



Ethics in Business

Is there an Ethical Way of doing Business?
Ethics in Business according to Pope Francis

29 October 2021
Gozo Curia, Victoria



GOVERNMENT OF MALTA
MINISTRY FOR GOZO

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Introductory Message from the President of the Gozo Business Chamber

In my intervention on the 20th anniversary celebration of the Gozo Business Chamber on the 10 January 2020, I had indicated the importance of Ethics in Business and how as a Chamber we were committed to organise an event on this topic, for our members. I am happy that as a Chamber we have managed to organise this event in collaboration with all our partners on this initiative. But more important than that, I had highlighted during that event how “business cannot detach itself from morality to achieve the common good” (1). My intervention at that time was motivated from what we were observing. The unfolding of events over the past two years have made this conference a necessity, more than ever before.

And what better scenario to discuss this topic than Pope Francis’s teaching itself? Pope Francis has spoken many times on the topic of business, and how business people need to work intently to do good to society as a whole, and not to a selected few. He does not disdain business, which he sees as a vocation, but rather for him, business needs to work transparently to benefit everyone.

On the 26 May 2018, in his address to the Congress members participants of the Centesimus Annus – Pro Pontefice Foundation, he had denounced the false dichotomy between business behaviour, and an ethics centred on the search of the ‘common good’:

there is a natural circularity between profit and social responsibility. There is in fact an “indissoluble connection [...] between an ethics respectful of persons and the common good, and the actual functionality of every economic financial system” (Oeconomicae et pecuniariae quaestiones, 17 May 2018, 23). In a word, the ethical dimension of social and economic interaction cannot be imported into social life and activity from without, but must arise from within. This is, of course, a long-term goal requiring the commitment of all persons and institutions within society (2).

I believe that this Conference should be the beginning of dialogue between various persons and institutions within society. Labelling all business people as corrupt because of the behaviour of a small number of business people is not acceptable. Instead we should be answering questions such as: What is leading society to accept certain forms of behaviour, without any ethical consideration? What is motivating us to do business? How do we act to achieve business models that benefit the common good?

The current situation both locally and globally, calls for a deep reflection on many fronts. I sincerely hope that this event is just the beginning of an open and sincere dialogue between the many sectors that interact within society.

I would like to thank all our partners on this event: the Diocese of Gozo, the Centesimus Annus – Pro Pontefice Foundation, and Bank of Valletta, who have accepted our invitation to join us on this important discussion. I hope that this Conference will bear fruit not only now but also in the future.



Joseph Borg

President, Gozo Business Chamber

References

- (1) Joseph Borg, 2020. Diskors Konklussiv - Ċelebrazzjoni tal-20 sena tal-Kamra tan-Negozju għal Għawdex – 10 ta' Jannar 2020. [online] Gozobusinesschamber.org. Available at: <<https://www.gozobusinesschamber.org/wp-content/uploads/2019/12/Joseph-Borg-GBC-20-years.pdf>> [Accessed 5 October 2021].
- (2) Pope Francis, 2018. To Members of the "Centesimus Annus - Pro Pontifice" Foundation (26 May 2018) | Francis. [online] Vatican.va. Available at: <https://www.vatican.va/content/francesco/en/speeches/2018/may/documents/papa-francesco_20180526_centesimus-annus.html> [Accessed 5 October 2021].

ABSTRACT & AGENDA

Abstract

Introduction

The recent events in our country in the past years have led us to question the ethical framework governing business relations in its many facets such as: business to politics, business to business, and business to consumers.

What should be the governing principles in business relations, especially in their relationship to politics/businesses/consumers? What should be the ethical paradigm that governs business relations?

In his encyclical 'Fratelli Tutti' Pope Francis highlights:

Business activity is essentially "a noble vocation, directed to producing wealth and improving our world". God encourages us to develop the talents he gave us, and he has made our universe one of immense potential. In Gods' plan, each individual is called to promote his or her own development, and this includes finding the best economic and technological means of multiplying goods and increasing wealth (Pope Francis, 2020, 123).

This means that despite the criticisms levelled at business there exists an ethical way of doing business. However, this needs to be based on predetermined values, values which are not inherent only to Christianity, but are shared by the human race in its entirety.

Pope Francis had first hand experience of the deep impact on the population of the debt crisis in Argentina and the effects of a global economy which is based on technical considerations, but lacks the considerations linked to the human person.

The economy is one of the central themes in many of his encyclicals, apostolic exhortations, and interventions calling not only Christians but the human race in general, and especially influential people who have an important role to play in society such as business people and politicians, to

concrete actions targeted towards a more inclusive economy and society.

The scope of this conference will be to discuss ethics in business using Pope Francis' teachings and interventions, bringing speakers from various backgrounds to discuss the possibility of an ethical way of doing business, on various levels.

1. The Economy and the Common Good

In his encyclical 'Fratelli Tutti' Pope Francis highlights how:

Local conflicts and disregard for the common good are exploited by the global economy in order to impose a single cultural model. This culture unifies the world, but divides persons and nations, for "as society becomes ever more globalized, it makes us neighbours, but does not make us brothers". We are more alone than ever in an increasingly massified world that promotes individual interests and weakens the communitarian dimension of life. Indeed, there are markets where individuals become mere consumers or bystanders. As a rule, the advance of this kind of globalism strengthens the identity of the more powerful, who can protect themselves, but it tends to diminish the identity of the weaker and poorer regions, making them more vulnerable and dependent. In this way, political life becomes increasingly fragile in the face of transnational economic powers that operate with the principle of "divide and conquer" (Pope Francis, 2020, 12).

This puts into question the role of the human being. Though this has assumed an important dimension in the Church's teaching, it is important to question the role of the human being within the wider economic scenario.

The encyclical Fratelli Tutti speaks of the common good, the shared roadmap, which many times we have tended to forget. However, the encyclical refers also to a "moral deterioration", and a "cool, comfortable and globalized indifference, born of deep disillusionment; thinking that we are all powerful, while failing to realize that we are all in the same boat" (Pope Francis, 2020, 30). Any advancement should not come at the risk of equality and social inclusion.

In this encyclical the Pope highlights how:

We are called to direct society to the pursuit of the common good, and with this purpose, in mind, to persevere in consolidating its political and social order, its fabric of relations, its human goals (Pope Francis, 2020, 66).

The Pope also indicates how:

There is a certain interplay between those who manipulate and cheat society, and those who, while claiming to be detached and impartial critics, live off that system and its benefits. There is a sad hypocrisy when the impunity of crime, the use of institutions for personal or corporate gain, and other evils apparently impossible to eradicate, are accompanied by a relentless criticism of everything, a constant sowing of suspicion that results in distrust and confusion. The complaint that “everything is broken” is answered by the claim that “it can’t be fixed”, or “what can I do?” This feeds into disillusionment and despair, and hardly encourages a spirit of solidarity and generosity. Plunging people into despair closes a perfectly perverse circle: such is the agenda of the invisible dictatorship of hidden interests that have gained mastery over both resources and the possibility of thinking and expressing opinions (2020, 75).

In this sense Pope Francis speaks of “co-responsibility in creating and putting in place new processes and changes” (Pope Francis 2020, 77). In outlining the role of the state the Pope highlights the importance of:

states and civil institutions that are present and active, that look beyond the free and efficient working of certain economic, political or ideological systems, and are primarily concerned with individuals and the common good (Pope Francis 2020, 108).

In outlining the nature of business activity the Pope highlights how this ‘is essentially a noble vocation, directed to producing wealth and improving our world . . . business abilities . . . should always be clearly directed to the development of others and to eliminating poverty, especially through the creation of diversified work opportunities’ (Pope Francis 2020, 123). Pope Francis in *Fratelli Tutti* speaks of the need of a ‘proactive economic policy directed at “promoting an economy that favours productive diversity and business creativity” and makes it possible for jobs to be created not cut (2020, 168).

2. The Role of Policy Makers

Politicians in their role as policy makers play a very important part in directing the economy towards objectives which are intended to achieve the common good. As regards politics Pope Francis in his encyclical *Fratelli Tutti* calls for politics that is “truly at the service of the common good” (Pope Francis 2020, 154). The Pope also denounces the concerns for “short term advantage” where “one meets popular demands for the sake of gaining votes or support but without advancing in an arduous and constant effort to generate the resources people need to develop and earn a living by their own efforts and creativity” (161). The role of political systems should be to “structure society in such a way that everyone has a chance to contribute his or her own talents and efforts” (162) within the context of work and employment.

In speaking of the relationship between politics and the economy, Pope Francis highlights that the pandemic:

has also shown that, in addition to recovering a sound political life that is not subject to the dictates of finance, “we must put human dignity back at the centre and on that pillar build the alternative social structures we need” (Pope Francis 2020, 168).

In the encyclical *Fratelli Tutti* the Pope dedicates a whole chapter to politics. Pope Francis highlights the distrust in politics due to the “mistakes, corruption and inefficiency of some politicians” (176). To this end the Pope asks the fundamental question, whether we can function without politics, especially when it comes to economic matters. The Pope highlights that the role of politics and politicians is crucial, and goes on to indicate the principles which should govern political life:

- “Politics must not be subject to the economy, nor should the economy be subject to the dictates of an efficiency-driven paradigm of technocracy” (1). However, referring again to the *Laudato Si*, he highlights that “economics without politics cannot be justified” as politics is the most beneficial system to formulate and implement solutions during periods of crises. In this sense economics “cannot take over the real power of the state”. Though on the other hand politics must also try to promote best practices and overcome undue pressure, and bureaucratic inertia (2020, 177).
- The need for politics to think of the long term common good. In this regard the Pope highlights how “Thinking of those who will come after

us does not serve electoral purposes, yet it is what authentic justice demands" (2020, 178).

- Politics must not be about focusing on the individual but about seeking ways of building communities (2020, 182).
- A spirit of openness to everyone. "Government leaders should be the first to make the sacrifices that foster encounter and to seek convergence on at least some issues. They should be ready to listen to other points of view and to make room for everyone" (2020, 190).

Within this scenario the Pope highlights that both politics and the economy need to change. In formulating solutions politics must start to involve the most diverse sectors and skills while being capable of overseeing the whole process. On the other hand the economy in creating solutions, and examining possibilities, must not stifle human creativity (179).

The politician's role is crucial: "While one person can help another by providing something to eat, the politician creates a job for that other person, and thus practices a lofty form of charity that ennobles his or her political activity" (187).

3. The Wider Role of Business and its Impact on Society

In the Angelus on the third Sunday of Lent on the 4 March 2018 Pope Francis highlighted how (in reference to the episode where Jesus drives the merchants out of the temple):

Jesus . . . exhorts us to live our life not in search of our own advantage and interests, but for the glory of God who is love. We are called to always bear in mind those powerful words of Jesus: "you shalt not make my Father's house a house of trade" (v.16) . . . This teaching of Jesus is always timely, not only for Church communities, but also for individuals, for civil communities and for society as a whole. Indeed it is a common temptation to exploit good, sometimes dutiful deeds in order to cultivate privately, if not entirely illicit interests (2).

Business people carry out an important role in society. They provide goods and services to the communities in which they are present. In this sense they are doing a "dutiful deed". However, if this is not guided by the sense of common good, this would be done simply for cultivating their private interests, which in the end would lead to increasing social exclusion.

In his apostolic exhortation *Evangelii Gaudium* Pope Francis remarks about the “economy of exclusion and inequality” (2013, 53) and highlights how:

Today everything comes under the law of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape. Human beings are in themselves considered consumer goods to be used and then discarded (2013, 53).

We cannot follow the “dictatorship of the economy lacking a truly human purpose” (2013, 55). Pope Francis comments how “behind this attitude lurks a rejection of ethics” (2013, 57). Commenting further on this topic Pope Francis highlights how:

Ethics has come to be viewed with a certain scornful derision. It is seen as counterproductive, too human, because it makes money and power relative. It is felt to be a threat, since it condemns the manipulation and debasement of the person (2013, 57).

The centrality of the human person in business remains the top most priority. In his address to a group of investment bankers in 2020 Pope Francis highlighted that:

Christian thought is not opposed in principle to the prospect of profit, but rather is opposed to profit at any cost, to profit that forgets man, makes him a slave, reduces him to a “thing” among others, a variable in a process that he cannot in any way control or which he cannot in any way oppose (3).

Conclusion

Apart from the challenges faced by Maltese society in general which has led many to question the ethical framework governing business, the COVID-19 pandemic has added further concerns to the global economic scenario, which impacts local economies:

Let us think about the challenges produced in the social and economic field by the serious pandemic still in progress. We are thinking of phenomena with very significant repercussions, such as the decline of certain forms of production, which are in need of renewal or radical transformation. Think of the changes in the way goods

are bought and sold, with the risk of concentrating trade and commerce in the hands of a few global players. And this to the detriment of the specific characteristics of the territories and their local professional skills (4).

This means that today's reality compounded also by a difficult situation such as the COVID-19 pandemic puts many times business people in front of difficult choices. Nonetheless, an ethical conduct in such a difficult reality is possible:

The management of business always demands of everyone fair and transparent conduct, which does not give in to corruption. In the exercise of one's own responsibilities it is necessary to know how to distinguish good from bad. Indeed, even in the field of economics and finance, good intentions, transparency and the search for good results are compatible and must never be separated. It is a question of identifying and courageously pursuing lines of action that respect, indeed, promote, the human person and society (5).

This Conference will try to address these issues and to stimulate a healthy debate on ethics in business within the national and international scenario.

References

- (1) Pope Francis, Encyclical Letter *Laudato Si* (24 May 2015), 189.
- (2) Pope Francis, *Angelus* (4 March 2018) (online) : http://www.vatican.va/content/francesco/en/angelus/2018/documents/papa-francesco_angelus_20180304.pdf [accessed 16 March 2021]
- (3) Pope Francis, Address of His Holiness Pope Francis to Directors and Personnel of the Deposits and Loans Fund Institute, p. 2 [2 October 2020] (online) : https://www.vatican.va/content/francesco/en/speeches/2020/october/documents/papa-francesco_20201005_personale-cassadepositi.pdf [accessed 4 June 2021].
- (4) *Ibid.*, p.1.
- (5) *Ibid.*, p.3.

Agenda

15:30 - 16:00

Registration

16:00 - 16:05

Introduction to the Conference & Speakers

Daniel Borg

Chief Executive Officer of
the Gozo Business Chamber

16:05 - 16:10

Opening Remarks

Joseph Borg

President of the Gozo Business Chamber

**Is there an Ethical Way of Doing Business? Ethics in Business
according to Pope Francis**

16:10 - 16:40

Joseph F.X. Zahra

Economist

Speaker

16:40 - 16:45

Dr Gordon Cordina

Chairman Bank of Valletta

1st Reaction to the Speech

16:45 - 16:50

Fr Joseph Hili

Speaker

2nd Reaction to the Speech

16:50 - 16:55

Mario P. Galea
Business Advisor
3rd Reaction to the Speech

16:55- 17:00

**Summing up of the main
points and interventions**

Daniel Borg
Chief Executive Officer of
the Gozo Business Chamber

17:00 - 17:25

Questions & Discussion

17:25 - 17:30

Closing Speech

Mgr Anton Teuma
Bishop of Gozo

SPEAKER PROFILES

Daniel Borg

CEO, Gozo Business Chamber



Daniel Borg graduated with a Bachelor of Commerce (Honours) in 2004 in Public and Private Sector Administration, and a Master of Arts in Public Policy in 2013. Between 1995 and 2000 he also studied philosophy and theology at the Sacred Heart Major Seminary in Gozo. Prior to occupying the post of CEO at the Gozo Business Chamber, Daniel Borg occupied various posts within the public sector, and the Government of Malta throughout his career: research analyst within the Management Efficiency Unit (Office of the Prime Minister) between 2004-2006, Policy Analyst within the Malta Communications Authority (2006 – 2011), and Policy and Senior Policy Analyst within the Ministry for Gozo (2011 – 2019).

Daniel Borg was also visiting lecturer in Public Management at the Department of Public Policy within the University of Malta between 2014 and 2017. Daniel has also published papers on cultural heritage and tourism in international academic journals and presented these papers abroad. His articles and interventions on economic development in Gozo were published in various local papers and publications.

He is currently a member of the Board of Directors of the Gozo Regional Development Authority and a member of the technical committee of INSULEUR (Insular Chambers of Commerce of the European Union). Daniel Borg is also active in the voluntary sector within his local parish especially in the pastoral work leading to the preparation of couples of marriage and has contributed actively through various interventions on the encyclical letter 'Fratelli Tutti' by Pope Francis.

Joseph Borg

President, Gozo Business Chamber



Joseph Borg studied philosophy and theology at the Sacred Heart Seminary, Victoria, Gozo, and obtained a Litentiate from the Lateran University in Rome in 1984. Throughout the years Mr Borg has held a number of executive positions, including director with Francis X Borg Co. Ltd., and managing director of the same firm, the family owned furniture manufacturing company.

Joseph also served as a director on the board of the Malta Development Corporation from 1989 to 1992. He was involved in the Gozo Committee of the Malta Federation of Industries, from 1988 to 1992 as its secretary, and then as its Chairman from 1992 to 1993. In this post he also served on the Council of the Malta Federation of Industries. Mr Borg was also a director of Bank of Valletta plc.

Joseph Borg was also chairman of Gozo Channel Co. Ltd. from July 2005 to July 2008, and is presently a board member on the newly set up Gozo Regional Development Authority. He has also been a member of the council and secretary of the Gozo Business Chamber from 1999 to 2005. He was again elected to the Council of the same Chamber in January 2010. In January 2012 he was nominated Vice-President of the same Chamber. From October 2018 he became President of the Gozo Business Chamber and also President of INSULEUR from December 2018. Joseph Borg is also the Chairman of the Gozo Regional Committee which groups all stakeholders within the island of Gozo, and represents the same Committee within the Malta Committee for Economic and Social Development.

Mr Borg serves in a number of voluntary organisations in Gozo amongst others as director of the OASI Foundation (Foundation for Drug and Alcohol rehabilitation) since its inception. He is also a member of the Fondazione Centesimus Annus pro Pontifice since 2009.

Joseph F.X. Zahra

Economist, Director SurgeAdvisory & Corporate Strategy Consultant



Joseph F.X. Zahra is an economist and a director of SurgeAdvisory, a corporate strategy consultancy. He co-founded MISCO, an independent economic and management consultancy operating in Malta and Cyprus in 1983, and he was managing director of the group of companies between 1983 and 2016.

Joe held several public appointments including that of director of the Central Bank of Malta (1992-96), Chairman of Bank of Valletta plc (1998-2004), Chairman of Maltacom plc (2003) and Chairman of Middlesea Insurance plc (2010-12). He led the National Euro Changeover Committee (NECC) that had the responsibility to introduce the euro in Malta in 2008. He is today chairman or board director of private and publicly listed companies.

Pope Benedict XVI appointed him in 2011 International Auditor in the then Prefecture for Economic Affairs of the Vatican. In July 2013, the newly appointed Pope Francis chose him to lead the commission for the reforms of the economic and administrative structures of the Holy See (COSEA) and was consequently appointed Vice Coordinator of the newly formed Council for the Economy (2014-2020).

Dr Gordon Cordina

Chairman Bank of Valletta



Dr Gordon Cordina is a leading economist in the Maltese Islands, with a professional experience spanning 25 years covering banking, policy-making, academia and private sector consultancy. He is a graduate of the University of Cambridge and the University of Malta. His main area of academic interest is the growth and macroeconomic dynamics facing economies that are prone to heightened risks.

Gordon has several years of Board and Risk Committee experience in major financial institutions in Malta, amongst which at Bank of Valletta. He served as Manager of the Research Department of the Central Bank of Malta, Director General of the National Statistics Office of Malta, Head of the Economics Department of the University of Malta and Economic Advisor to the Malta Council for Economic and Social Development. Through the private consultancy firm he co-founded in 2006, he is involved in a number of local and international research projects and consultancy assignments with institutions including the EU Commission, Government ministries and authorities, NGOs and private sector entities. Gordon is a visiting senior lecturer at the University of Malta.

Fr Joseph Hili

Member of 'ARC' Centre for the
Anthropology of Religion & Cultural Change



Joseph Anthony Hili, SThB, priest of the Diocese of Gozo, Malta. After 2 years of post secondary education, Joseph began his formation at the Sacred Heart Major Seminary in Gozo. During this time, he worked as a storekeeper at a local business and also completed an intermediary year in Avila, Spain. His formative years included several experiences in different parishes where he worked closely with youth and, for multiple years, as a leader with Xaghra Scout Group.

He is currently a post-graduate student at the Università Cattolica del Sacro Cuore – Milano and the Facoltà Teologica dell'Italia Settentrionale – Milano and a member of the "ARC" Centre for the Anthropology of Religion and Cultural Change, one of the research centres within the Department of Sociology in the Università Cattolica, directed by Prof. Mauro Magatti. Joseph has at heart the social sciences and their relation with theology, specifically the moral aspect. He believes it is imperative that the Church intensifies its dialogue with a constantly changing society so that it can continue to guide the human being towards true and holistic fulfilment.

Mario P. Galea

Business Advisor



A certified public accountant holding a warrant to practice both as an accountant and as an auditor. Currently practising as a business advisor providing governance oversight and advisory services to businesses and corporations. Serves as an independent non-executive director on the boards and audit committees of various listed companies in the financial and commercial sectors. Mentor and advisor to family businesses.

Founder, managing partner and chairman of accountancy and audit firm EY in Malta until retirement in 2012. Specialised in auditing and assurance which he has practiced for 35 years in Malta and abroad. Lectured in auditing, assurance and professional and business ethics and led several training courses. Speaker at various business and professional conferences in Malta and abroad. Assisted businesses in several areas particularly relating to governance, accounting and systems of control.

Served as President of the Malta Institute of Accountants and for many years formed part of the Accountancy Board which is the accountancy profession regulator in Malta. Served on various professional committees in Malta and abroad such as the council of the Federation des Experts Comptables (FEE) in Brussels (now Accountancy Europe). Member of the Ethics and Regulatory committees of the Malta Institute of Accountants in Malta.

Mgr Anton Teuma

Bishop of Gozo



Fr Anton Teuma was born on January 11, 1964. He studied philosophy and theology at the Diocesan Major Seminary (1981-1988), and was ordained priest on June 25, 1988. He furthered his studies at the Salesian Pontifical University, from where he obtained his Bachelor's degree in Educational Sciences and his Masters degree in Pedagogical Methodology (1988-1995).

Fr Anton stayed in Rome up till 1997. During these years he carried out his priestly ministry as Parish Vicar of St Ignatius of Antioch Parish (1988-1995); external Spiritual Director of the Pontifical Roman Seminary (1993-1995); Spiritual Director at the Pontifical Roman Seminary (1995-1997); priest in charge of and Spiritual Assistant to the Comunità Eucaristiche of the Diocese of Rome (1996-1997).

In 1997 he was appointed Rector of the Sacred Heart Seminary in Gozo by Bishop Nicholas Cauchi, a role he served up till 2007. Between September 2007 and June 2008 he spent a sabbatical year in the Holy Land. During this year he obtained a Diploma in Biblical Formation from the Franciscan Biblical Institute of Jerusalem, and helped in the pastoral assistance given to pilgrims at the Basilica of the Holy Sepulchre. From 1998 to 2016 he was in charge of the Comunità Eucaristiche of the Gozo Diocese carrying out also the role of their Spiritual Assistant. In 2008 he was nominated as the Bishop's Delegate for Family Pastoral Care, and in 2013 he was appointed Director of the Diocesan Family Institute, and lecturer at the Diocesan Major Seminary

During these years Fr Anton also completed a Bachelor's degree in Sciences of Formation at the Institute for Formators within the Institute of Psychology of the Pontifical Gregorian University (2016). He also obtained a post-graduate diploma in Systemic Family Psychotherapy at the Institute of Family Therapy, Malta (2018).

As from 1997, he was also a member of the Bishop's College of Consulters, the Presbyteral Council and the Diocesan Pastoral Council.

He has published two books and various articles on family, priestly formation and biblical themes. He was appointed bishop of Gozo by the Holy See on the 17th June 2020, and was ordained on the 21st August 2020.



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GOVERNMENT OF MALTA
MINISTRY FOR GOZO

Photo by Anthony Grech