

DISCUSSION

Jan Sieg, SJ

I truly appreciate the two lectures. First, let me bring to our minds the fact that during the times of Communism, the image we had of the capitalist entrepreneur was distorted by propaganda. In contrast to this image, Mr. Horten has presented a very optimistic model of the entrepreneur, which is a true revelation to me. Free market and free competition are starting to function in our country now, and I have gained the impression – on the basis of the experience we have had so far – that they involve mainly an individualistic mentality, and that the only motives in question are the wish for profit, egoism, and one's own interest. The lecture has impressed me so deeply because it presented a humane model of the entrepreneur.

Secondly, Prof. Damian Fedoryka presented a philosophy of love realized through a total gift of self to others. This idea is also rarely considered in the West, though it is the right philosophy for the civilization of love. Pope John Paul II once again took up the problem of the civilization of love in his *Letter to Families*.

I have noticed that the two presentations were complementary: the first one let us see the ideal pattern for a Christian entrepreneur to follow, that is, being a humanist in economy, while the other offered us an explanation of the fundamental principle of the civilization of love. I truly appreciate both of the lectures.

Josef Seifert

While listening to Mr. Horten's lecture, I experienced a kind of shock, as most of what he said so beautifully about the ideal of the Christian spirit of enterprise is also true about many other spheres – not only about the relations between the entrepreneur and his employees, but also about the Academy and its rector's attitudes to the students and fellow-professors. I think that we could have a very interesting discussion on which elements are characteristic of the enterprise and the entrepreneur, and which are essential for any community to function.

Fr. Alfred Wierzbicki

I would like to make two remarks. The first concerns Mr. Horten's lecture, and the second – the lecture delivered by Prof. Fedoryka. It seems that the essence of Mr. Horten's lecture can be expressed by means of two key notions: of market, and of solidarity. I think that a joint consideration of market and solidarity, that is, an attempt to see the market in the perspective of solidarity, is particularly important for such countries as Poland, as well as others which have already liberated themselves from the centralized economy of the totalitarian period, but are still unable to take full advantage of the mechanisms of market economy in order to promote – socially and materially – the poorest classes of society. One could be afraid that the economic stratification of society, which is a sad inheritance of Communism, may bring about the return of the so-called wild capitalism prevailing in the times of Marx. Unfortunately, it must be said that all the "Solidarity" governments after 1989 have made the same mistake in giving one-sided support to the "businessman," while at the same time neglecting the "worker," who would often become unemployed. In my opinion, a very important principle, which the lecture stressed, is the one of balance between labour and capital. We must not fail to notice that one of the reasons for the victory of the post-Communists in the last parliamentary elections in Poland was the great disappointment of the working class, which resulted from the government's concentration on the development of capital. If I have understood Mr. Horten's lecture correctly, it includes a practical clue as to how to keep a balance between the principle of free market and the principle of solidarity.

And one more remark concerning Prof. Fedoryka's lecture. First of all, I would like to thank you for the words of hope for Europe, especially for the Ukraine, which is your homeland. I noticed that your lecture was written in Lvov, which has a particular symbolic meaning as your appeal to Europe is made from a country which has been spiritually devastated to a great degree.

However, I also have some critical remarks in relation to this lecture. They concern the meaning of the word "mine." I think that there appeared too much emphasis in your lecture on man's belonging to God, who endows him with being while giving him existence in the act of creation. However, it must be noticed that being, which is a gift, is given to man, and in this sense it is "his." As man receives not only assistance, but also dignity (thanks to Revelation, we know that this is the dignity of creation in the image and likeness of God), we may also speak about a certain autonomy of man. Man can fulfill himself in a gift for others, only because he actually takes possession of his own self. It might be apt to quote here a verse by Cyprian Norwid: "You are, but so am I, though I am thanks to You."

Alphons Horten

Since 1948, a market economy which provides social security has been developing in Germany. There are two things which have contributed to this. Firstly, appropriate laws have been created, which have ensured cooperation between employees and entrepreneurs. In other countries, such steps forward as, for example, company board sessions and reports made by the economic committee on the state of the company every four years, have yet not been taken. Here, it has been legally guaranteed that a constant exchange of views and opinions should be carried on, and thus the mutual agreement made deeper. It is vital for the employees to know that they are treated seriously and that the entrepreneur is actually compelled to treat them thus. This structure is still being developed in our country. Certainly, we must not allow for any exaggeration here. For example, a vital question concerning joint decision-making has arisen in Germany lately: it was suggested that the economic decisions should be made by both sides jointly. This postulate is false in its very essence, as the entrepreneurs' initiative would be blocked in this way. Having overcome many difficulties, we have finally found a compromise in this matter: if there is equality of votes, the Chairman, who represents the entrepreneur's side, has two votes, and it is he who eventually takes decisions in such cases.

The other decisive matter here is the question of property. I myself took part in the talks chaired by the Prime Minister of Northrhine-Westphalia. He suggested that an employee who has saved one *pfennig* during a working hour, should be given another one by the entrepreneur, as a bonus. It would not be much, about 20DM per month. The fact that such regulations are working in practice can be noticed only when we, for example, see how many houses have been put up thanks to tax privileges.

It is not my intention to praise Germany here. Yet, if the question of rightful distribution of profits does appear at all, I must say that I have known only one answer to this. In the seventh century BC, Confucius said that a wise ruler should take care so that as few people as possible have too much, and as few people as possible – too little. If we analyse the distribution of profits in Europe, we can see that the differences in profit gaining are the smallest in Germany. There are not so many rich people there as, for example, in France or Italy, but there are not so many poor people either. And it comes from the fact that people possess private property and work for their property.

It must be taken into account. Thanks to these good regulations, closer cooperation among the people employed in companies has been made possible. Such cooperation cannot be achieved as a result of individual action, and it certainly requires time. I cannot estimate the relationships in Poland, but in the new German *Länder* such changes have already started on a large scale. They still need time, but it is very important for the employees to be brought to save

and to invest in their own property. So this is a great achievement, also a legal one, that agreements like the one I have presented to you, are at all possible.

Damian Fedoryka

A few words to comment on Fr. Wierzbicki's remarks. I totally agree with you. But I think I should explain that in today's lecture I intended to emphasize the fact that the contemporary world respects "mine," but is not eager to render the gift. For this reason appropriation is destructive. I have tried to stress that self-possession, which is so principal, must stand between receiving and giving. The modern world wants neither to receive nor to give, but it only appropriates, and thus Christ's words are coming true – this world is losing self-possession. So I totally agree with you: self-possession, as the Holy Father often repeats, is a very important notion. I would also like to use this point while addressing Mr. Horten's and Prof. Seifert's remarks – in my opinion it is the very concept of self-possession that makes us radically revalue not only economics, but also capitalism in the form in which it is still offered to us today. And I think that I agree with Mr. Horten on this point, but I have some reservations as to whether the next step should be taken. Traditional economics distinguishes between capital and labour. Mr. Horten rightly points that the human person is also involved here. Let us add that the fundamental obligation of the human person is that of self-possession, so that he would be able to give himself. It is from this point of view that we should consider Prof. Seifert's challenge, and say in what respect the Academy is particularly concerned here.

I would add, though Mr. Horten would probably not take this step, that the question of possessing the means of production confirms one thing in a new way. The point is not that the tension between capital and labour should be overcome, but maybe – on the basis of what Mr. Horten has said – that unity of capital and labour should be established by making it possible for the employee to participate in the property. In the age of modern technology, the employee, who is also an owner of the means of production, will not be afraid of mechanization, advanced technologies, robots, etc. Thus, everything turns out to be a question of the validity of the concept of self-possession. It has also been confirmed by the Holy Father, who says that each individual has the right to initiative and to participation, and that the highest forms of these are property and participation in ownership of the means of production, which subsequently provides a basis for justice.

Alphons Horten

One remark only – all that you have said is right. We tried very hard, but employees do not want to participate in this kind of ownership because of the

risk. The risk – they say – is to be taken by the entrepreneur, the owner. There is a psychological problem here which makes the employees take advantage of this possibility only on a limited scale. Though such possibilities do exist, and despite the incentive scheme concerning tax reductions, the common mentality is not the same as in the case of saving, house building or other kinds of investment.

Jarosław Merecki, SDS

In his lecture, Mr. Horten presented an ideal of the entrepreneur which seems to be worth recommending not only on moral grounds, but which also deserves to be propagated from the point of view of the efficient functioning of particular companies and the whole economy. However, this ideal seems to disappear precisely in the highly developed countries. The word “crisis” appears in relation to their economies more and more often. Susan Strange, an American writer, says that in the eighties we entered the phase of “casino capitalism,” of enterprise no longer based on one’s own capital, but on borrowed money. This is the age of enterprise whose success is the result of mere luck rather than of circumspection and hard work. So, to what extent is the present economic crisis related to the crisis of a certain moral ideal of the entrepreneur?

Alphons Horten

There are certainly also other causes of this crisis. Firstly, we are experiencing rapid changes now (e.g. computerization) – there have never before been such violent transformations in technology and work organization. Very many enterprises which have been functioning on the old basis must change fundamentally. An additional contributing factor here is the creation of the European Community, which – for many branches of economy – naturally means radical changes. A large market, which brings profit in optimal circumstances, has been created, but it can also bring about loss in individual cases. There are also the grave mistakes which we have made. The wage level is too high, there are too many days off, and too many holidays. For example, a Czech worker receives one tenth of the German salary. Even if salaries are raised two or three times in the Czech Republic, there would still remain a great difference. We have also created a system which depends less and less on individual achievements, or on the employee’s skills, but which grows more and more dependent on technical equipment. In this situation, the same machines, robots or computers can be imported from different countries. Such a company as Siemens imports a great deal of its equipment from Asia, as Asia simply produces it much more cheaply. The German textile industry has almost completely ceased to be com-

petitive, because the costs of production are much lower in other countries. This process is very painful.

However, the greatest burden is the excessively built-up social sphere. We must redress the balance, as we have carried the good things too far. This is the question of *caritas*. *Caritas* without justice leads to degeneration, as St. Thomas Aquinas pointed out. Hard competition and a hard market have very unpleasant consequences: we must learn how to face them, which is certainly difficult.

Leon Dyczewski, OFMConv

I do admire German economy and the progress in the social sphere in Germany. I have understood that in Mr. Horten's opinion, the tension between capital and labour in Germany has lost some of its intensity in recent years. And so I would like to ask if this is only a model, or already the reality. We can observe that the tension between capital and labour still has many negative consequences, such as growing unemployment, not only in the eastern but also in the western lands. Among the unemployed, there are more and more university and other graduates of high school education. Social services cost more and more. So the good relationship between capital and labour is still only a model.

The second question, a very short and maybe naive one, is the following: what is the percentage of income allocated for social and health insurance? What is the maternity allowance? If I am correctly informed, these sums are lower in Germany than in other countries, for example France, Holland or Austria. At present, they are higher than they used to be, but they still remain lower than anywhere else. In Germany, but also in France, Denmark and Austria, people often speak about the society of the "two thirds." It means that two thirds of the country's population provide for the whole state, and that one third not only lives at the cost of the others, but is also doing quite well. What is your opinion on this? Are there really such differences in society? My approach is that of a sociologist, not of a philosopher. Though everything seems to go on well from the philosophical point of view, I am still a little sceptical about the reality. I do admire German welfare, probably the greatest in Europe, but if we come to talk about the reality ... I can still see enormous tensions between capital and labour, be it in Germany or in Poland. There are certainly mechanisms to overcome this tension. Maybe there are more of them in Germany than in our country, or maybe they are better ...

Rocco Buttiglione

As a politician, I would like to say that philosophers and theologians sometimes think that life should or could be easy. It is just the opposite. Man's survival

is always uncertain, and societies have always been challenged to provide enough means in order to live, and they have not always succeeded. In such a case, a war during which one society takes another's property becomes one of the fundamental means of survival.

Also today, the problem of survival remains a difficult one. And even if a market economy is a form of organization better than others, it is also unable to eliminate the tragic element from the world. Its particular form is present in market economy. An efficiently working entrepreneur simultaneously provides working posts for some, and causes the unemployment of others. Why is market economy so efficient? Because it incessantly aims at greater and better production with the help of the work of ever smaller numbers of people, and the smallest possible of means. In this way, efficacy is growing, but unemployment is growing too: such is, in principle, the essence of market economy.

A traditional school economist could say: yes, but in time the dismissed will find new jobs and the welfare of society as a whole will simply grow, just because these people will be producing something new. It is all true, but nothing is said about what happens between the moment of dismissal and the moment of finding a new place of work. A great problem for our social policy is how to help the people in such a situation.

I once read a little book by Cardinal Wyszyński in which he presented all the evils of unemployment, both the moral and the economic ones. And I would say that this is the problem of the social policy in every country, though it seems to me that it does not belong to the sphere of the direct responsibility of the entrepreneur, but concerns the indirect employer, namely, the lawmaker or the politician. What can we do? There are many possibilities. One is to give people positions which are not really working positions, as the state is paying for them. The Communists used to do this, but such a subsidized economy cannot survive too long. It seems to me that the right solution goes in another direction. Firstly, we must give the unemployed money to survive, we must find some source of income for them. Secondly, we must predict the development of the labour market. We have the possibility of predicting in which economic branches there may shortly appear new positions, and we must prepare the unemployed to take the jobs there. It is easier said than done, but I think this is the only possibility which the present social policy gives us today.

Alphons Horten

Churchill once said that democracy is the worst form of government, unless the others are taken into account. It means that all forms of government and all the solutions are imperfect, since people are imperfect. The advantage of democracy lies principally in its being made subject to criticism. In England, the leader of

Her Majesty's Most Loyal Opposition receives a regular salary. His task is to criticize the government and in this way to prevent stagnation. We have seen that in countries where such critique is not present, total stagnation follows.

The same is true about economy. The only advantage of a free market is that it is in constant motion, thanks to competition. It certainly makes a difficult problem, yet it constitutes the decisive condition of the freedom of market. Of course, there are also instances of taking advantage of the market, for example speculation, etc., but they cannot be totally eliminated. This is a moral problem. Lawmakers can only create possibilities for good actions, yet they cannot make people good. In Germany, there are too few workers in many fields (e.g. in hospital service). Anyway, instances of taking advantage of unemployment benefits are ever present (in America this is the case with about one third of the unemployed). But is there a system anywhere in the world which would be more than 60-70% efficient? We must not fail to see that we are not dealing here with machines, but with people, and everything depends on them. The unemployment in Germany is also artificial to a large extent, as many people are working "black." So, we must consider the reality: any good legal act can be taken advantage of. And in this way, the question of morality arises once again.

Wolfgang Waldstein

Actually, Mr. Horten has already said everything which I had in mind. The main problem is the character of man who produces objects. Let us consider a totally different domain, for example the development of rules of the court. This law has been in continual development precisely to prevent its abuse, yet people keep finding new ways of taking advantage of it. In fact, there is not a single thing that cannot be taken advantage of, if man himself does not care to live responsibly. Therefore, I think that it is purely utopian to attempt to build up an economic, or other system which would not strive to strengthen people morally in their responsibility. It is due to such an attempt that the unemployed in Austria get, so to say, free salaries, and do not take up any job which is inconvenient for them, and that they work "black" at the same time, earning much more than they would having a steady job. Of course, there are also those who are in a truly difficult situation.

During my visit to Russia, I was scheduled to give a lecture on private property to the Russian Academy of Sciences. It was just then that the Constitutional Committee was discussing whether private ownership of land should be allowed again. It was a purely historical experience concerning what Aristotle writes in *Politics*: that wherever private property is suspended, individual initiative simply dies out. So, private property is indispensable, although if it exists, it can be terribly abused. It always happens so, and it inevitably leads

in turn to reaction against this abuse. An extremely dramatic instance of such a reaction was Diocletian's edict of 301 AD, which introduced the death penalty for abuse of property through the excessive price of goods. However, the effect of this edict was not price reduction, but a shortage of goods, which could nonetheless be bought on the black market – it resembles our post-war experience. Thus, we will never be able to handle man's violation of moral norms by legal means only. We must rather consolidate all powers in order to bring about a spiritual revival, which is certainly much more difficult.

Rocco Buttiglione

I totally agree with Prof. Damian Fedoryka, and I am in favour of larger participation of workers in the ownership of their firms. I think that it would be good from the moral point of view, and it would be good from the economic point of view, as it would imply a strong education of workers about the entrepreneurial risk. However, though it would be good, it would not solve the problem of unemployment. Let us imagine a society in which firms have been structured in the way Prof. Fedoryka suggested, and are the property of their employees. One of the firms introduces a new technical procedure, they reduce the costs of production, they succeed in producing more, better, and cheaper. What will happen? This enterprise will grow, they will hire more people, they will produce more, and many other firms will no longer find any market for their goods, and will actually be forced to introduce the same technology. However, for the first firm, the introduction of the new technique implies an expansion of their power, since if you acquire a larger part of the market, you can hire more people. The second and the third firms will have to introduce the same system and reduce the number of their employees in order to survive. It cannot be avoided unless the mechanism which induced technical progress is stopped. On these grounds, I do agree with Prof. Fedoryka: we should do what he suggests. I do not think this is a 100% possible, yet the larger the employees' share in the company ownership, the better. However, if we want to fight unemployment, we must also use other strategies, which take into account the need for mobility. One has to change the sector in which one works, and the only way to reduce unemployment and to reduce the time in which one remains unemployed, is to foresee needs and move people from one sector to another.

Translated by *Dorota Chabrajska*