

Table of Content

Introduction

Chapter I The Individual and Internal Goal Modification

Chapter II Competition as an Ethicall Neutral Process

Chapter III Christian Ethics in a Business Context

Chapter IV

With the end of the philosophical fray between two competing philosophies - communism and capitalism - the resolution of the adversarial political struggle flowing from their meeting, the “Cold War” was decided in favor of the West and the leadership of the United States. Communism as a philosophic force is spent, discredited, and essentially vanquished (China, politically communist/totalitarian, is essentially propped up by capitalist societies utilizing that nation’s cheap abundant labor.). Yet at the beginning of the 21<sup>st</sup> century it has become increasingly possible that capitalism itself, at least in application, has suffered deep wounds possibly leading to its own demise. Capitalism in its current “global” applications has itself become a great threat to human dignity and freedom.

How has this occurred and to what can we trace its source? What are the possible outcomes of capitalism’s current course? And, most important, how can Americans redirect global capitalism from the vantage point of that nation’s position as capitalism’s most powerful practitioner?

“The global corporation is the most powerful human organization yet devised for colonizing the future. By scanning the entire planet for opportunities, by shifting its resources from industry to industry and country to country, and by its overriding goal simple – worldwide profit maximization – it has become an institution of unique power. The World Managers are the first to have developed a plausible model for the future that is global.”<sup>1</sup>

With their ability to cross national boundaries, in fact to be eagerly sought out, the Multinational Corporation has a unique advantage for influencing the “human condition” in ways that a nation, like the United States, could never enjoy. Because a nation state would be adverse to the imposition of another political entity’s influence, it is doubtful that a national entity will ever bring about change in another nation without resorting to force of arms.

“The enormous size and steadily growing importance of multinational corporations are clearly revealed when viewed in the context of world economic activities. Although the usual comparison of gross annual sales of multinational corporations with gross national product of countries exaggerates the relative importance of the activities of multinational corporations, the general conclusion that many multinational corporations are bigger than a large number of entire national economies remains valid.”<sup>2</sup>

With such economic power, is it unreasonable to expect Multinational corporations to improve the social-economic conditions of their host countries? The Multinational Corporations presently have as their primary goal profit maximization. This goal could be viewed in the light of the Multinational managers responsibility to those who have invested with the understanding that they will receive some return for that investment. It

falls then to the Multinational manager to enhance productivity in order to optimize shareholder wealth.

However, in accomplishing that task does the Multinational manager tend to overlook another group of “investors?” There are two schools of thought that maintain that the Third World countries themselves provide investments to the Multinational. And more importantly does not the founding nation of the Multinational – the national home of the multinational’s founding and growth – have a significant investment in labor and intellectual property.

“The modern professional manager also regards himself not as an owner disposing of personal property as he sees fit, but as a trustee balancing the interests of many diverse participants and constituents in the enterprise, whose interest sometimes conflict with others.”<sup>3</sup>

So then why is so little effort being expended toward meeting the needs of these additional groups of investors?

Perhaps because a Multinational corporation is almost an entity in itself for most managers, it is easy for them to overlook any personal responsibility to recognize this second, although not as clearly defined, group of investors. Their sense of right and wrong would normally make them aware, or at least lead them to recognize, these others “investors,” but management seems to be able to lose their personal responsibility, and responsibility to their founding nation, within the distributed responsibility of the corporation. This tendency on the part of the multinational manager leads to only minimal attention towards the welfare of the host country and responsibility to the founding home country. Instead, most managers will rely on the law, regulatory structures, or public opinion to set standards to be adhered to by the corporation within a particular host country. Standards which themselves tend to be too minimal in their requirements to meet most moral or ethical standards.

Given the present situation, there is a growing cry within the literature for a tougher structure to the laws and regulations governing multinationals. An immediate problem with this move towards some kind of external controls is found in the tendency throughout history of corporations to comply with the letter of the law, but seldom the intent. A situation that leads to a continuous struggle to force compliance by one side and resist it by the other. Not a situation that either side would really want, but nevertheless an inevitable result given the competitive nature of business in dealing with external constraints.

While external constraints may alleviate some abuses, they do not seem capable of accomplishing the implied goal behind those constraints. That goal being the directing of multinational corporations toward alleviating hunger, poverty and establishing a viable middle class in third world countries. Given this real motivation behind the move toward increased regulation, and given that motivation’s worthiness, it seems that pressure to constrain and regulate the multinational corporation will continue to build regardless of

the obvious conflicts that will arise. This then seems clearly the future unless the multinationals can find some way of satisfying this goal, especially alleviating poverty and building a middle class within Third World countries.

Therefore, agreeing that the multinational corporation's goal orientation should be directed toward encompassing the added goal of alleviating Third World poverty, and agreeing that these corporations do owe the other group of "investors" an equal return on their investment. It will, nevertheless, be the contention here that any external means of accomplishing this added goal will interfere with the competitive process and thereby alter the very organizations that could accomplish the goal of alleviating poverty. And furthermore, any external constraints will be viewed by the multinationals as just another aspect of the business environment. A part of the environment to be dealt with in a competitive manner.

"There is a surprising amount of consensus emerging on the minimal steps necessary to restructure the global economic order in such a fashion as to benefit both developed and developing countries. ... This convergence points to bargaining positions which are possible on issues of trade, debt, monetary arrangements, and codes of conduct for investors."<sup>7</sup>

"Bargaining positions" which the multinational manager has faced many times before in the competitive context, while striving for the most competitively advantageous position possible.

"What are the implications of this movement toward a new international economic order (NIEO) for the operation of multinational corporations (MNC)? The operations of MNCs have been and will continue to be affected by the aforementioned new assertiveness. Both directly and indirectly the NIEO touches on the environment within which MNCs function. Not all MNC managers in the industrialized world have understood the far-reaching consequences of this new situation. Many have actively opposed its direction. But any development which comes to grips with Third World poverty must be placed within the NIEO context or risk irrelevance."<sup>8</sup>

It seems that the case for external constraints on the multinational corporation is being built regardless of the uncertain outcome for both sides. In view of this uncertainty, perhaps a more profitable direction will be found in an internal ethical modification of the competitive process and of the goal structure of the multinational corporation, with the goal of alleviating Third World poverty as the desired result.

Although corporations are not real beings, people tend to view them in a similar light. Because of the distributed responsibility within the corporation for ethical problems, no one individual can be said to bear any particular ethical burden. On the other hand, a corporation is an entity for which there is no apparent way to make an ethical judgment with considering the individuals that make up the corporation. With this in mind, it still appears that the ethical systems that govern individual lives are the more profitable

course to explore, both in the area of control of the multinationals, and in the area of directing multinationals toward the ultimate goal of alleviating Third World poverty. Therefore, it will be argued that an internal ethical solution holds the most promise of changing the existing goal structure of the multinational, while at the same time preserving the organization and competitive structure of the corporation intact.

Since the multinational corporations are the only organizations that cross geo-political boundaries with enough wealth and organization to accomplish this goal of alleviating Third World poverty, it seems worthwhile to develop a strategy for bringing this new goal into the present goal structure of the corporation. To accomplish this task will require the multinational manager to take steps to add to his corporate goals this new goal. And, further, that the shareholders themselves understand the need for this goal and are in agreement. This task of convincing both the manager and the shareholder will be easiest if it is possible to show that the new goal will not interfere with any of the old established goals of the corporation that normally lead to profit maximization. The questions to answer for the manager and the shareholder are: Why should the multinational manager and the shareholder be willing to adopt these new goals? How should this goal be brought into the existing goal structure? Will this new goal affect any existing goals?

To answer these questions and any others it will be the intention here to establish the individual and an internal ethical solution as the means of forging a change to the corporate goal structure. And to argue that competition is an ethically neutral process and as such will continue to work toward the accomplishment of the other corporate goals. Furthermore, that only Christian ethics will lead to the desired results for both the multinational as a corporation, as a group of individuals, and as an organization dedicated to profit maximization and alleviating third world poverty. And finally, to explore this new goal structure and how it will function.

## Chapter I

### The Individual and Internal Goal Modification

Viewing the history of the industrialized West, one would be hard pressed to argue that corporations have historically been concerned with the welfare of their workers, or of society. In fact some would argue that aside from the concerns generated by outside groups and the corporations own need for society as consumers there would be no evidence of concern at all. Yet the worker's and society's economic and social situations, that is per capita income, life expectancy, standard of living, and luxury item consumption, etc., have all shown a steady, marked change for the better from the beginning of the Industrial Revolution through today.

Some would be prone to argue that the responsibility for these improvements lies with the Capitalist system itself. Being able to supply plentiful and varied kinds of material goods at a cheaper price has enabled more people to enjoy the higher standards of living. And true, this was one link in the chain of events leading to these present day improved conditions, but it is not the first or the foremost link in the chain. In fact, the first link in the chain of improving worker conditions had its origin in perception, the perceived discrepancy between what ought to be and what really was. This motivational "ought" was an individual's ethical assessment of the business relationship, how it was and how it should be.

These ethical assessments eventually led to reforms which, proceeding by stages, arrived at today's improved conditions. These reforms progressed as each successive older generation found their "ought" fulfilled and each new generation found another "ought" to motivate them. All reform begins first with the individual. For only an individual has the ethical sense or awareness to see how things "ought" to be in the context of God, justice, humanity, or fairness. It is from within this contextual assessment that the individual is spurred to action; because God's laws are being violated, or because it is an unjust or unfair situation, or because man should not treat his fellow man in such a manner. Since the beginning of the Industrial Revolution and the beginning of Western Capitalism, individuals, church leaders, educators, and intellectuals have all been moved to demand changes from the corporate community. Yet seldom does the cry for change come from within that corporate community itself.

Why? Considering the fact that corporations are composed of individuals drawn into the business context out of a societal context, it is puzzling that the corporate community needs reforming. Much less that there are no internal pressures for such. In other words, a business is a collection of individuals that act and react under one set of ethical rules outside of the business context, but within the business context they do not follow, or at least find it hard to follow, the same set of rules. It appears to be the case that the vast majority of individuals working in a business context operate under two ethical systems. One system is like that of the society as a whole. The other, or lack of one, is whatever is considered an acceptable business practice.

“Sentiment is all right up in the part of the city where your home is. But downtown, no. Down there the dog that snaps the quickest gets the bone. Friendship is very nice for a Sunday afternoon when you’re sitting around the dinner table with your relations, talking about the sermon that morning. But nine o’clock Monday morning, notions should be brushed aside...”<sup>1</sup>

This idea of competing, of surviving in a world that is some how too tough for the good guy and for ethical considerations, has become an inseparable idea in business. Every Monday morning the businessman leaves the world where the good guy finishes first, and enters the world of “good guys finish last.” This feeling of the impotence of ethics in the business context has also begun to creep into everyday life. Where the real world is the business world and the only right act is the acceptable business practice. And an acceptable business practice is whatever gets the job done and the profits made, not whether the means to the end are right or wrong.

“Every important advance in business ethics has been achieved through a long history of pain and protest. The process of change begins when a previously accepted practice arouses misgivings among sensitive observers. Their efforts at moral suasion are usually ignored, however, until changes in economic conditions or new technology make the practice seem increasingly undesirable. ...Businessmen who profit by the practice defend it heatedly...”<sup>2</sup>

Profit at any cost? The fear for most businessmen is that ethics and profit-making/competition are somehow working to cross-purposes. However, changes for ethical reasons have taken place and continue to take place within the business environment, and profits are still made. It can be argued that in business the competitive process is ethically neutral, but that discussion is left to the next chapter. For now it will be necessary to show that ethical changes do take place within the business context and that these internal ethical changes are not harmful to business and in fact are beneficial. Furthermore, it will be necessary to show that while external pressures for change are important in drawing attention to a problem area, it is the internal ethical change or modification that brings about the true reform within the business context.

“Ask a business executive whether his company employs child labor, and he will either think you are joking or be angered by the implied slur on his ethical standards. ...Yet it was not until comparatively recently (1941) that the U.S. Supreme Court finally sustained the constitutionality of the long contested Child Labor Act, which Congress had passed four years earlier. During most of the previous eight decades, the fact that children 10 years old worked at manual jobs for an average of 11 hours a day under conditions of virtual slavery had aroused little indignation in business circles.”<sup>3</sup>

Within the corporate community it was felt that only through capitalism would society experience growth and increased fortunes. Any external pressures were, therefore, seen as simply a misunderstanding of the means and the ends of capitalism.

“But while this was the going creed expressed in a thousand different ways at every level of acceptance, there were many who revolted against it. They saw evidence all around them contradicting the pat belief that the greatest good would result for the greatest number by his self-interest. The suffering and the degradation were too widespread to be ignored except by those who complacently wrapped themselves in one form or another of the prevailing dogma.”<sup>4</sup>

And many were they who did convince themselves that capitalism, as it existed in the industrial West, and the competitive process that was a part of it, made old ethical considerations obsolete. Obsolete in the sense that this newly discovered competitive process selected for those individuals most fit for survival in the world. This was the new ethic, survival of the fittest, and those on top worshipped it. Still, reform was obviously necessary, but to be truly effective, reform had to affect an internal ethical change and not just external constraint.

Constraints and how to deal with them is a process well understood within the corporate community. It is far too easy for a corporation to abide by the letter of the law without honoring the intent. In the corporate view, taxes, material shortages, and ethically motivated laws and regulations are all constraints to deal with, and circumvent if possible. Unless changes come from within, the competitive nature of business excludes the intent instead of incorporating it. **The internal ethical solution is the true way to generate a self-restraining corporate reform. Introduce this better**

**“One of the chief self-restraining forces owes to a little to the evangelical movement stemming from John Wesley and the great revival of the eighteenth century.”<sup>5</sup>**

The Wesleyan movement began with the poor, not by speaking to them as a class, but by treating them as individuals. And because Methodism contained a message for individuals it began to be heard and taken to heart by the rich as well. In the case of Wesley’s movement it helped that he was not opposed to the idea of business or wealth as such, but that he was offering a different view of business and individual profit making. A view that hinged on the concept of stewardship, a concept well understood in the manager/shareholder relationship.

“For John Wesley religion encompassed the whole of life. All economic problems were primarily ethical and therefore religious, since the true purpose of any creative economic theory and organization was the advancement of ‘human material well-being.’ ‘the earth is the Lord’s and the fullness thereof,’ was the central theme of his economic faith. He believed in the divine proprietorship of all wealth, property, and privilege and therefore, the responsible stewardship of the individual man. For Wesley any enduring antithesis between business and religion was unthinkable.”<sup>6</sup>

In the business sense, the manager is the steward of another's wealth, and as such, he seeks to maximize that wealth. Stewardship, therefore, is an internal business concept; it is not an external concept being pushed on the corporation. On the other hand in the sense of stewardship that Wesley intended each individual is a steward for whatever wealth and ownership God gives. Whether the individual is in business or not he is responsible for the use of the wealth that comes his way for God's work. Wealth was not obtained by accident but was sent by God's grace. The more an individual had the more he could give.

“With unhesitant terseness Methodists were exhorted: ‘Gain all you can.’ This is one part of a formula which, in its entirety, covers the revival's representative teaching about material wealth.”<sup>7</sup>

The remainder of that formula was to “save all you can and to give all you can.” To make all that one could opens more and more opportunities for giving, which was the purpose of being God's steward.

Whether as an individual or as an individual in the business context, in the Wesleyan movement being a steward was an encouragement to gain. But it was also more. It was also an encouragement to respect and care for those you worked with and those that worked for you.

“The fundamental economic virtue which was associated with the injunction, ‘Gain all you can,’ was thus infused with the drive of a religious crusade. The beneficence of both money and the process of getting it stamped the economic pursuits with divine sanction...A man's ‘business and refreshments, as well as his prayers,’ all served the one great end.”<sup>8</sup>

Over time the Wesleyan movement began to reach many, including the rich and powerful. Before that point it was only possible to say that the necessary internal ethical changes for reforming the business environment were incorporated on an individual basis. In other words, as each individual worker came to understand Wesley's message, they experienced an internal change, but it was with the conversion of the capitalists' owners themselves that the corporate goal structures were altered to reflect everyone's new internal ethical changes.

“But even the rich and powerful were touched by the evangelical revival. One of the notable converts was William Wilberforce...A group gathered around Wilberforce that became known as the ‘The Clapham Sect.’ They included some of the most influential men in London...Their common bond was evangelical Christianity and their common enthusiasm the application of the ethic of Christ to personal, social, political, national, and international affairs.”<sup>9</sup>

A contemporary of Wesley, John Woolman of New Jersey, sought and found his moral equilibrium. Woolman, a Quaker, made his business career a continuous struggle to impose his spiritual discoveries on his mercantile store, his tailoring

business, and his law practice. He believed firmly in the Quaker precept taught by William Penn that merchants should be tenants of the public.”<sup>10</sup>

It seems that there may be a fine line being drawn here between an internal ethical solution and external constraint. To take an example from the two passages above. Wilberforce and the Clapham Sect exerted their influence primarily through Parliament. John Woolman on the other hand, exerted influence directly through the personal management of his own businesses. Are these examples of internal versus external? No. Both men were influenced by the same spiritual awakening that swept through that era. And both men worked within their area on concern to affect a change there.

“In our time we have grown sophisticated and perhaps even cynical about movements of reform. But it is important to remember that out of the light kindled by Wesley and the evangelical revival began the great drive for reform movements that has had a direct and continuing relationship to the life of the past 100 years. It is hard to imagine how society could have adhered and endured without the ameliorating influence of this force. The YMCA, the temperance movement, the societies for the prevention of cruelty to children and animals, the Salvation Army, these and many other such currents flowed out of these that held that religion was for daily life as well as for the closet and the cloister.”<sup>11</sup>

The important thing about the Wesleyan movement and the many spin-off reform movements mentioned above, these movements were not constraining. Instead, they were ethically educating and aimed at internal reformation. That is to say that instead of restricting by external means they tended to work from the inside out, both within society and within business. It is not to say that laws and regulations did not spring from these movements, but it is true that they were popularly supported laws and regulations. The Wesleyan movement sparked actions that were aimed right at the point of concern. There was little wasted effort because the individuals that were involved were the ones on the inside. With an awakened ethical sense they were able to go straight to the problem in their area and arrive at the correct solutions.

There are three points to be made about the Wesleyan movement and also about business reform movements. First, they involve ethical awakening of the individual. In the business context it is more accurate to say that there occurs an ethical convergence. The two ethical systems that had been present, one societal and the other from “just doing business,” became one. In other words, society’s ethic becomes so over-whelming that it permeates all areas of the individual’s life. Second, these individuals are “insiders,” that is, they tend to be from within the problem area itself. In a sense this is a natural thing to expect given the amount of discrepancy between a businessman’s “two lives.” The psychic “pain” associated with the growing realization of a dual lifestyle gives impetus to the convergence. And finally, these individuals work from within the area of concern to find solutions. This is a natural and more efficient course to follow. Being associated with the problem so long, it is far easier for them to provide the answers that work. That is without eliciting the same defensive response as a strictly external constraint might bring.

As regards the multinational corporations and the problem of world poverty. It is highly unlikely that another Wesleyan type reform movement will come along any time soon, but perhaps these three elements of reform can be achieved anyway. To do this will entail concentrating not on individuals external to the problem area for a solution, but by working with the “insiders” exclusively. Furthermore, it will also be necessary to awaken a dormant ethical sense. And it will be proposed here that the advantages and applicability of Christian ethics be used for that task. Finally, it will be necessary to show that this reform or internal ethical solution will be beneficial to the multinational corporation.

To show the beneficence of reform it will be first necessary to argue for the neutrality of the competitive process as regards ethical changes. And to demonstrate the ability for the competitive process to work toward all corporate goals, while upholding the impetus of any reform.

## Chapter II

### Competition as an Ethically Neutral Process

If you had to choose one word to describe what is known as the Western world that word would have to be -- competitive. Only in the West has competition taken such a hold that it can truly be said to affect every aspect of an individual's life. And in the West, the United States is paramount in its complete and total worship of competition. Here every aspect of an individual life, from work to play, is affected by competition. Competition ranges from the common - like baseball or football, to the bizarre - like the longest ride on a Ferris wheel. This fact of life has not escaped attention before this of course. In fact, it has been analyzed and scrutinized from many angles, but most thoroughly in how it relates to business in general, and to economics in particular. It's not surprising that economics, and business in general, has dominated the investigations of competition. After all, everyone has the need for some form of livelihood, and the complexity of society has led to that livelihood being contained within society's economic order. So it is not surprising that economics, based on competition in the West, would lead the way in the investigations of competition. However, it would be quite surprising if something so pervasive in society as competition should have escaped the notice of philosophers.

From a philosophical point of view, competition stirs an interest within the field of ethics. Considering competition's pervasive nature, the question naturally should arise as to competition's ethical nature. Is it good? What effects does competition have on society's fundamental values? Is society better off with, or without competition? Of course these questions, and others, have been asked and discussed before, and perhaps the most thoughtful treatment of the ethics of competition was that by Frank Knight.<sup>1</sup> His examinations were concerned primarily with the ethics of business competition. Business competition, as mentioned earlier, affects everyone's livelihood in today's society and is an integral part of the business world. Knight proposed that any examination of business competition could be divided into three interconnected parts. First, competition as a means to satisfy the wants and needs of society. Second, an examination of "the fact that the motive of business is to such a large extent that of emulation as such," or the "gameness" of business. Third, competition as a primary motive in society and the effects that the ethics of the competitive situation have on the primary ethics of society.<sup>2</sup> Although least developed of the three parts, it is this third part that contains the hard question for society to answer. And that question is this, considering all that competition in business is able to accomplish, namely production and distribution of goods on an unprecedented scale and the creation of great affluence, is society paying too great a price in terms of changes to its fundamental values and ethics by using competition?

In this paper it will be taken as a fact that competition in the business environment is responsible for the material wealth and technological advancements that our society enjoys. This facet of the question has been explored at length and depth by

others that cannot be reproduced here, so it is safe to assume that, although not perfect, competition is still the primary reason for our present state of material wealth. With this one point out of the way, the intentions of this paper can be defined. First, it is the intention of this paper to show that society has been undergoing changes to its fundamental values and ethics stemming primarily from a business influence. Second, in regard to these changes, competition as a process is ethically neutral. Third, that it is the use to which competition is put, and the input that it is furnished as a process that is responsible for the change society is experiencing. And finally, because it is implicit in our examination, an actual example will be offered to demonstrate an alternative available in business competition.

Take any number of businessmen today and ask them what their company's goals are, and you will get just about as many answers as there are businessmen. Doubtlessly maximizing profits will come up, probably increased market share and product diversification, and more than likely corporate growth will also be mentioned. All of the recognized corporate goals share one common feature, in each goal the corporation is seen to be striving after more. More of what is to be specifically defined by the corporate goal, but generally the corporation is striving after more utility. Each corporation is, therefore, seeking to maximize its utility, and because it is implied in each of these goals that the corporation is not alone in its "market," a corporation will be seeking to maximize its utility at the expense of others.<sup>3</sup> The market is therefore seen as a place of contention for limited resources. The corporations at any particular point in time are viewed as holding all the resources of a particular market that are available between them. In this situation, to increase one corporation's share means that one or more corporations must decrease in share, and, therefore, in utility. Of course there are situations where a corporation will discover that all the resources in a particular market were not divided up, the corporation will have discovered a new "segment of the market." And although these situations are not rare, these occurrences have not been enough to discourage the perception of markets of limited resource.

Of course the market is not a physical place, but is, as W. L. LaCroix has explained, one of three models of social and economic relationship, namely the:

"Exchange relationship (market). This model exhibits trade wherein both parties are considered to strive, by trade, toward higher utility functions. Here one says, 'I do this if, or because, you do that.'"<sup>4</sup>

And although this is only one of three interconnected relationships working in society, it is important for our examination to realize that within the business environment this model is perceived as alone in its influence upon business.

What has been described thus far is a perceived area containing limited resources whose acquisition is the goal of the contestants, in this case, corporations. And in this striving for the acquisition of resources a rivalry is promoted, for in the striving

to "maximize one's own utility" there is, by necessity, a decrease in utility elsewhere. These situations of conflicting interests fall easily under the heading of game theory. It is quite easy to see that within the business environment the contest motive is primary, successes and failures, the actions and reactions to what others do, the searching for the best decision among many alternatives that leads to the best position for oneself, all this demonstrates the "gameness" of business.

A lot has been written concerning game theory, and concerning business as a game, but for our purposes it is not necessary to reproduce that here. It is just enough to recognize the aspects of games in the business environment, and in particular the aspect or motive of emulation. It is emulation -- the striving for superiority and the spirit of rivalry, that concerns us most in our examination of changes to society's fundamental values and ethics, because "The modern idea of enjoyment as well as of achievement has come to consist chiefly in keeping up with or getting ahead of other people in a rivalry for things about whose significance, beyond furnishing objectives for the competition, little question is asked.<sup>5</sup>

By and large, society's highest values have been those that promote stability for society. Whether this stability springs from a guarantee of the greatest amount of "good" for the greatest number of individuals, or from an enlightened self-interest that realizes that others interest are important for an individuals own self-interest, stability is the final result. Most definitely, the major religions, with their emphasis upon how man ought to act and upon what the motive behind these acts should be, have placed Man's relation with Man as one of the highest values. The highest values then are those that make society possible, though it be composed of a collection of individuals with as many goals, needs, wants, and dreams as there are individuals. Even given that Man is the "social animal" that biologists and psychologists say he is, it is exceedingly difficult to believe that Man would be able to build the complex societies that he has without values that help him to transcend his own selfishness.

Emulation, as a motive, seems to be inconsistent with any of society's values for promoting stability. Rivalry between individuals and the institutions of society contradicts these values completely. If our complex society is possible because of values that help Man to transcend his own selfishness, then any motive that promotes the achieving of one's own utility at the expense of another's can only be seen as destructive of society's stability. The contest motive, as represented in the business environment, is therefore fostering an adherence to values contrary to all that society has held as the highest. The individuals increasing dependence on business for his livelihood (perhaps existence?) heightens the influence of the contest motive in society. The emphasis on success, at the expense of others, is spreading throughout society (especially American society).

But if the motive of emulation is so detrimental to society's values, how has it managed to survive, and not only to survive, but also to become dominate in society? "The striking fact in modern life is the virtually complete separation between the

spiritual ethics which constitutes its accepted theory of conduct and the unethical, uncriticized notion of efficiency which forms its substitute for a practical working ideal."6 It is because of a perceived choice between the efficiency of business and society's highest values, where the efficiency of business is seen as the direct result of the contest motive. Society is forcing on itself a hard choice between business competition and its efficiency, and society's own highest values and the stability they ensure.

Of course there are attempts to prove that no choice really exists. These take the form of either "proving" that there is really nothing wrong with business and its values, or in showing that business competition is really not all that efficient. Both of these attempts must be dismissed, however, for reasons already discussed. First, because emulation as a motive is contrary to all of society's values, and second, because the present state of material wealth has no other explanation than business competition. However, with the dismissal of these attempts at solving society's dilemma, it does not follow that the choice will again fall to that between competition and society's values. This is so because competition is being viewed as one and the same with emulation and the contest motive, when in fact competition as a process is, besides efficient, also ethically neutral.

When individuals or businesses are in competition, they are said to be engaged in the act of competing, and it is this act that is supposedly open to an ethical analysis. Almost all examinations of competition proceed from this very assumption, that competition is an act and therefore open to an ethical judgment. If this is true, then as regards our present concern, competition can be judged to be unethical. Unethical either because of its unwanted consequences for society's highest values or because of the motivations (emulation, rivalry, etc.) that lie behind the act of competition. It seems then that this is the conclusion that must be drawn if competition is truly an act, but this conclusion is based on a mistaken assumption and is therefore false. Human actions are, even though they are in reaction to any number of external events, only human acts if they are initiated by an individual. Man must therefore originate human actions, i.e.; they must come from human nature and not merely from nature.

People steal, people kill other people, people give money to the poor, and people compete. Are these all human actions? People act by taking, they act by killing, they act by giving, but do they act by competing? Semantically we do identify competition as an act, but unlike true acts, competition is a process identified by the human actions within its framework that collectively have become known as competition. When identifying competition it is possible to identify it by the act of rivalry, or by the act of striving, or by both together. What this says in effect then is that competition is an "act" recognized at different times and places by various other actions. In actuality what is occurring is that competition is considered as an act only as a semantic simplification. Competition is not an act but is a process, and the confusion arises because it is easier to speak of a process as a unity of its collective acts.

**In addition, when an individual commits an act, that action remains the same action regardless of the situation the individual is in. Not so with competition, here an individual can be in the "act" of competition in two entirely different situations with the net result being, if these are truly acts, that the acts are contradictory. Consider two games, one a game between two teams and the other an individual playing a game of chance. In the former, the act of competition is one of rivalry, but in the latter, there is no corresponding act of rivalry. Both games are competitive, but they are composed of different actions within the competitive framework. Take two actual examples like football and golf. In football there is competition of team against team - a rivalry, but in golf there is, by the nature of the game, only competition against oneself or a striving for excellence - no rivalry.<sup>7</sup> These cannot be the same act of competition, as they do not have the same act in common. They do, however, have a similar result, and a similar result indicates the operation of a similar process.**

**As a process, that is a motion or a series of changes leading toward a conclusion, it is much easier to identify competition and to understand how competition can be ethically neutral. Perhaps at this point it would be best to examine the process of competition with the human aspect removed, the best example in this case is the competition that is called evolution. Evolution is a good example for our examination of competition for three reasons: (1) Because the human element is removed, the process of competition is shown in it's most nearly perfect form; (2) There is clearly no way to render an ethical judgment on evolution; (3) When the theory of evolution was first advanced, it was accepted readily by the business community as a justification of capitalism and of business competition.**

**Human nature being what it is, people tend to personalize everything they do, that is they tend to claim things as originating within themselves. This is why individuals claim competition as an act, and this is the beginning of the confusion with competition. The truth seems to be that individuals engage in competition or act within the process of competition, and this can be clearly seen by an examination of evolution.**

**Evolution is a process that has been at work on this planet since life first began here, and this makes it a perfect example for our purposes. Evolution is the original competitive situation, and it (except for the last thousand years or so) is a process unaffected by Man. With the removal of Man from this competitive scene there is, by necessity, a complete removal of motive from the competitive process. And with motive removed from the ethical analysis there remains only evolution's consequences upon which to base our analysis of the competitive process.**

**Evolution occurs as organisms interact "at the same trophic level in a given food web,"<sup>8</sup> or more clearly stated, they compete over the same food supply. This interaction leads to what is known as competitive exclusion which results in either one population of organisms eliminating the other or in both populations undergoing an evolutionary change to achieve resource partitioning.<sup>9</sup> In this view,**

**the process of competition leads to two possible consequences, survival or extinction. Is it possible to make an ethical judgment on this process by its consequences? Let's add one more bit of information and then ask the question again.**

**When the original theory of evolution was advanced by Darwin it had the form of which we are all familiar, namely that the strongest survive. This implied a direct confrontation between organisms, a dog eat dog type environment where the strongest eliminates all weaker competitors. In other words, there was an intense rivalry for the available resources. It is this explanation that business first used as a justification for its competitive practices, it gave in effect the backing of Natural Law to business competition. However, evolution now has a different theory, one that accurately reflects the process of competition. This theory is not based on confrontation, but on informational advantage. In this theory it is the "informational content" within a particular ecosystem that is brought to the point of interaction "at the same trophic level." "The populations within a community maintain a store of variation, which is interacting continuously with biotic and abiotic elements of the ecosystem to effect further adaptation, and therefore further evolution."10 It is, therefore, the informational content of a particular organism (information carried in an organism's genetic pool) that enable that organism to survive. So it is not confrontation or rivalry as such in the competitive process, but the information available to an organism that enables it to "answer" correctly, as far as the information permits, the problem presented to it by its environment.**

**To go much further will embroil us in an in-depth biological discussion, but that is not going to be necessary, as the important points for this discussion are available. Which is that evolution as a competitive process relies not on confrontation or rivalry, but upon the complete use of information to find the right "answer," or as a businessman might say "the most efficient solution," to a particular problem caused by the interaction of organisms at the same trophic level. With this last bit of information let's turn to the question proposed earlier on judging the process of evolution by its consequences.**

**The consequences of this competitive process are either survival for one organism and extinction for the competitor or a diversification for both that eliminates the point of interaction. Now, in rendering a judgment on one or the other of these two consequences it is implied that there is a good consequence or a bad consequence, but can that judgment be passed on to the process of competition? That is to say, if we judged the survival/extinction consequence as bad then must we judge the process of competition as bad? In this situation there are no alternative consequences, the competitive process has made use of all available information and has reached the only possible result given the information at hand. To judge a process as bad or unethical it must be shown that the process, given the information used, could have reached another consequence -- a good consequence.**

**Perhaps another view would help clarify this conclusion further. To do this we can use the example of another process, the process of logic. Now in logic if you know all**

**the possible premises for a particular situation, then the conclusion will naturally follow, and it will be the only possible conclusion given that you have all the possible premises. To arrive at any other conclusion would entail the removal or addition of one or more premises, but the process of logic does not remove or add the premises it only arrives at a conclusion given the premises available. How do you ethically judge the process of logic? There does not appear to be a way.**

**Now it might be argued that it is not possible to know if all available information went into a conclusion, and this appears to be true. The fact, however, that the conclusion has stood the test of time indicates, unless another conclusion can be produced, that the conclusion was based on complete information. So the most that can be said of the process of logic is that it reached the only possible conclusion given its premises. The same applies to the process of competition and it's only possible consequence. As understood in evolution, the consequence is the only one possible and as to whether it is good or bad is open to an ethical judgment, but as for the process itself there can be no judgment. It seems then that evolution, and competition, are as a process ethically neutral.**

**Evolution was chosen as an example of the process of competition because it was possible to separate the pure process of competition from the human version. With evolution it was possible to show that competition is a process that only makes use of the information available to arrive at the only possible and logical answer. And, in another sense, that the process of competition is like a mathematical equation that delivers an answer based on the quantities given, and that it is not possible to make a judgment on the process as such. Finally, evolution was chosen as an example to accent the fact that if the process of competition is ethically neutral and if society finds that business competition produces consequences that are bad for society's highest values, then it must be concluded that the process of competition is not responsible for the bad effects, but has just used the information furnished to arrive at the only answer possible. This leads to the conclusion that the information furnished to the process of competition is of questionable ethics. Therefore competition is not an ethical problem; it is the artificial constraints placed on the information entering into the process that is causing the changes to society's values.**

**Competition is a process and, as with other processes, Man has found that he can use competition as he does any other tool. Man is no longer shaped by his environment, but is able to use these processes that originally shaped him to shape the environment to his liking. In other words, Man borrows the processes and natural laws of his universe and shapes and uses them for anything he wishes, and that is as it should be. Although some feel that Man should not use competition, or should at least find a substitute, it appears that this is the wrong conclusion. The question is not whether Man should or should not use competition, but whether he should be using it in the ways that he is?**

**Business competition is just such an area where this question is applicable. The original attraction of competition was the fact that given a quantity of information,**

**the process of competition would produce the most efficient answer, and that answer meant great material wealth for society and for business. But it seems that while the quantity of information was sufficient to answer the questions of production and distribution, it was not sufficient to protect society's highest values. The reason for this seems to clearly be that the information furnished the competitive process is incomplete. While the process is being furnished all the information necessary to solve efficiently the problems of production, distribution, etc., the competitive process is not receiving information of society's higher values and therefore, true to competition's nature, these values are being efficiently excluded from society itself.**

**LaCroix described the spirit of competition in our society today as being divided into two purposes, and he used game competition as a means of describing these purposes. In games, competition seems divided under two surnames -sports and athletics. In sports, the purpose is excellence in performance in a game against an opponent, while in athletics the purpose is just victory.<sup>11</sup> From this description the problem becomes clear, as intended the process of competition is engaged in to produce the best possible answer, but as used by business, competition is engaged in to be the best possible answer. There is no trusting to the competitive process by the business competitor of all the possible information for a sports like purpose. Instead, competition is become increasingly constrained, receiving only the information deemed necessary for the purpose of victory. In the final analysis society must continue to use and support competition, but at the same time inject into the competitive process it's own highest values. This then is the problem faced by society concerning business competition -- to convince the business community that adding these higher values in the competitive process will not alter competitions outcome on the limited scale that a business is concerned with, but will instead have great benefits on society. And one of the best methods of convincing is by example.**

**Earlier in this paper there was an attempt to define what was meant by society's higher values. Although intentionally vague, the effort was made to broadly show that there are many values in society beside the obvious material ones. That discussion was kept vague then in recognition of the fact that although these higher values exist, they are cloaked in many different ethical systems that have strong emotional attachment for some and strong emotional rejection for others. Broadly speaking, however, it is still possible to identify similar values within each of these different systems, those values that go beyond the material and transcend the self, values like love, self-sacrifice, bravery, loyalty, and unselfishness.**

**The point on the similarity of the ethical system is made to encourage the choice by a business of some particular system. Although that choice is free, it is the intent of this paper to recommend a particular system. The ethical system is Christianity, and it is recommended for two particular reasons (besides personal preference). First, the focus of this paper, to this point, has been on competition in Western society. Western society is primarily Christian and is therefore more familiar with Christian values. Second, the Christian ethic is recommended because, as Frank Knight stated**

**in his discussion of Christian thought, "If there is anything on which divergent interpretations would have to agree, it would be the admission that the Christian conception of goodness is the antithesis of competition.<sup>12</sup> But, as maintained in this paper, competition is an ethically neutral process, therefore it is more accurate to state that the divergent interpretations of Christian thought would have to agree that the Christian conception of goodness is the antithesis of the informational content of the modern day process of competition. In way of a final proof that competition as a process is ethically neutral, and that it is the informational content of this process alone that is causing problems for society, an example of Christian values being input to the competitive process will be offered.**

**There is an organization of companies, primarily in the Atlanta area but with a growing regional support, called The Fellowship of Companies for Christ. This fellowship is composed of corporations whose Chief Executive Officer is a Christian, and as a Christian wishes to run his company based on Christian values. The corporate affirmations of the members of this fellowship are offered in exhibit, and it would probably be worthwhile to accent certain points mentioned there.**

**In the first place, these member companies recognize competition, and that in their particular markets they do have competitors. This fact is implied by the mention of competitors in the first affirmation, also implied is the fact that they will be treated as competitors. The important difference, however, is that this treatment will be tempered by Christian ethics and values per the third affirmation and that a particular concern for the competition will be explicit in all dealings as stated in the first affirmation. So competition is viewed not only as an arena that presents the opportunity to improve society materially but also as providing the opportunity to improve society spiritually and ethically.**

**Also equally important is the recognition that a corporation is not an entity itself, but is composed of a collection of individuals with needs both within the company and outside the company. This recognizes the fact that employees have a set of values before the corporation, and that it is harmful to the individual to have to subjugate those values to a limited corporate value system. So it is important that a corporation be sensitive to these needs and not just to the needs of it's own employees, but to the needs of society as a whole.**

**The business community might find it hard to accept a system of ethics based on a religion, but the question is --why? The answer would appear to accent the concerns of this paper, which is that the higher values of society have become so removed from business competition that it is impossible to imagine competition with those values. For American business, it is important to remember that competition as a process will arrive at the best and most efficient answer to a given situation or problem based strictly on the informational content of that process. Competition as used by American business has created, and continues to maintain, a Superman, but it is a Superman without a heart, and without a heart it is something less than human.**

**"We have said that any ethical judgment of activity must be based not upon its efficiency, the quantity of results accomplished, but on either the character of those results or the character of the motive which led to the action."13**

### **Chapter III**

#### **Christian Ethics in a Business Context**

What is meant by recommending Christian ethics as the means to the end of a changed goal structure for the multinational corporation? To answer this question it will be necessary to ask and explore the question of what is Christian ethics? As stated by Paul Lehmann:

“Christian ethics, as a theological discipline, is the reflection upon the question, and its answer: What am I, as a believer in Jesus Christ and as a member of his church, to do? To undertake the reflection upon and analysis of this question and its answer – this is Christian ethics.”<sup>1</sup>

This section will engage in just such an analysis as it affects the problem of Multinational corporations and third world poverty.

To begin with, Christian ethics is not concerned with discovering and action in the context of a believer in Jesus Christ. And this is not purely in an individual context, but is founded in Christ’s church and in the fellowship of other believers. This is the concept of “the body of Christ” and bases Christian ethics more on revelation than on morality.<sup>2</sup> This idea of the body of Christ and the fellowship of believers is all contained in the meaning of the word “Koinonia.” And since it’s impossible to have a Christian ethic without the Church and the fellowship of believers, it seems that Christian ethics can only be understood as Koinonia ethics.

“we might, therefore, say that Christian ethics is koinonia ethics. This means that it is from, and in, koinonia that we get the answer to the question: What am I, as a believer in Jesus Christ and as a member of his Church, to do?”<sup>3</sup>

God revealed himself to man in the Scriptures and in the form of His son Jesus. He continues to reveal Himself through the Church and individual believers, and it is in this way that God’s will is made known. Koinonia ethics is not concerned so much with what is right and wrong, as it is with doing the will of God. And as such, Koinonia ethics is not an absolute ethic, but is a contextual ethic in nature. That is to say that the correct and ethical action is the one that best fits what God is trying to do in the world at that moment. And to know what He is willing, is to have an understanding of what is being revealed to the existing Koinonia. The fellowship of believers, as concerned believers striving to understand God’s will, is the best and most accurate way to discover and interpret that revealed will.

This koinonia ethics and its contextual nature is applicable to the ethical problems in business and to the question concerning Multinational corporations and Third World poverty. It is applicable because we are concerned primarily with a Western based institution (i.e., Capitalism, big business, etc.). And because Western society is based on Judeo-Christian beliefs and thoughts. The images, symbols, and basic premises all find their origin in Judeo-Christian beliefs. Monotheism, one God, is a concept readily agreed to by most in Western culture. Even atheism shows a Judeo-Christian influence through

its denial of the one Christian God. So as far as business and Capitalism are primarily Western institutions they carry this seed of Judeo-Christians, or better yet, strictly Christian, beliefs.

Furthermore, or calendar, holidays, and philosophies all carry the mark of Christian beliefs. The ideas of life after death, of eternity, and even of eternal damnation permeates all aspects of our Western culture and of each individual's life. Western society, therefore, has had enough of the explicit behavior, it would seem to be called a Christian society. If this is true, then it makes good sense to argue for an increased role for Christian ethics in all aspects of Western society. In other words, a case can be made for applying koinonia ethics to multinational corporations. But saying that do koinonia ethics apply because we live in a Christian society raises the question of why it has not been applied? The answer is found in the incomplete understanding of the koinonia.

The koinonia is the community of believers, and more. It is best represented by the concept of the family. The family is a collection of individuals, but it is also a whole living under one head or authority. So the family is individualistic and also a single functioning organism. It is an interesting aspect of this that the identity of the individual is so tied up in the family that to be truly individual is only meaningful in the context of the whole. This is where an analogy to the body is applicable. An organ is only a functioning individual within the whole of the body, i.e., it is meaningless to try and understand without the body which gives it purpose and meaning.

“to be sure, Jesus was concerned with and for the individual, but not with ‘a rugged individual.’ Jesus’ concern centered upon a ‘redeemed individual;’ and ‘redeemed individual’ and ‘rugged individual’ are contradictory terms. A redeemed individual is the individual whose individuality is the by-product and the fruit of the koinonia. Thus, it is simply an error to say that the great thing about Jesus is that he exalted the dignity of the individual. Christianity does not affirm the dignity of the individual but the sanctity of the individual. The dignity of the individual is derived not from Jesus but from the Stoic and Deist exaltation of the worth of man. Christianity, on the other hand, is concerned about the sanctity of the individual – with or without dignity - because of Jesus’ perceptive claim that when individuals are degraded or destroyed the purposes of God are obstructed. It is God’s fellowship-creating mystery, proposed from before the foundation of the world and disclosed in the koinonia, that is violated whenever the individual is disproportionately exalted (as in revivalistic pietism) or disproportionately abased (as in political totalitarianism).”<sup>4</sup>

In this contest, all of Mankind, Christian and non-Christian, saved and unsaved, are part of the koinonia. The efforts of Jesus and of Christians today are to unify the koinonia under the headship of Christ. To bring each individual into full functioning individuality in the family of God.

“Jesus came preaching the Gospel of God, which is: ‘The time is fulfilled, and the kingdom of God is at hand; repent and believe in the gospel.’ Even the prodigal son, when he comes to himself, returns to the Father’s house and is received again

into a family. The lost sheep, for whom the shepherd leaves the ninety and nine behind is restored to the flock. Being restored to the flock, to the family, the individual with whom God is concerned and who has lost his individuality, that is, his selfhood, is drawn back into the orbit of God's way of working with men in the world."<sup>5</sup>

Koinonia ethics imply a responsibility to the existing koinonia and to those "prodigal sons." "love your neighbor as your self," and "let no one seek his own good, but that of his neighbor," explicitly state this imperative of the koinonia to take care of, and return to the fold the scattered family of God. Furthermore, only through the Headship of Christ and the Fatherhood of God is there found the authority and the common denominator to make this an imperative, and not just a scattered and disconnected desire. Christianity conceives of the brotherhood of man in a way that no other religion or philosophy can or will. One family, with one Father, united and seeking a further uniting with the scattered family of man. A father cares and extends himself for his children, to ensure their happiness and security, like wise the family cares and extends itself for the other members of the family. Therefore, only in the koinonia and in koinonia ethics is there a powerful solution to the question of how multinational corporations can alleviate Third World poverty.

A further point about koinonia ethics is its contextual nature, which is based on what God is doing in the world to restore the koinonia. Ethical decisions are therefore based on how the koinonia interprets the working of the will of God.

"... a koinonia ethic is a concrete, relational ethic in which the possibilities and the actualities of the human situation are continually breaking down and continually running out into what God is doing to put them together again."<sup>6</sup>

Koinonia ethics is life, and is based on living in a world where God is at work, dealing not with abstracts and absolutes, but with concrete situations. Striving always to transform the world.

"As we have been trying to urge, ethics is concerned to expose and explicate the human reality of the concrete. A koinonia ethic is uniquely adequate to this concern because it describes and analyzes the context within which the human reality of the concrete is being steadily shaped and exposed."<sup>7</sup>

"A koinonia ethic does not derive the context of action from the situation alone. It insists, however, that the situation is significant ethically because it is shaped by, and thus part of, the context of what God is doing in the world."<sup>8</sup>

Therefore, a situation or institution is ethical as far as it is seen to be shaping or transforming the world for God's purpose. And what is God's purpose? To redeem and restore the koinonia to fellowship with Him.

It is easy to see that alleviating poverty falls easily into "the context of what God is doing in the world" and, therefore, is applicable within koinonia ethics. However, that leaves

the question of how multinationals can adopt koinonia ethics still to be answered. It appears that perhaps the only real obstacle to that answer, being a Christian answer, lies in the concept of salvation (redemption) which is the most essential Christian concept. For without the concept of salvation Christianity would not exist, but with it business is not readily going to accept any ethical change. In the solution to the problem lies the means of making a meaningful ethical change to the goal structure of corporations.

Implicit in the concept of salvation is the fact that people are not perfect, that is, people, no matter how hard they try, tend to do bad or wrong things. As understood in Christian circles, people sin. Sin translated from the Greek, both noun and verb, is an archery term meaning to miss the mark of target. In this case, of course, to sin means to miss the mark in life. But what is it that people aim at in life that is being missed when they sin? Aiming at the good is an obvious answer, but it is fairly ambiguous.

A better answer might be found by analyzing the following quote: “for the wages of sin is death.” For sin is more than simply doing bad as opposed to doing good. Sin involves the idea of lifestyle, the general way a person leads his life.

When involved in a discussion on ethics and on what is the ethical thing to do, the discussion necessarily deals with the question of what is a good act or behavior. Some try to find the good in the act itself, as if good is an attribute that can be attached to certain actions. Others try to find the good in the consequences of a particular act. However, in either case they find themselves searching for the quality called “good.” But the striving after this quality of “good” is always situational in nature. Is it “good” to let people suffer to keep from turning on person over to a madman? How about if those to be turned over numbered a hundred, or a thousand? Is a doctor to grant the wishes of a cancer patient for a fatal injection or to let that patient linger on in pain? Is a corporation to give a government official a bribe or lose the contract that will put thousands out of work? Whether they are contrived or real life examples, trying to find the quality “good” has always been a search in a situational context.

Trying to isolate “good” and then to apply it in each situation that comes up appears to be an impossible task considering the time and energy expended on this task, and the amount of ambiguity that still resides in this area. It appears to be the case that a situational definition of the quality “good” is impossible to find: “For all have sinned and fall short of the glory of God.” Christian ethics on the other hand, strive after the “good” life. It is concerned more with what is the good or right (or un sinful) lifestyle. In a situational sense, all have sinned, made the wrong choices, done the wrong thing, and have not been “good.” And while it may be fairly ambiguous as to what the quality of “good” really is, it is far easier and certain to determine what a good lifestyle is. And a good lifestyle is more societally important than the many and variously defined qualities of good that spring from situational ethics.

The aim of life is to live long and happy and prosperously. To miss this mark is to sin, and as said earlier, the wages of sin is death. A lifestyle is made up of a lifetime of situations. Some of these situations will be lived perfectly and others will be missed ,

will be off the mark and therefore, not “good.” But all have not done the good thing and will not do the good thing again and again. Yet it is the striving in the lifestyle that is important. An individual that has a lifestyle unrestrained by any concept of good will soon be facing a point at which death, whether metaphorical, physical, or spiritual is imminent.

Christian ethics, with the concept of salvation, offers a change in lifestyle. In Christ’s death and resurrection came a way for Man (for the individual) to be “saved” out of his old lifestyle into a new. It is not that salvation gives a rule to apply to each situation, it is more a point at which an individual can switch lifestyles. And while there is more depth to this concept of salvation, that is a theological discussion to be left for another time. The important point here is that in this discussion of Christian ethics the concept of salvation denotes a change in lifestyle. A change away from a lifestyle leading to “death,” toward a lifestyle leading to life, a life fuller and more prosperous.

Now it would appear that salvation is a concept only for the individual, but is it not possible to apply salvation to a corporation? Obviously a corporation is composed of individuals, and in this sense the concept of salvation can be applied. However, as was said earlier, individuals often lead two ethical lives, one at home and the other in the business context. Would not the same dual lifestyles apply here with the concept of salvation? In fact it does, for many individuals do live what would be called a Christian life of salvation outside the business context, but not within.

This being the case, it is at this point that Christian ethics with its concept of salvation offers more than any other ethical system for the corporation. For what prevents the individual from living a single ethical life is the perceived life of the corporation itself. That is to say that in the business context each individual views himself as an extension of the corporate entity. Therefore, the individual is not the responsible, living entity, but is just a part of the corporate being. If this is true, if the corporation is itself viewed as an entity complete with desires, wishes, and goals, then the answer to the individual’s ethical dilemma is to “save” the corporation. Christian ethics offers the only means around this dilemma because of its concept of salvation.

By bringing the corporation into the koinonia or the community of believers, there is hope for the individual. The corporate lifestyle or goal structure is brought before the koinonia and is changed to fit the contextual nature of the koinonia ethics which is striving to fit God’s purpose in the world. And as it applies to multinational corporations and third world poverty, God’s purpose would be served by the efforts of the corporations to alleviate that poverty. To do so would entail making this a part of the corporate goal structure and a change in the corporate lifestyle to match that of the koinonia. That is to say a broadening of concerns to fit the whole family of Man, both corporate shareholders and third world “investors.” And furthermore, a recognition of a new “headship” and of their corporate stewardship for what God has given: “And from everyone who has been given much shall much be required.”

To explore this new goal structure or lifestyle and to show how it would function is a subject for later. But to sum up for now, it is important to note that only through koinonia ethics and salvation can the individual and his corporate self be brought back into harmony. And only by extending the corporate “headship” to a higher level can the corporate lifestyle be changed.

## FOOTNOTES

1Frank Knight, "The Ethics of Competition," first published in Quarterly Journal of Economics, vol. 37 (1923), pp. 579-624. Reprinted in The Ethics of Competition (New York: Harper and Bros., 1935), pp. 41-75. All references are from original printing.

2Ibid., p. 612.

3W. L. LaCroix, Principles for Ethics in Business, (University Press of America, Inc., 1978), p. 41.

4Ibid., p. 42.

5Frank Knight, "The Ethics of Competition," p. 621.

6Ibid., p. 621.

7This point was used to explain the type of competition found in legal confrontations in courtrooms. In a courtroom there isn't the direct confrontation (like football), but all efforts are towards making the best possible case and all motivation is self-induced (like golf).

8Arthur S. Boughey, Man and the Environment, (New York: MacMillan Publishing Co., Inc., 1975), p. 17.

9Ibid., p. 17.

10Ibid., p. 15. 11W. L. LaCroix, Principles for Ethics in Business, p. 65.

12Frank Knight, "The Ethics of Competition," p. 620.

13Ibid., p. 621.