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# ***Globalization and Gratuitousness: Challenges from the Chinese Model Based on the Vision of Caritas in Veritate***

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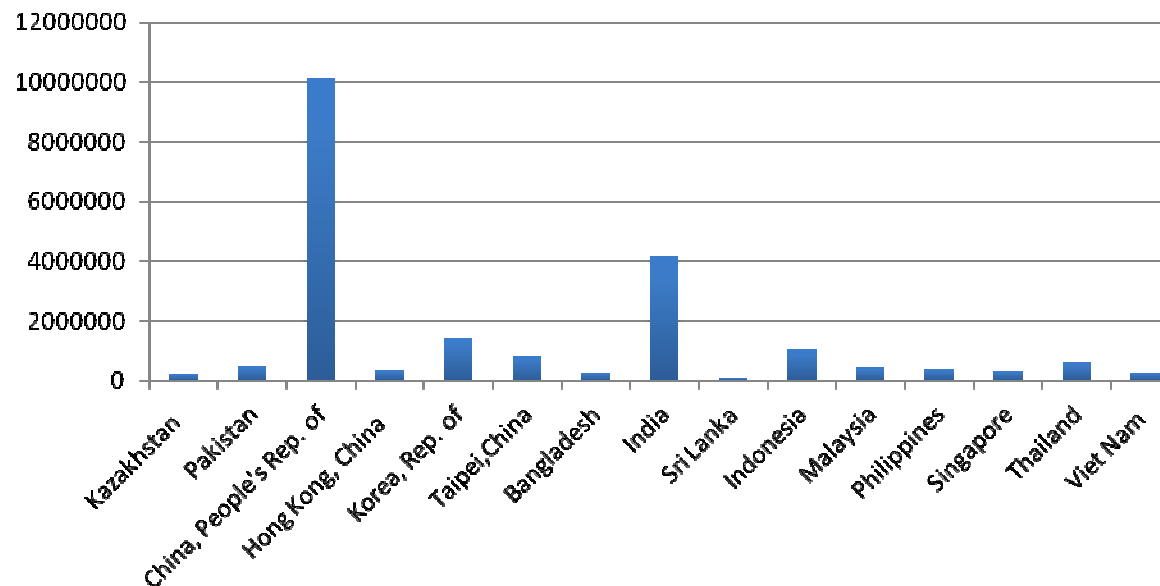
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## Abstract

The process of globalization in the context of China is based on historical experiences of interaction with other cultures and religions. Among significant encounters between the extremely rich and complex cultures the focus of the presentation is on the encounter between China and India in the adventure of Buddhism as well as the interaction with Christianity. As the emerging dragons are eager to take their seat on the world stage we assist a dramatic awakening of a spiritual search all over China. Despite unresolved issues between India and China it is argued that the ability to share the richness of its ethical and spiritual wealth may lay the groundwork for globalized landscape which is shifting decisively away from a Western to a more Eastern profile.

The process of globalization is marked by the fact that both India and China are taking more and more a central stage in economic development not only *in Asia* but also on the world stage.

### Gross Domestic Product at PPP, 2011



Source: Key Indicators for Asia and the Pacific, 2011  
[www.adb.org/statistics](http://www.adb.org/statistics)

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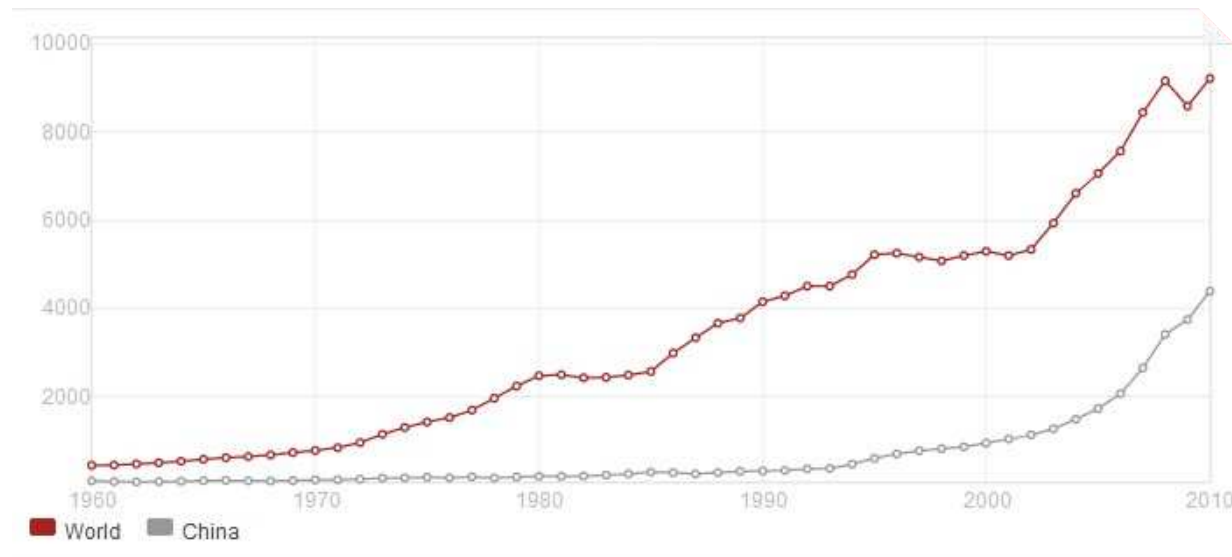
### GDP Growth, 2006-2010



Source: World Development Indicators, World Bank

While India opened its economy in 1991 under N. Rao and M. Singh the so called Chinese ***“open door policy”*** since 1978 has achieved ***double digit economic growth.***

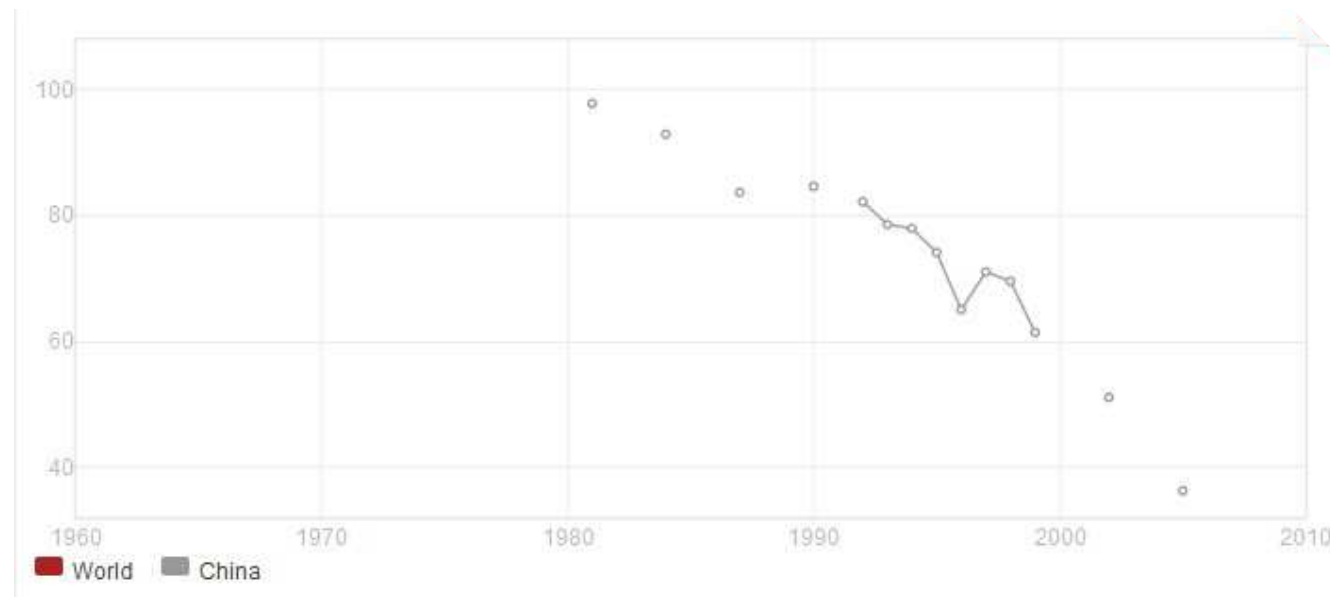
### GDP per capita (current US\$)



Source: World Development Indicators, World Bank

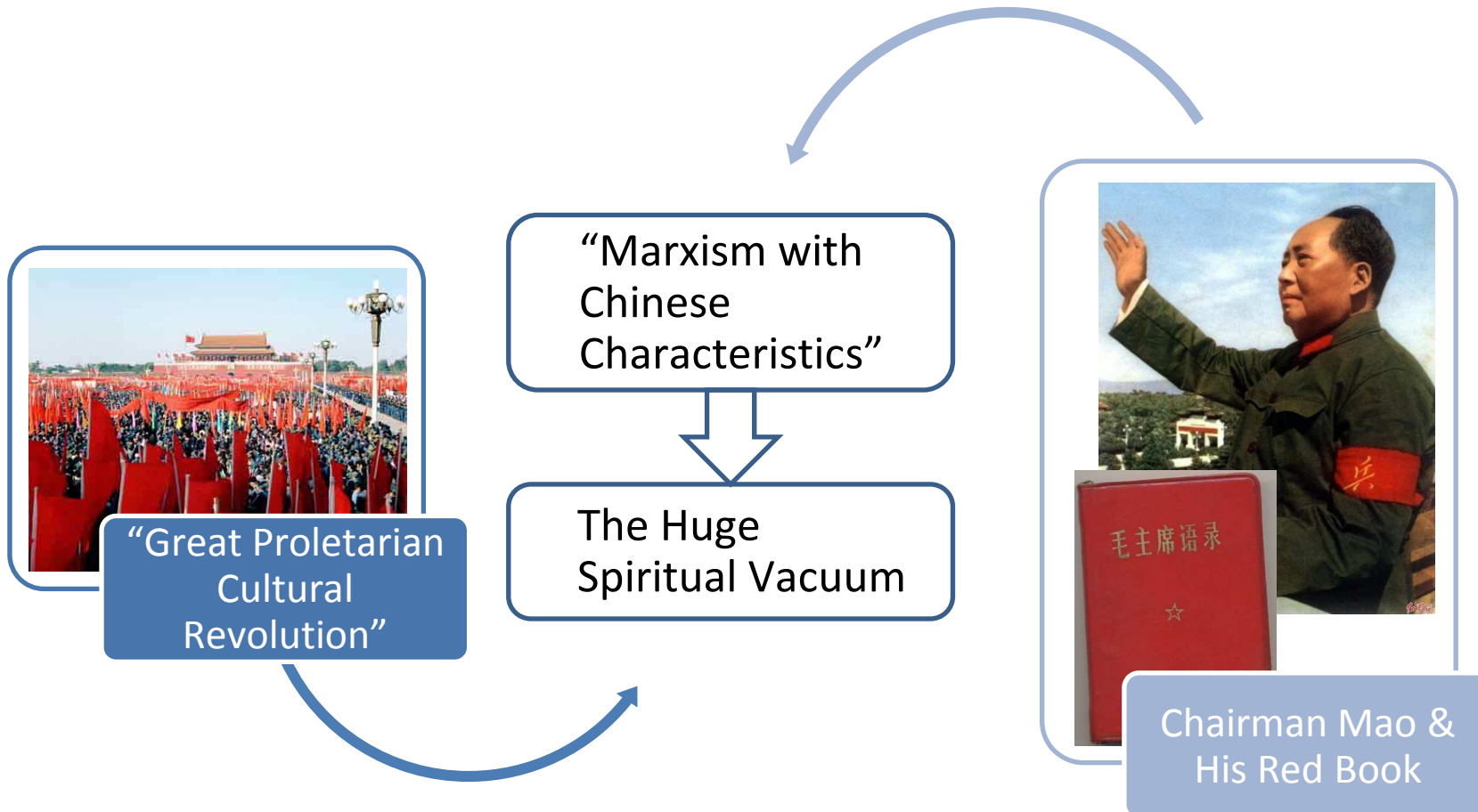
Most significantly China succeeded in overcoming hunger about 20 years ago and raising at least 20 million out of absolute poverty.

### Poverty headcount ratio at \$2 a day (PPP) (% of population)



Source: World Development Indicators, World Bank

In order to start grasping the amazing complexity of China it is important to strive to get a historic insight of its macro-history (Huang 2002) as well its most recent history.





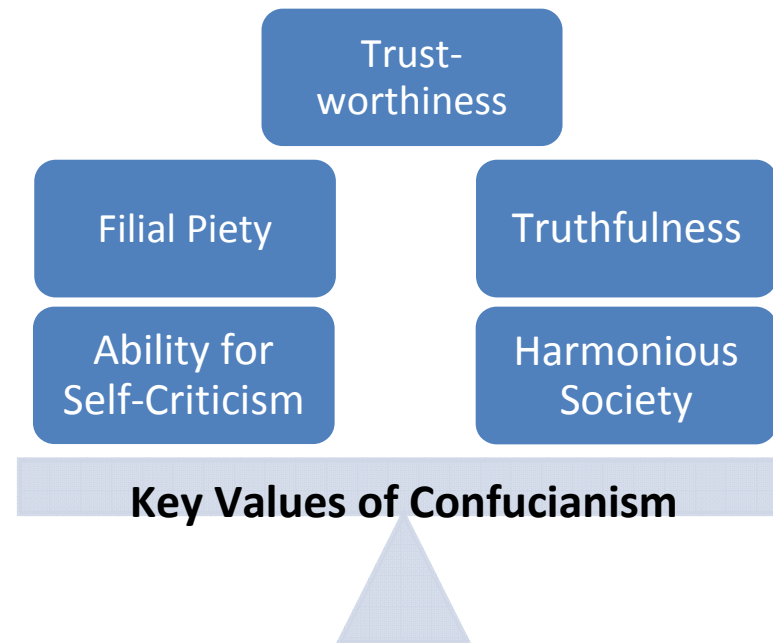


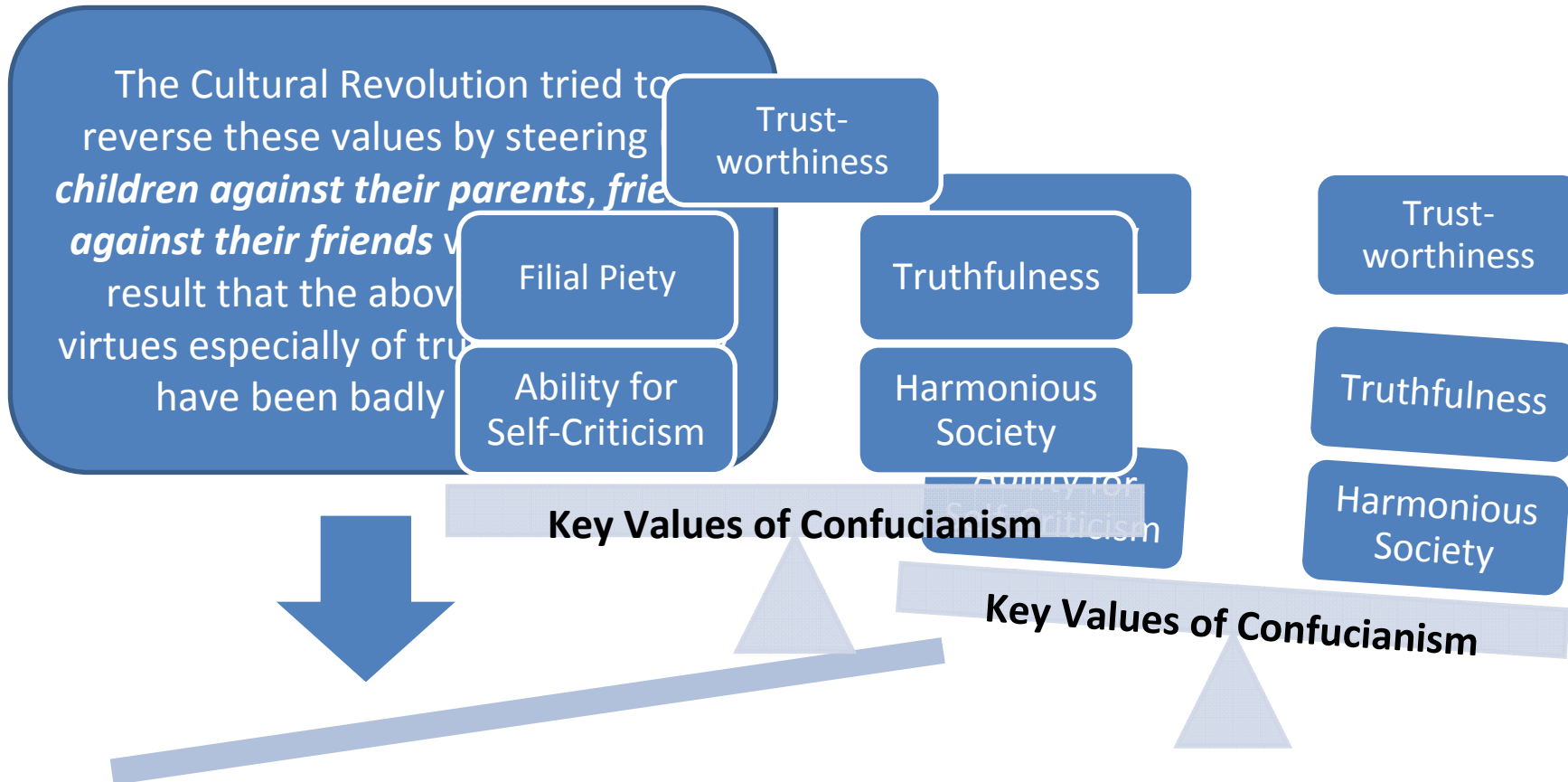
Confucius 551— 479B.C.

The “Cultural Revolution” has reviled Confucius as Bourgeois.

Renaissance of Confucianism to provide secular ethical framework;

And emphasizing the greatness of Chinese Philosophy.





## “Seeking Truth through Facts”<sup>1</sup>

The result of the “Great Leap Forward”, about 40 million deaths due to

- 1) ill guided agrarian policy;***
- 2) destruction of culture;***
- 3) persecution of people who believe in God.***

<sup>1</sup> A main reference is the magazine “China News Analysis” which is available on CD-Rom

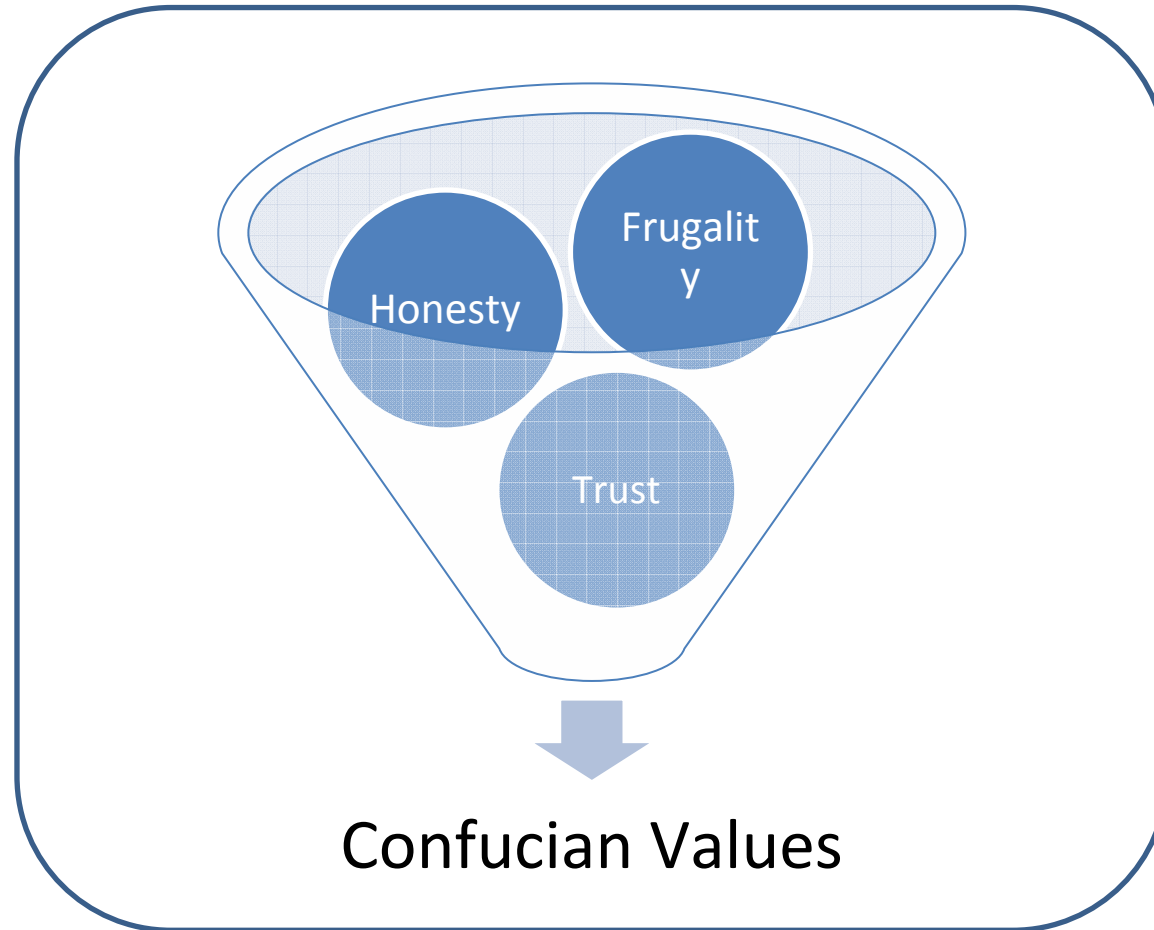


Deng Xiaoping

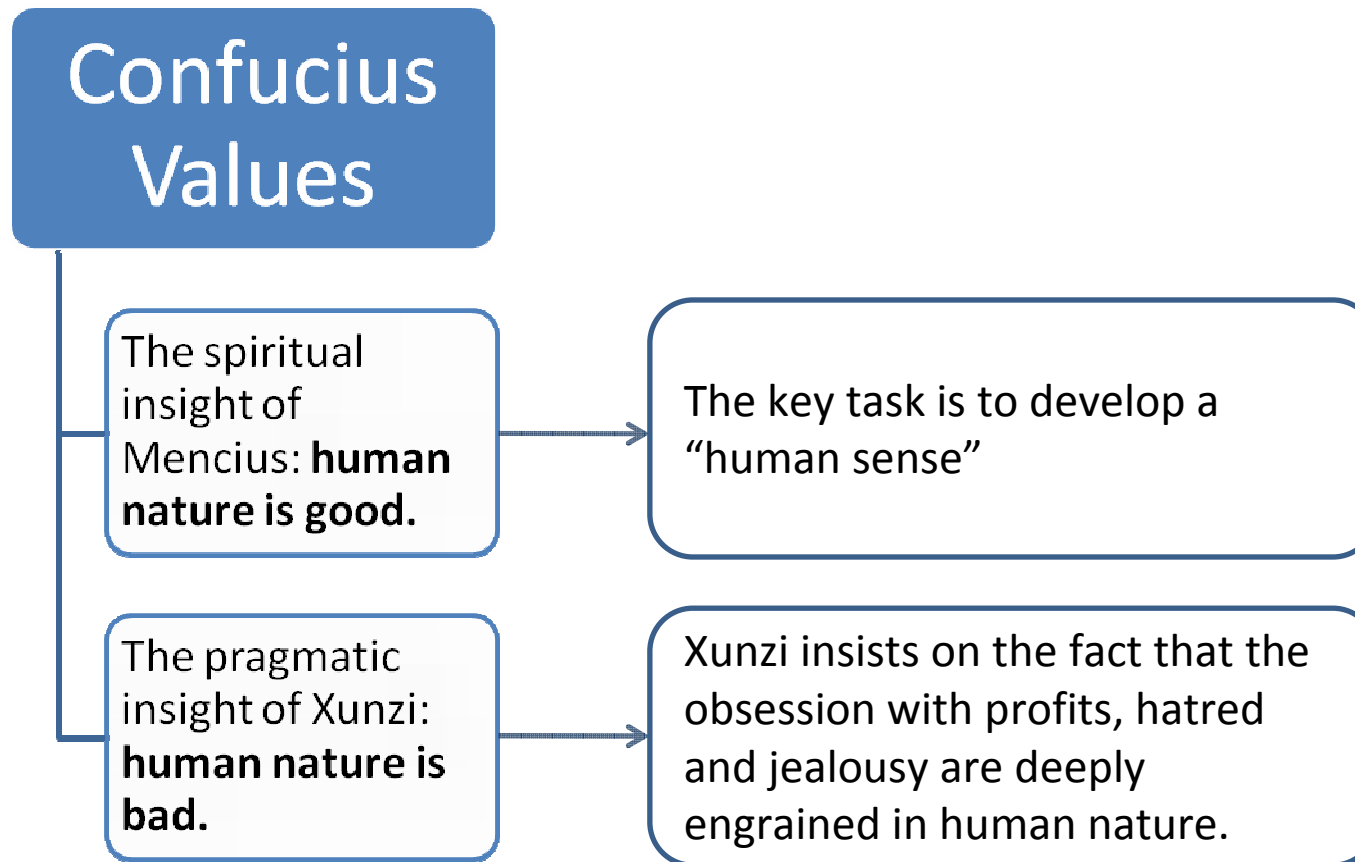
## “Open Door Policy”, late 1978

- The acknowledgement of the failure of the Cultural Revolution
- The economic development becomes main goal to be achieved by the Chinese government

## Modern Business Context<sup>2</sup>



<sup>2</sup> Yu Yingshe, Confucianism and Business Civilization, Beijing 1999, 100



As a conceptual framework for the encounter of vastly different cultures and mindsets the term of “Creative Unity” will be used (R. Tagore 2004,1-93).

***“The meeting of the East and the West has remained incomplete, because the occasions of it have not been disinterested.”***







One major insight of Buddhism is to reveal our greatest illusion is our conviction that we have to constitute individually a permanent “Ego” which will be major obstacle to achieve the Absolute (Cheng 1997,330).



The ultimate goal is thus to stop the vicious cycle of the desire is to reach the “Middle Ground”, the vacuum which will be decisive to escape the destructive turns of the Ego. The Heart Sutra which beautifully describes the process of cleansing and getting rid of ego tainted concepts has been very popular in China.



The South Indian Text of Tirukkural (Amaladass 2007, 10) is not yet very well known in China but offers certainly most inspiring insights on how wisdom can be obtained by a patient and meaningful way of living.



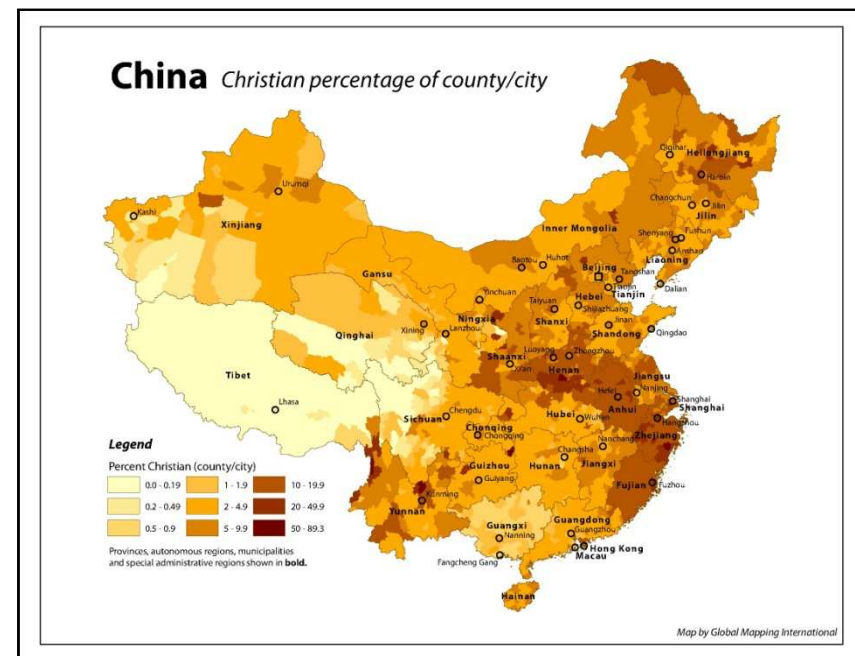
An additional “selling point” of the Tirukkural in the Chinese context that it does not stress to much ascetic practice; an ethical life may very well also be wealthy and healthy. The most vibrant place of the practice of (Tantric) Buddhism in China is Tibet the most complex and in my opinion spiritually the most significant place in China.

Different waves of Christians reached out to China since the Tang dynasty (8.century) then again during the Yuan Dynasty (13.century) with the Franciscans and since the late Ming Dynasty (16.century) with the arrival of the Jesuits.



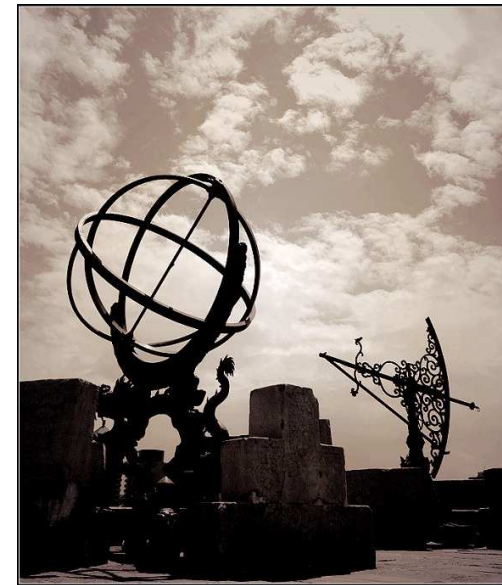
It seems quite significant that one of these pioneers who died 400 years ago in Beijing, Matteo Ricci, is still very much remembered in China as true friend of the Chinese people. His method of the so called “in-culturation”, full submersion into Chinese language and culture laid the ground work for further fruitful interaction between Chinese and Western culture despite occasional violent conflicts notably in the rites controversy.

Source: Asia Harvest, 2010





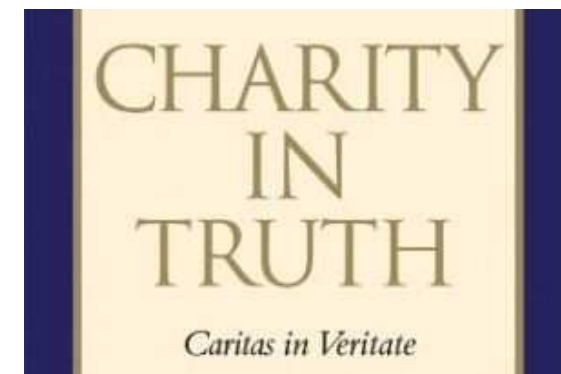
The interaction between cultures and religions can be considered under the aspect of a common search for truth. Ricci, Schall von Bell, Verbiest and their missionary companions forged a unique synthesis between a rational approach to faith paving the way to the movement of Enlightenment along with a strong drive for the hard sciences of mathematics, geometry, geography etc.





***“The economy needs ethics in order to function correctly”***

“Caritas in Veritate” (2009, No.45).



The framework of main ethical concepts of Christian Social Teaching such as outlined in “Caritas in Veritate” such as ***solidarity, subsidiarity*** (to take common decisions at the lowest possible level in order to secure efficient help), ***the concern for the common good*** seems to me an overall reference system where key concepts from Buddhism and Christianity in dialogue with Confucianism (as a secular major philosophical orientation), Islam, Taoism, could be integrated within economic growth.

## The Financial Crisis as a learning opportunity?

The overall reaction from educational institutions still seems to be an uneasiness to address such thorny ethical issues or even a resistance and rejection of ethical dimensions in the teaching of management and ethics.

The first University which radically changed their curriculum by integrating courses on ethics and religions has been ***Harvard University*** about ten years ago.

## The Financial Crisis as a learning opportunity?

“Profit maximization is a mantra taught at most schools of business in the U.S. and the other items of the above underlying ideology still seem solidly ensconced in the education future business leaders receive.”\*

*George Brenkert, the former director of the Business Ethics Center at Georgetown University characterized the reaction from mainstream institutions to the causes of the financial crisis with denial, marginalization, and victimization based on the basic paradigms of self-interest and opportunistic behavior, stockholders and profit maximization, self-regulating markets and individual freedom*

\*Brenkert, G.G. (2011). *Business Ethics in the U.S. What Has Changed Due to the Crisis?* In Wallacher, J., Au, C., Karcher, T. (Eds.) *Ethik in Wirtschaft und Unternehmen in Zeiten der Krise*, Stuttgart, Kohlhammer.

## The Financial Crisis as a learning opportunity?

However what may be questioned is one of the conclusions drawn by Prof. Brenkert *that “changes made to address the above ethical issues will be temporary, superficial, and resisted by business.”*



*The Academy of Business in Society (EABIS) seems to be quite significant which is an alliance of companies, business schools and other institutions committed to promoting more sustainable business practice through partnership, learning and research.*

## The Financial Crisis as a learning opportunity?

Which kind of analysis, broad vision, convincing arguments are needed to bring about a decisive sea change in the way we conceive education in matters of economics, ethics, and a value driven approach?

## In search for a new understanding of the concept of “Homo Oeconomicus”

Currently the dominant way “to make sense of the world” is brought about through economic categories, which largely replaced the former philosophical approach.



*An integrated approach needs to build momentum on economic approaches which take into consideration a broad range of methods and subjects which touch **psychology, sociology, philosophy and other related social sciences.***

# In search for a new understanding of the concept of “Homo Oeconomicus”

## Ground-breaking Contributions:

- Gary Becker: *The Economic Approach to Human Behavior, Chicago, The University of Chicago Press, 1976*
- Amitai Etzioni: *The Moral Dimension-Toward A New Economics. New York:The New Press, 1988*



# In search for a new understanding of the concept of “Homo Oeconomicus”

## Implications of a revised version of the “Homo Oeconomicus”

A broad macro-, meso-, and microeconomic perspective. The abundance of corruption case studies should be framed within such a broad picture in order to counter the argument that bribing may just be considered as unavoidable investment in the Asia context. A necessary focus and test may also be the analysis of the function of prices and price incentives. Fundamental insights into modern game theory may also be an eye opener into the surprisingly altruistic pattern of standard game players.

# In search for a new understanding of the concept of “Homo Oeconomicus”

## Implications of a revised version of the “Homo Oeconomicus”

The sociological components: It is an urgent task to consider the (sociological) elements which lock well intentioned individuals into Mafia-like organizations with apparently no exit option in sight. Such careful analysis of societal forces seems to be most needed in order to better grasp specific contexts where there is a wide spread lack of the rule of law.

# In search for a new understanding of the concept of “Homo Oeconomicus”

## Implications of a revised version of the “Homo Oeconomicus”

The psychological implications. Our worldview (“Weltanschauung” in German) is strongly characterized by the sense of “Erlebnisgesellschaft” (Schulze), i.e. A society which is characterized by a focus on individualistic experiences and which above all highly values self-enjoyment

## In search for a new understanding of the concept of “Homo Oeconomicus”

International Business Ethics needs to emphasize overall **FRAMEWORKS** of wisdom because it attempts to provide principles of right and wrong and inspiring examples of good moral behavior, as well as a systematic attempt of an Applied Science including Accounting Ethics, Finance Ethics, Computer Ethics, Environmental Ethics, Professional Ethics.

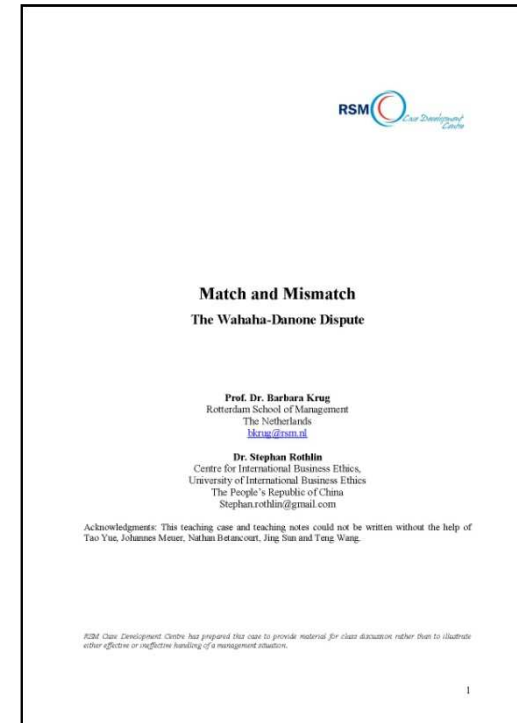
## In search for a new understanding of the concept of “Homo Oeconomicus”

**The Basis of Teaching:** a more integrated model of value based economics beyond the realm of a narrow minded understanding of efficiency, cost cutting, and profit maximization.

*The value education should start right from the primary and secondary education (Living Values education programs in China)*

## In search for a new understanding of the concept of “Homo Oeconomicus”

Specific use of case studies: In order to make the point as clear and concrete as possible constant reference to well researched case studies are necessary. There is still a lack of well researched case studies for the Asian context. With case study competition CIBE organized since 2007 it has been possible to reach out to 89 Universities all over China.



## **Catholic Social Teaching based on a broad framework of (secular) wisdom**

Universal Values in the globalized context requires taking into account various FRAMEWORKS of wisdom and meaning. The usual references are still largely related to Western philosophical approaches such as Kant, John Stuart Mill, John Rawls, etc.

Asian philosophies have to be taken into account such as Confucius, Mencius, Xunzi, Tirukkural.

## **Catholic Social Teaching based on a broad framework of (secular) wisdom**

Given a wide spread reluctance to take into account or just simply try to understand religious perspectives the following double approach to Business Ethics seem to be appropriate:

- **Secular, based on philosophy**
- **Religious: religions which in various ways shape values**



## Catholic Social Teaching based on a broad framework of (secular) wisdom

- **Secular, based on philosophy**

This is arguing for value education purely on the ground on secular, philosophical ethics. In the context of Business Ethics it is standard to refer to the philosophical framework of Immanuel Kant. Although coming from a Christian background he develops his philosophy is based on human reason (“Vernunft”). What still needs to be further explored and taught is the vast treasure of rational wisdom enshrined in Asian philosophical approaches especially from Chinese and Indian philosophies.

## Catholic Social Teaching based on a broad framework of (secular) wisdom

- **Religious: religions which in various ways shape values**

The second step builds on the first: in order to enhance the insights from human wisdom tradition different religious traditions need to be studied and taught. In the Chinese context there are five religions officially recognized: Taoism, Buddhism, Islam, Protestantism (基督教) and Catholicism (天主教).

## Catholic Social Teaching based on a broad framework of (secular) wisdom

It seems to be particularly inspiring to explore main contents of a religion and test them in the area of cut throat business.

International Business Ethics will certainly gain relevance if it not only honors some abstract principles and rites related to religions but highlights the relevance about inter-religious dialogue in view of addressing some pressing ethical issues.

## **Catholic Social Teaching based on a broad framework of (secular) wisdom**

In the context of a network of Jesuit Colleges and Universities we may see a special challenge to draw the special resources together in order to make sure that a basic knowledge of each of the relevant religions is guaranteed as well as the specific relevance to issues of International Business Ethics especially in the fight against corruption, value education, environmental protection etc.

## Catholic Social Teaching based on a broad framework of (secular) wisdom

Given the fact that Catholic Social Teaching relies on common human values it is argued that the concrete knowledge of the main principles of ***Solidarity, Subsidiarity, the Common Good and Justice as Fairness*** are analyzed and taught in dialogue with insights from other religions, in close connection with relevant case studies, social exposure programs with the challenge of coming up with **Action Proposals** which make these principles relevant in a given socio-political context.

## Catholic Social Teaching based on a broad framework of (secular) wisdom

The Encyclical Letter on “*Integral Human Development in Charity and Truth*” (2009) could serve as a main “Leitmotiv” in order to inspire an ongoing search for truth.

**Implication:** *helpful hints how truly to “Seek Truth from Facts” which cries out for a critical understanding for underlying ideological implications*

## Catholic Social Teaching based on a broad framework of (secular) wisdom

The string of sexual abuse cases provoked one of the most serious crises in the Catholic Church. At present some dioceses in the United States face bankruptcies due to pending lawsuits, countless other religious orders and institutions fight for their financial survival.

Sexual Harassment is sometimes dismissed as a Western obsession not really relevant in the Asian context. The case of the alleged rape committed by DSK, Dominique Strauss-Kahn, has drawn world wide attention to a number of key issues of ***Sexual Abuse, the power factor, the rights of a rich against a poor*** and has lasting impact also in the way the law on sexual abuse is interpreted in France.

## Towards Virtue Ethics

New pragmatic ways are needed to deepen the understanding of “***Virtue Ethics***”, which are inspiring and convincing life stories of personalities who had a significant impact on society by their commitment to a life ideal, a sound “**life project**” (“**Project de Vie**”) such as *Nelson Mandela, Mother Teresa, Mahatma Gandhi*, exemplary business leaders etc.



## Towards Virtue Ethics

Virtue Ethics may not only be limited to exemplary persons but may also include the broad appeal and inspiration through different arts, music and painting.

*David Cameron recently recognized the failure of the educational system in the UK to teach ethics and moral in an appropriate way.*

## Towards Virtue Ethics

A combined effort to offer *Ignatian Retreats*, *Contemplative Methods of meditation and different social exposure programs* could be one of the most promising ways to bring leaders from different cultures and religions together in order to inspire them to become “men and women for others” (Pedro Arrupe)

*To create a philanthropic culture cannot be considered as core business of International Business Ethics but may grow naturally out of successful attempts to integrate ethics within the strategy of business.*

A profound rethinking about ecological issues and firm commitment for the protection of natural resources is in dire need for value creation. Legal compliance is very important but needs to be complemented with a systematic training of human values in an engaging and convincing way which may not be perceived as another brainwashing action. Such a training in human values could pave the way to the birth of a civil society in China (Caritas in Veritate, 2009, chapter 3, No.53 – 70). China and India could also play a decisive role in reshaping a new financial architecture which would reflect economic and hopefully also an ethical shift in the global landscape towards “Chindia”.