life of virtue. He challenges us to express both civic and political love. Care of nature is part of a lifestyle which includes the capacity for living together and communion. We need each other and have shared responsibility for others and for the world – civic and political action to build a better world, while also recognising the sort of world we will leave for those who come after us.

He calls us to find joy and peace in a life of simplicity, with love overflowing in our acts of care for creation, as we journey toward the Sabbath of eternity (Revelation 21:5). The Pope highlighted relativism in postmodern thinking as a significant problem for ethical lifestyles. He observed that 'In the absence of objective truths or sound principles other than the satisfaction of our own desires and immediate needs, what limits can be placed on human trafficking, organised crime, the drugs trade, commerce in blood diamonds, and the fur of endangered species?' (paragraph 123) He also emphasised the need to protect employment, investing in people, and giving access to employment for all.

Responses

The encyclical was greeted positively by Time Magazine, the Washington Post, and the evangelical Lausanne Creation Care Network. The Time Magazine report (18.06.15) noted that climate change is a global problem with grave implications: environmental, social, economic, political and for the distribution of goods. It maintained that the worst impact will probably be felt by developing countries for decades, and



observed that this environmental inequality creates a strange economic phenomenon: poor countries are often financially indebted to rich countries. The article concluded: 'Every effort to protect and improve our world entails profound changes in lifestyles, models of production and consumption, and the established structures of power which today govern societies.'

However the encyclical was not without its detractors. On the day it was published, Jeb Bush, a Catholic and a Republican Party candidate for the presidential nomination joined forces with the coal industry and climate change deniers in a gathering conservative backlash against the Pope. He attacked the encyclical suggesting that the leader of the worldwide Catholic communion should 'steer clear of global affairs,' and stated 'I don't get my economic policy from my bishops, my cardinal or my pope.' To compound his misunderstanding of the pontiff's words he said: 'I think religion ought to be about making us better people and less about things that end up getting in the political realm.'

The energy industry also turned on the Pope with the lobbyist for one of America's biggest coalmining companies sending out an e-mail rebuking the church leader for failing to promote fossil fuels as a solution to global poverty. Most Republicans in the US Congress deny human responsibility for climate change and oppose regulations to cut greenhouse gas emissions as these would adversely affect business.

Similar views can be found amongst climate change deniers in the UK, perhaps most publically presented by Nigel Lawson's Global Warming Policy Foundation, which has seen the papal encyclical as an attack on a free-market economy. They fear topdown legislation, particularly in the area of controlling green house gas emissions to mitigate against climate change. They have therefore sought to question the Pope's comments. However, in his address to Lloyds of London this September, Mark Carney stated climate change was the most serious factor affecting global economics.

Conclusion

The 'Class of 2009' Graduates of Harvard Business School drew up the MBA Oath, a voluntary pledge for graduating MBAs and current MBAs around the world to 'create value responsibly and ethically.' Its mission is to facilitate a widespread movement of MBAs who aim to lead in the interests of the greater good and who have committed to living out the principles articulated in the oath. The Oath can be downloaded³, but its main elements are:

As a business leader I recognize my role in society. My purpose is to lead people and manage resources to create value that no single individual can create alone. My decisions affect the well-being of individuals inside and outside my enterprise, today and tomorrow.

Therefore, I promise that: I will manage my enterprise with loyalty and care, and will not advance my personal interests at the expense of my enterprise or society.

I will protect the human rights and dignity of all people affected by my enterprise, and I will oppose discrimination and exploitation.

I will protect the right of future generations to advance their standard of living and enjoy a healthy planet.

In exercising my professional duties according to these principles, I recognize that my behaviour must set an example of integrity, eliciting trust and esteem from those I serve. I will remain accountable to my peers and to society for my actions and for upholding these standards.

This is a set of principles to commend to all leaders in the world of business and industry.

I believe that the papal encyclical presents a message that we all need to hear and act upon. We should at least be ready to support those who call for enforceable agreements to reduce carbon emissions and wish to see financial assistance given to the developing world in their attempts at sustainable development.

I agree wholeheartedly with Professor Miles Allen, Head of the Climate Dynamics Group at Oxford University who said, 'What I find most puzzling is the suggestion the Pope has no business to talk about climate change. Critics now largely agree with mainstream climate science so if Pope Francis can't speak up for our unborn grandchildren, then God help us all.' (the 'i' newspaper, 19.06.15)

- 1. Much of this section follows material previously published as, Ian Arbon & John Weaver, Sustainability and Ethics, Horley: Industrial Christian Fellowship, and Gloucester: John Ray Initiative, 2014
- 2. Available from the Institution of Mechanical Engineers, London at http://www.imeche.org/news/contact/all
- 3. The MBA Oath see http://mbaoath.org/



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