



Statement by His Excellency Archbishop Silvano Tomasi, Permanent Observer of the Holy See to the United Nations and Other International Organizations in Geneva at the 3rd Forum on Business and Human Rights: High-level discussion on strengthening the links between the global economic architecture and the business and human rights agenda
Geneva, 3 December 2014

Allow me to begin by thanking the organizers of the Third United Nations Forum on Business and Human Rights for the opportunity to convey some observations and Pope Francis' perspective on the relationship of business and human rights, an aspect of the social doctrine of the Catholic Church that the Holy See offers as her contribution to the current debate.

Mr. President,

The interplay of business and human rights offers a good opportunity to further humanize the economy. The international community is engaged in this task and companies, civil society, political representatives, have worked in the direction of enhancing awareness that respect of human rights in the long run is also good business. Among the practical steps taken are the *Guiding Principles on business and human rights: "Protect, Respect and Remedy"*. The Principles have been widely endorsed signalling a strong political commitment. Targeted efforts, however, are still indispensable in order to spread them successfully worldwide to all stakeholders. Besides, experience shows that further steps are required in the construction of a stronger business and human rights regime, including the development of national action plans on business and human rights and effective remedies to those business practices whose violation of human rights produce negative consequences. The financial crisis has demonstrated the difficulty of relying on business to voluntarily self-regulate. In particular, weak and poor States suffer the consequences of an asymmetry in the international system where the business companies rights are backed up by hard laws and strong enforcement mechanisms while their obligations are backed up only by soft laws like voluntary guidelines. Then, "there are numerous people, especially immigrants, who, compelled to work "under the table", lack the most basic juridical and economic guarantees."¹ Another concern regards the ability of international corporations to partially escape territoriality and carve for themselves an "in-between" existence that evades national legislation. Their mobility in terms of their country of incorporation, management, production, and financial flows, allows them to navigate national legislations, take

¹ Pope Francis, Address to Participants in the World Congress of Accountants. Rome, 14 November 2014.

advantage of regulatory arbitrage and choose the jurisdictions that may offer the best return in terms of profit. But profit cannot be the only rational goal of business activity, as Pope Francis and other religious leaders tell us. When human rights are neglected, a systemic exclusion of the vulnerable comes about. The Pope points out that a new development occurs: “It is no longer simply about exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society’s underside or its fringes or its disenfranchised – they are no longer even part of it. The excluded are not the “exploited” but the outcast, the “leftovers.”² Against this background, a binding instrument would raise moral standards, change the way international corporations understand their role and activity, and help clarify the extraterritorial obligations of States regarding the acts of their companies in other countries. In this regard, it has been proposed that the synergy between public sector corporations and private ones could constitute another emerging form of economic enterprise which cares for the common good without giving up profit³.

Mr. President,

Significant progress has been achieved in different areas of life that have improved people’s wellbeing: health care, education, communications. Modern business activity has played a fundamental role in bringing about these changes by stimulating and developing the immense resources of human intelligence. But, we are still confronted with problems like environmental degradation, violent conflicts, forced resettlement, the rapid fluctuation in the prices of commodities and agricultural products, stranded resources and natural disasters impacted by climate change, and cyclical political and economic crises. The loss of benefits like insurance and pensions typically associated with employment in the developed world has further magnified the uncertainty and precariousness now faced by the middle class. In our globally interconnected world, people living in poverty are keenly aware, from their exposure to mass and social media, that their wellbeing is often determined by decisions made by leaders and policy makers they have little opportunity to influence. At the root of this situation is an individualistic ideology, one described by Pope Francis as “an economy of exclusion and inequality” (EG, 53). It rests on the “presumption” that

² Pope Francis, *Evangelii Gaudium*, n. 53.

³ Pope Benedict XVI, *Caritas in Veritate*, n. 46: “When we consider the issues involved in the relationship between business and ethics, as well as the evolution currently taking place in methods of production, it would appear that the traditionally valid distinction between profit-based companies and non-profit organizations can no longer do full justice to reality, or offer practical direction for the future. In recent decades a broad intermediate area has emerged between the two types of enterprise... This is not merely a matter of a “third sector”, but of a broad new composite reality embracing the private and public spheres, one which does not exclude profit, but instead considers it a means for achieving human and social ends. Whether such companies distribute dividends or not, whether their juridical structure corresponds to one or other of the established forms, becomes secondary in relation to their willingness to view profit as a means of achieving the goal of a more humane market and society.... Without prejudice to the importance and the economic and social benefits of the more traditional forms of business, they steer the system towards a clearer and more complete assumption of duties on the part of economic subjects.”

human beings are naturally selfish and on the automatic ability of a free market, unhindered by regulations, to generate increased efficiency and aggregate growth. This ideology describes the future not in terms of uncertainty but in terms of risk based on probability. The consequences of any action may be rationally assessed and the bottom line is determined by profit maximisation.

Certainly, business enterprises are crucial for issues of sustainability not only because they are fundamental pillars of the private sector, but also because they can satisfy many human needs through the provision of goods and services. They have a social responsibility where, through the 'social licence to operate' that is granted to them their government, they must work not only for their legitimate profit, but also for the common good while abiding by human rights standards.

In fact, what is needed is a renewed, profound and broadened sense of responsibility. The total commitment of all the relevant players, particularly companies, is essential: "given that large multinational companies have become important economic and political actors influencing both international relations and economic and social development, they play a very significant role in addressing global societal challenges. Therefore, a better understanding is needed of how multinational companies integrate within both the traditional international and domestic environments to create shared value".⁴

First of all, we need to take into account, as Pope Francis clearly states that: "Business is a vocation, and a noble vocation, provided that those engaged in it see themselves challenged by a greater meaning in life"⁵. The international business community can count on many men and women of great personal honesty and integrity, whose work is inspired and guided by high ideals of fairness, generosity and concern for the authentic development of the human family. Pope Francis continues: "Economy and finance are dimensions of human activity and can be occasions of encounter, of dialogue, of cooperation, of recognized rights and of services rendered, of dignity affirmed in work. But in order for this to happen, it is necessary to always place man with his dignity at the centre, countering the dynamics that tend to homologize everything and place money at the apex. When money becomes the end and the motive of every activity and of every venture, then the utilitarian perspective and brute logic - which do not respect people - prevail, resulting in the widespread collapse of the values of solidarity and respect for the human being. Those working in various capacities in economy and finance are called to make choices that promote the social and economic wellbeing of the whole of humanity, offering everyone the opportunity to pursue his/her own development."⁶

⁴ http://www.ohchr.org/Documents/Issues/Business/ForumSession2/Events/2Dec.XI.2-BocconiUniversity_researchproposal.pdf

⁵ Pope Francis, *Evangelii Gaudium*, 203

⁶ Pope Francis, Address to Participants in the World Congress of Accountants. Rome, 14 November 2014.

The Holy See strongly believes that a new political and business mentality can take shape, one capable of guiding all economic and financial activity within the horizon of an ethical approach that does not exclude but transcends profit. The Pope warns that “it is not enough to give practical answers to economic and material questions. It is necessary to generate and cultivate ethics of economy, of finance and of employment; it is necessary to maintain the value of solidarity — this word which today risks being taken out of the dictionary — solidarity as a moral approach, an expression of attention to others in all their legitimate needs.”⁷

We are asked, above all, to build a meaningful future for the generations to come. “If we want to deliver to future generations an improved environmental, economic, cultural and social patrimony, which we inherited,” says Pope Francis “we are called to assume the responsibility of working for the globalization of solidarity. Solidarity is a demand that arises from the same network of interconnections which develop with globalization.”⁸

In conclusion, the interplay of human rights and the economy, the business world in particular, will become more productive when they move forward on a double track. First, the current situation of inequality and of exclusion which affects too many people, must be addressed with urgency and effectiveness. Second, a peaceful and creative society is possible when the economy is placed within a context where human persons have priority, are free to contribute their talents and their dignity is properly recognized.

⁷ Ibid.

⁸ Ibid.