

Corporations should face stiff ethical questions

NCR Editorial Staff | Sep. 14, 2011

So much for fears that U.S. companies might stall out in the economy's soft patch, begins an Associated Press story published in mid-July. Corporate profits are coming in better than expected so far in second-quarter earnings.

In that same story, the chief U.S. economist at Deutsche Bank announces: The corporate sector's in great shape. The economy is a little healthier than we thought it was. Deeper into the story, we are told that stock prices were approaching record levels and expected to surpass those levels in the third and fourth quarters.

No one knows the long-range fallout, of course, from the debt crisis debacle nor whether the political world will be able to bridge the growing acrimony dividing the parties and come to any agreement over job creation.

But the question remains: Why are so many not feeling the effects of record profits? Why the growing gap between all the stashed up wealth and people unable to find work?

One could come up with a mountain of reasons, of course, but there is a fundamental flaw in the ongoing national conversation about economics that explains a lot, and it is that we essentially give business a pass on any obligation beyond the need to accumulate capital.

The conversation becomes essentially disabled when the first concession is always that business is in the business of making money, period. That concession places business in a kind of isolation booth, protected from any other obligations. But if corporations are people, as presidential candidate Mitt Romney asserted recently -- and the Catholic-stacked U.S. Supreme Court has essentially affirmed -- business should come out of its isolation chamber and face some stiff ethical questions.

Just because a company can make more profits by laying off another 1,000 workers and simultaneously finding ways to produce the same amount of goods, should it? Just because a corporation can increase quarterly earnings to shareholders by eliminating wages and benefits for American workers by locating in another country where it can pay significantly reduced wages, should it? What social responsibility does a corporation have?

They are questions that must be asked in connection with discussion about job growth and the revival of the economy.

Washington Post columnist E.J. Dionne, writing on Labor Day about the fate of the American worker, points out that most of our economic news is actually finance reporting, or the activities of those who move money around. The stashing of capital has become our fascination and workers, in the meantime, have become regarded as factors of production, and at worst, labor costs.

In the Catholic tradition, as Bishop Stephen E. Blaire of Stockton, Calif., points out in his recent Labor Day statement, work is considered not as merely a necessary accompaniment to profit making, but as the center of economic and social life. In Catholic teaching, he said, work has an inherent dignity because work helps us

not only to meet our needs and provide for our families, but also to share in God's creation and contribute to the common good. It's time sustaining human life and community supplants narrow-minded profit making as the only order of business.

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