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"In search of the lost chord: philosophical and spiritual foundations for a humanistic enterprise"

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Abstract.

Purpose of the paper: To show that the concept of *homo economicus* as the foundation of management needs to be discarded and replaced by the concept of *humanistic enterprise* in order to ensure the wellbeing of stakeholders and preservation of the environment.

Methodology: A study of the teachings of Buddha, Confucius, Aristotle and Pope Francis for a new management paradigm.

Findings: The concept of *homo economicus*, with its stress on the *maximization of profit*, has created deadly negative externalities for social wellbeing and the preservation of the environment. Consequently, the time has come to radically alter this economic and management paradigm and adopt a new paradigm with the aim of ensuring the wellbeing of populations inside and outside firms and the preservation of the natural environment with a view to long-term sustainability.

Research limits: The paper being purely conceptual, research will have to be carried out to analyze how enterprises can apply the principles enunciated.

Practical implications: A guide for enterprises wishing to set up and implement a durable humanistic management.

Originality of the paper: Although there is some research on philosophical and spiritual foundations for a renewed management paradigm, there is almost none attempting a synthesis between the 'West' and the 'East'.

Keywords: *homo economicus*, *Buddha*, *Confucius*, *Aristotle*, *Pope Francis*, *humanistic enterprise*

1. Introduction:

It is now obvious to all that climate change is not something to come but is something which has already happened and which will drastically alter the conditions in which mankind, and all its artefacts, this including business entities, will have to live in the coming decades and probably longer, assuming that it has survived. As Antonio Guterres, Secretary General of the UNO, said in a Press Conference on Climate on 27 July 2023 “The era of global warming has ended; the era of global boiling has arrived. (...) The evidence is everywhere: humanity has unleashed destruction.”

The consequences of climate change are lethal for the natural environment with the disappearance of landscapes as they have been known for millennia and millennia due to the rising level of oceans, the burning of forests, the thawing of the permafrost, increased desertification because of extreme repeated droughts and the loss of biodiversity (out of the species known around 15,000 are threatened with extinction; at least hundreds of times higher than the natural baseline rate – Smithsonian Institute, 2023). They are as lethal for humans with rising sea levels, more than 600 million people are today threatened as they live in areas less than 10 meters above sea level, a figure that is expected to reach more than 1 billion in 2060 (Hauer M., Hardy D., Kulp S., Mueller V., Wrathall D., Clark P, 2021) and extreme temperatures. At least 700 hundred million of people are facing a life hazard due to repeated droughts causing diseases and consequently mass migrations that will be uncontrollable (WHO, 2013), most of them living in sub-Saharan Africa.

Actions undertaken up to now have not taken the measure of the coming catastrophes, in spite of non-negligible endeavours, for political, social and financial reasons. It is then more than high time to change attitudes towards the way societies are organized if there is to be a hope to curb the present evolution probably leading to, at least, a partial extinction of the human species within the 200 coming years. On an economic plane, this means that the paradigm on which economic units, both collectively and individually, have been based for centuries, and particularly since the beginnings of the 19th century, must be discarded and replaced by a different one making it possible to build and develop humanistic enterprises and, with a wider scope, societies for a better world, or at least a less gloomy one.

In this endeavour, it is not necessary to invent anything from scratch as some could think and pretend. We can find roots and foundations for such a humanistic enterprise in a number of philosophies, some of them very old, that can guide men along the path for a livable future.

The purpose of this conceptual paper is therefore to embark in search of the lost chord in order to find inspiration for tomorrow.

We will first show that the classic theory of the firm whose origins can be traced back to the Renaissance in Europe and which established itself as a dogma in the 19th century is clearly in an impasse today. We can then make our quest for humanity starting 26 centuries ago and travel until today.

Finally, we will make an attempt at delineating what a humanistic enterprise could be like, tying the thread again with the harmony of the original chord.

2. In search of the lost chord

The notion of the chord expressing the primeval harmony is to be found in the Hinduist tradition. It is represented by the symbol *Om* in Sanskrit (ॐ), a single sound syllable used as an invocation of the the 'supreme Absolute'. It is related to the notion of salvation and became known in ancient Greece as *soteria* (σωτηρία).

Since those immemorial times the search for the origins of society and social harmony have been a privileged subject of study for philosophers and thinkers both in the Western sphere from ancient Greece to Modern Times and in the Eastern sphere from India to Japan.

The Western thought has known a continuous string of philosophers and thinkers among whom we can mention Plato, Aristotle (the most prominent one in the field), Cicero, Marcus Aurelius, Aquinas, Augustine, Hobbes, Locke, Montesquieu, Rousseau, Marx, Leo Strauss.

The Eastern thought has known a similar path with Hinduism, Buddha and Confucius (the two most prominent), Lao Tzu, Mencius.

In our quest for the philosophical and spiritual foundations of a humanistic enterprise, we will focus, in chronological order, on Buddha, Confucius and Aristotle. However, we will first review the theory of the firm that has underlain management since the 19th century and which is founded on the concept of *homo economicus*.

2.1 The homo economicus: a dead-end street

From the days of the late Renaissance, several countries, especially in the 'West' adopted an economic policy, labelled as *Mercantilism*, which put the stress on the accumulation of capital through *bullionism* (i.e. the accumulation of precious metals, essentially gold and silver) as the predominant source of wealth (Serra A., 1613). *Mercantilism* went with a system of trade totally monopolized and controlled by the State (e.g. *The Navigation Acts* in England from the 1650s). This economic system was the beginning of a capitalist economy where *capital* and *profit* were put at the centre of the economic system. Although *mercantilism* proved rather inefficient with time, and was consequently harshly criticized by Adam Smith (1776), who advocated

free trade to spur economic growth, *capital* remained at the core of economic theory with, as a corollary, *profit* as the overriding aim of economic activity.

Smith states that *capital* goes hand in hand with an increased division of labour and that its accumulation is necessary for an increase in production (*Wealth of Nations*, Book II, Introduction). He does not put *profit per se* as the supreme goal of economic activity but shows how profit evolves depending on the evolution of capital, cost of labour and interest rates (*Wealth of Nations*, Book I, Chapter IX).

The demise of *mercantilism*, the advent of free trade and, most importantly the Industrial Revolution contributed to the predominant role that profit was to play from the 19th century onwards in economics and management giving rise to the concept of *homo economicus*.

Adam Smith is considered as the ‘father’ of the *homo economicus*, which is a wrong interpretation of his work (Pauchant Th., 2023). He never used the phrase *homo economicus*, which was coined more than sixty years after the publication of *The Wealth of Nations* (Persky J., 1995), and never considered, as noted above, that profit was the primal motivation of economic activity. The reason for this fake paternity is the famous sentence “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest”. But he continues by writing that “Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of society which he has in view. But the study of his own advantage naturally, or rather **necessarily**, leads to prefer that employment which is **most advantageous to the society**” (we underline) (*Wealth of Nations*, Book IV, Chapter II), thus stating that there is convergence between personal advantages and the advantage of society. In the *Theory of Moral Sentiments* (1759), Smith acknowledges that men are not purely egoistic beings writing that “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.”

It is only around the middle of the 19th century, concomitantly with the booming of the Industrial Revolution, that the concept of *homo economicus* was established by John Stuart Mill (1836, 1848, 1863) in the wake of Jeremy Bentham (1789)

Mill developed the theory of utilitarianism stating that man is ‘a being who desires to possess wealth, and who is capable of judging the comparative efficacy of means for obtaining that end’. Men’s actions are then motivated by their ‘utility’. Consequently ‘utility’ must be maximized (Faber, M., Frick, M., Zahrnt, D. 2019). The primary goal of the *homo economicus* is to maximize utility as a consumer and profit as a producer. This approach requires a rational behaviour on the part of economic agents. Hence a ‘flawless rationality, perfect information, self-interest and preference consistency’ are at the roots of the *homo economicus* (Chen J., 2021) making the behaviour of economic agents mathematically formalizable (Pareto W.,

1919). But this purely rational agent has never existed and will never exist; it is ‘a fiction invented by economists’ (Cohen D., 2012).

That is one of the basic reasons why the concept was challenged almost right from the beginning by anthropologists (e.g. Mauss M., 1925; Polanyi K, 1944), by Herbert Simon with the ‘bounded rationality’ (1984), and by behavioural psychologists (Tversky A. and Kahneman D., 2000).

Nevertheless, the *homo economicus* prospered to become the model of liberal economics which has sustained economic development since the mid-19th century with profit being the central goal to be pursued by companies, as provocatively summed up in the title of an article written by Milton Friedman and published in 1970 in the New York Times: ‘The responsibility of business is to increase its profits’, even though the reading of the whole article makes things more nuanced.

Though not totally overlooked and ignored over the period since the phrase was coined, even in the 19th century (cf. Society for the Prevention of Smoke in Chicago, 1892), the negative externalities caused by the behaviour of the *homo economicus*, have nowadays become the main challenge. These negative externalities affect the natural environment with pollution (e.g. 99% of the world population live in places where air pollution levels exceed limits, WHO 2023), waste (e.g. more than 2 bn tons of solid waste is produced each year, Developmentaid 2023), climate change (e.g. the 1.5°C ceiling will be broken around 2037 and probably before, IPCC 2023), loss of bio-diversity (e.g. ‘local ecosystems will have lost on average between 6% and 10.8% of their vertebrate species’, EU 2022), and the social environment with diseases (‘air pollution is associated with 6.7 million premature deaths annually’, WHO 2022), income and wealth inequalities (50% of population gets 8.5% of income and 10% get 52%, 50% own 2% of wealth and 10% own 76%, World Economic Forum Dec 2021) climatic migrations (‘1.2 bn people could be displaced globally by 2050 due to climate change and natural disasters’, Institute for Economics and Peace, 2023) leading to xenophobia and racism.

Environmental changes, in a broad sense, compel to forsake the *homo economicus* theory and move to a new management paradigm (Martin J., Baccarani C., Brunetti F., 2020).

The *homo economicus* is obviously today in a dead-end street, crashing into the wall bringing with him the whole of mankind (Martin J., 2023).

So, let us turn to some wise men who can inspire us to re-found the theory of the firm on bases that can guarantee the welfare of populations and the preservation of the environment.

2.2 *Buddha: The Enlightened Path*

In chronological order, we can first turn to Siddhartha Gautama (6th century BCE) better known as The Buddha.

We will not here consider the purely religious tenets of Buddhism, but will see how the Buddha's teachings can help shape social behaviours, and hence economic ones, that do not rely on mere self-interest and the pursuit of profit like those of the *homo economicus*, but on values that foster moderation, restraint, respect and reciprocity.

The teachings of the Buddha are founded on the Four Noble Truths made up of 'dukkha' (दुःख), 'samudaya' (समुदय), 'nirodha' (निरोध) and 'magga' or 'marga' (मार्ग).

'Dukkha', is usually rendered as 'suffering' due to a state of dissatisfaction. 'Samudaya', meaning origin or cause, is the reason why there is suffering. This cause is greed. 'Nirodha', meaning cessation, is how to suppress suffering, that is by doing away with greed. 'Magga', the path, tells us how to act to suppress greed and consequently suffering.

This 'magga' is made up of eight steps; hence it is known as the Noble Eightfold Path.

The Eightfold Path, also known as the Middle Way, guides men to lead an ethical life. It has three components: ethical conduct (*sila*), concentration (*samadhi*), and wisdom (*prajna*).

Ethical conduct involves right effort, right mindfulness and right concentration. In a nutshell, an ethical conduct considers whether what we are doing is harmful to ourselves or others. In his text 'Sigalovada-sutta', usually rendered as the 'householder's vinaya', The Buddha deals with the issue of social order and ethics and states that good deeds (*karmic justice*) lead to happy results.

Concentration involves right speech, action and livelihood, meaning that our habits and our work must not cause harm to ourselves and others.

Wisdom involves right view and right intention entailing an attitude of kindness and compassion.

The Four Noble Truths and the Noble Eightfold Path enable men to get rid of the three poisons: greed (*raga*), anger (*dvesha*) and ignorance (*moha*) and lead to obeying the Five Precepts (*sikkha-padam*) (Harvey P., 2000)

- To be compassionate for the welfare of all living beings,
- To abstain from fraud, cheating, forgery,
- To abstain from misconduct concerning sense-pleasures,
- To abstain from false speech (lying, deception, exaggeration)
- To abstain from intoxication.

Putting the stress on a social organization based on Buddha's Six Perfections (generosity, morality, patience, vigour, concentration, and wisdom), which are the antithesis of the *homo economicus*, and rejecting greed, anger and ignorance, can certainly be a fruitful inspiration for developing a sustainable economy and sustainable organizations, anywhere in the world, with the purpose of ensuring the wellbeing of populations while preserving a liveable natural environment, an approach attempted by E.F. Schumacher (1973) but whose implementation, with controversial results, has only been tried at a State level by Bhutan with the Gross National Happiness index, institutionalized in the country's Constitution of 18 July 2008.

We can now turn to the philosophy of Confucius, which presents significant common points with the teachings of the Buddha.

2.3 Confucius: *The Good of society*

The influence of Confucius (551-479 BCE) on management was acknowledged already long ago (Chen Guo-Ming, Chung Jensen, 1993)

The principles of Confucius are founded on the five constants (*Wǔcháng*, 五常) calling for following a 'middle way', like the Buddha, between the yin (陰) and the yang (陽).

The first constant is *Rén* (仁) meaning benevolence, humaneness, or goodness, which is based on empathy and consists of five basic virtues: seriousness, generosity, sincerity, diligence, and kindness.

The second constant is *Yì* (義) meaning righteousness or justice. It involves righteousness, faithfulness, loyalty, and justice in social relationships. It is what structures relationships between people in society. *Rén* and *Yì* express the harmony of the three realms of Heaven, Earth and Humanity.

The third constant is *Lǐ* (礼; 禮) meaning propriety (of conduct, speech and example) and rites. It expresses the harmony of the three realms of Heaven, Earth and Humanity. It implies the respect for social norms. It is what regulates human behaviour (Yum O.J., 1988: *The impact of Confucianism on interpersonal relationships and communication patterns in East Asia*. Communication Monographs, 55).

The fourth constant is *Zhì* (智) meaning wisdom and knowledge. Wisdom permits to know how virtuous ends can be achieved.

The fifth constant is *Xìn* (信) meaning sincerity, faithfulness. It implies honesty to oneself and truthfulness toward others.

These constants refer to the concept of *Jen* implying self-restraint and self-discipline, benevolence and trust in interpersonal relationships (Chen, D. C., 1987).

Social life is based on reciprocity by developing mutual understanding among the members of society, or an organization, common interests and trust. Confucian teachings place the performance of duties due to others above all others (Chen G-M, Chung J, 1993).

The Confucian style of management has been characterized as a "humanistic management" or "ethical management" (Tseng, S. C., 1991: *Chinese management: A Confucian perspective*. In K. S. Yang & S. C. Tseng (Eds.): *A Chinese perspective of management*, Taipei: Kwei Kuan). "When you go out your front gate, continue to treat each person as though receiving an honoured guest. Do not do to others what you would not wish done to you." (Confucius, Analects, 12.2)

There is obvious convergence between the principles of social behaviour in the teachings of the Buddha and Confucius which can be combined to lay the

foundations of an approach to economics and management where human activities are governed by trust, respect, cooperation, moderation and restraint and where men are not opposed to nature but integrated into it, so that the preservation of man and that of nature go hand in hand.

If we turn now to the most prominent ‘political’ philosopher of ancient Greece, Aristotle (384-322 BCE), we can note that there are similitudes between him and the Buddha and Confucius.

2.4 Aristotle: *phronesis* (φρόνησις)

Aristotle is primarily interested in the origin of society and the purpose of man living in society. Therefore, the starting question he raises is where society comes from.

Aristotle states that man is a *political animal* (zoon politicon - ζῷον πολιτικόν in *Politika* and *Nikomachean Ethics*). Consequently, there is no rupture between the ‘natural man’ and the ‘social man’. Social life is embodied in the City (polis – πόλις). The City is then a ‘natural reality’ (*Politiká*). Man is destined to live in society. There is no convention or contract for the creation of society. Aristotle refutes the theory of the Sophists who argued that society was the result of a (social) contract, a concept that was to know a long posterity, with various justifications for it, with philosophers and political theoreticians such as Hobbes in the *Leviathan*, Locke in the *Treatises of Government* or Rousseau in the *Contrat Social*. But Aristotle’s view was to remain dominant through Antiquity with for example Marcus Aurelius (*Meditations*), the Middle Ages with Augustine (*The City of God*) and modern times with Marx (*Zur Kritik der Politischen Ökonomie*).

The city itself is an extension of the family. Men are first grouped, naturally, in families; families group in ‘villages’, and ‘villages’ become cities so that the City is a ‘community’ or ‘partnership’ (κοινωνία, *koinonia*).

The purpose of the City (society) is the well-being of the community (*Politiká*). Society is the place where men can deploy their abilities to live happily. The aim of a well-governed city is happiness (πόλις μακαρίαν) from an individual as well as collective point of view as there is no contradiction or opposition between individuals and the community. Happiness means the fulfillment (*eudaimonia* - εὐδαιμονία) of citizens and cannot be dissociated from ethics.

The governance, as we would say today, of the City is founded on ethics. Virtue (ἀρετή) is at the core of government. Virtue is made of courage (ἀνδρεία), temperance (σωφροσύνη), justice (δικαιοσύνη) and wisdom (φρόνησις). Justice and wisdom are the most important. Justice is the foundation of the Rule of Law without which there can be no concord in the city. Wisdom (the usual translation of φρόνησις can be ambiguous as ‘wisdom’ is also the common translation of σοφία (*sophia*); the ambiguity could be removed by translating *phronesis* by ‘practical wisdom’ and *sophia* by ‘transcendental wisdom’) is the capacity men in society have to debate what is good and useful to live well (εὖ ζῆν). *Phronesis* is a ‘true state, accompanied with reason, leading to action when good and bad things for men are at stake’

(*Nikomachean Ethics*). Men in the city must follow the ‘golden mean’, which is an equilibrium between two extremes and exercise ‘restraint’ (τὸ μέτριον ἄριστον καὶ τὸ μέσον). We clearly have here an echo of Buddha’s and Confucius’s doctrines.

In his work about economics (*Oikonomiká*), Aristotle explains the role that it has to play in the life of the city. His views are of course very important for our purpose in this study.

Like the City, economics finds its roots in the family cell. This is quite clear in the very meaning of the word as ‘*oikonomika*’ is made up the two words *oikos* (house) and *nomos* (administration). It is then indissociable from the ends of society. The economy is a means not an end in itself. It is a means for attaining wellbeing in society. Economics is also governed by virtue. Hence, men must make wise usage of resources. As resources are limited, the purpose of economics cannot be to produce indefinitely, but to create sufficient wealth to ‘live well’. The accumulation of wealth for its own sake is ruled out. Money is a tool that facilitates transactions, it has no value in itself. Hence Aristotle denounces the use of money to make money (particularly usury). That is why he is a fierce opponent of what he calls ‘*chremastics*’ (χρηματιστική), which is an artificial economy with the only aim of making a profit.

Aristotle is not only interested in the creation of wealth but also in its distribution. He does not advocate an egalitarian distribution of wealth as citizens are not equal. He favours a distribution which is founded on merit. Nevertheless, he affirms that no citizen can be deprived of means of subsistence.

Looking at Aristotle’s philosophy about society, politics and economics, we can note that, in spite some marked differences, there is a remarkable continuity from Buddha to Confucius to Aristotle. The three of them put harmony, wellbeing and community spirit at the core of social life. They advocate restraint, justice and wisdom as the guides for men’s behaviour. They reject the accumulation of wealth and profit for their own sakes. They are, then, absolutely antithetic to the concept of *homo economicus*, and therefore can provide a philosophical basis for building a society and an economy able to cope with the challenges of the present natural and social environments.

To close this part on philosophical and spiritual foundations for a humanistic society, we can also find inspiration, beyond the purely religious aspects, in Pope Francis, who is very much concerned with the issue of building more harmonious and humane societies.

2.5 Pope Francis: *Laudato Si’, Fratres Omnes, Laudate Deum*

Jesus, according to what is narrated in the Gospels, was not particularly interested in business matters. The fundamental reasons, as made clear in the Gospels, are that his “kingdom is not of this world” (John, 18:36) and that we must “render unto Caesar the things that are Cesar’s” (Mark, 12:17; Matthew, 22,21, Luke 20,25). However, various Popes have dealt with social, and hence economic, matters, for example

Rerum Novarum (Leo XIII, 1891) *Quadragesimo Anno* (Pius XI, 1931), *Mater et Magistra* (John XXII, 1963), *Populorum Progressio* (Paul VI, 1966), *Redemptor Hominis* (John-Paul II, 1979), *Centesimus Annus* (John-Paul II, 1991).

Present Pope Francis is particularly concerned with social and economic matters that he has treated deeply in two recent encyclicals, *Laudato Si'* (2015) and *Fratres Omnes* (2020), and in an apostolic exhortation *Laudate Deum* (2023).

In the Gospels, through parables and narrations reporting the message of Jesus, there are references to values which are at the basis of the construction of true relationships and therefore durable ones between persons. In some cases, we also find explicit references to the economy as in the case of the parable of the talents (Matthew 25, 14-30), but the prevalent and valuable aspect in this is that which constitutes the basis for relationships between persons giving a meaning to life. These relationships obviously also include those between people living in the world of the enterprise; the entrepreneurs and all those with whom they interact in the journey of the enterprise.

Laudato Si' is a message destined for “every person living on this planet” (§ 3) facing the general deterioration of the environment, so that it is possible to act to cure the “common house” that welcomes all.

Pope Francis proposes a lot of food for thought in this encyclic, recognizing the intergenerational responsibility that falls to us as “the environment is part of a logic of receptivity. It is on loan to each generation, which must then hand it on to the next” (§ 159), in keeping with a red Indian thought which underlines that “we have not received the world as a heritage of our fathers but as a loan of our sons”.

Arguing for the necessity of overcoming the consumerist vision tending to homogenize cultures weakening the immense value of variety (“The mechanisms of today’s globalized economy, has a levelling effect on cultures, diminishing the immense variety which is the heritage of all humanity”, § 144), he proposes at various points the discussion on the limits of the maximization of profit which, in the end, has produced a compulsive consumption, superficial reflection, waste, a degraded environment, an egoistic culture only founded on oneself, imbalances inside the community and between different countries, without forgetting the gradual destruction of non-renewable resources in as much as “whatever is fragile, like the environment, is defenceless before the interests of a deified market, which become the only rule”. (§ 56).

The value of the noble entrepreneurial vocation aiming at producing wealth and improving the world is recognized (“It (economic freedom) can be a fruitful source of prosperity” (§ 129), underlining thus the necessity to privilege the concept of progress instead of simply referring to growth or development. “A technological and economic development which does not leave in its wake a better world and an integrally higher quality of life cannot be considered progress (§ 194).

He also underlines that the care of the “common house” does not only concern technical and productive aspects but also political and moral ones which must go beyond short-term visions and thinking of taking care of one’s own power. But it

also concerns the consumer because any purchase, besides being an economic act, is also a moral act which must be oriented towards the common good and not the economy of the whim founded on the acquisition of the superfluous considering things as simple objects of usage losing sight of the beauty they reflect through the cultural contents they reveal.

“Moderation and the capacity to be happy with little” recognizes that “less is more”, because it allows to appreciate the value of things and not simply to consume them; “to be serenely present to each reality, however small it may be, opens us to much greater horizons of understanding and personal fulfilment” (§ 222).

“If we approach nature and the environment without this openness to awe and wonder, if we no longer speak the language of fraternity and beauty in our relationship with the world, our attitude will be that of masters, consumers, ruthless exploiters, unable to set limits on their immediate needs”. “The poverty and austerity of Saint Francis were no mere veneer of asceticism, but something much more radical: a refusal to turn reality into an object simply to be used and controlled” (§ 11).

Generosity, solidarity and care are key words to face social and environmental problems which are intimately interconnected and cannot be tackled through pure technique but require an interdisciplinary approach also encompassing philosophy and ethics.

With *Frates Omnes* Pope Francis follows up on *Laudato Si'* and underlines how the culture of waste characterizes our time in which “persons are no longer seen as a paramount value to be cared for and respected” (§ 18), but as a means rather as an end. He puts thus fraternity and the sense of “us” at the basis of the care for the common home. “We need to think of ourselves more and more as a single family dwelling in a common home. Such care does not interest those economic powers that demand quick profits”. We live in “a shallow, short-sighted culture that we have created, bereft of a shared vision” (§ 17).

The strength of the “us” derives from the valorization of diversity which, with its cultural versatility, realizes a conviviality of differences (Don Luigi Adami) allowing to achieve results superior to the sum of individual factors. “Life, for all its confrontations, is the art of encounter. I have frequently called for the growth of a culture of encounter capable of transcending our differences and divisions. This means working to create a many-faceted polyhedron whose different sides form a variegated unity, in which the whole is greater than the part (§ 215).

Acting in a perspective of the “us” opens up the possibility of “envisaging a new humanity. We can aspire to a world that provides land, housing and work for all” (§ 127).

It also allows to escape the discouragement linked to the conviction that everything goes badly leading to individualistic behaviours aiming at the satisfaction of momentaneous needs renouncing the hope of the possibility of change.

The fundamental resources of a fraternal approach are hope, dialogue, gentleness, listening, empathy, solidarity and a culture of encounter to build bridges across diversity in a context that also creates space for the offer and the gift of one's

time as underlined in the parable of the Good Samaritan. In particular it underlines the value of the encounter, the true one, that in which people look at each other in the real moment when they are talking and not only in a virtual one where they can easily hide.

Laudate Deum is an apostolic exhortation which in prevision of the COP 28 proposes a heartfelt call to act on the part of all to counteract the climate crises and above all to nations because “the world in which we live is collapsing and may be nearing the breaking point” (§ 2).

A world which has lost the opportunity of a radical change required after the two recent global crises, the financial one in 2007-2008 and the following one of Covid 19. “The actual strategies developed worldwide in the wake of [those crises] fostered greater individualism, less integration and increased freedom for the truly powerful, who always find a way to escape unscathed” (§ 36).

It takes up again various passages of the encyclicals *Laudato Si'* and *Fratres Omnes* underlining the uselessness of a purely technical approach for resolving problems when the systemic complexity of the crises requires a cultural change guided by a personal choice for sobriety, a capability to drive one’s political behaviours in favour of a multilateralism in international relations that can prevail over the confrontation of economic and national interests.

Indeed, the situation that has arisen does not have “to do not only with physics or biology, but also with the economy and the way we conceive it. The mentality of maximum gain at minimal cost, disguised in terms of reasonableness, progress and illusory promises, makes impossible any sincere concern for our common home and any real preoccupation about assisting the poor and the needy discarded by our society” (§ 31).

The “technocratic paradigm” consists in thinking “as if reality, goodness and truth automatically flow from technological and economic power as such” (§ 20) without the contribution of an adequate ethical content.

The emphasis on the urgency of specific and constructive choices concerning these themes are taken up again in the speech that Pope Francis sent to the COP 28 in Dubai.

3. The epiphany of the lost chord: the “humanistic enterprise”

The *homo economicus* has undoubtedly brought improvements in the lives of people by improving the material living conditions as measured in economic terms. But, in the present and coming natural environmental conditions, it is doomed to fail and lead to put the entire life of the planet Earth in danger of being destroyed. Therefore, it must be discarded and a fresh outlook on the purposes and organization of business entities, according to a new paradigm, is required.

Once the *homo economicus* has been buried, new foundations for a humanistic enterprise need to be laid down. Obviously, inspiration from the

philosophies examined in the first part can guide us. We can consider now the principles and then the modalities according to which a humanistic model of enterprise can be developed (Pirson M., 2017).

The references collected from the philosophical approaches examined show how the action of the *homo economicus* may be a parenthesis in the long history of economics and management.

Economics, born from philosophy, was at the service of people as long as the philosophical approach prevailed. When economics veered away from philosophy, individualistic selfishness, fuelled by greed, imposed itself, gradually generating a dictatorship of capital that required a behaviour aimed at maximizing profit.

From creative social constructions aimed at the search for a common growth, the enterprise and exchanges became mere instruments for seeking profitability in the management choices made and a profit based on short-term evaluations, in contrast with the very nature of the enterprise that should embrace a long-term perspective.

These principles were consolidated in the second half of the 20th century and spread in corporate choices starting from the 'School of Chicago' whose thought is summarized in the famous tautological phrase expressed by Milton Friedman: "the business of business is business" and the principle that "the social responsibility of business is to increase its profits" (1970).

In this approach, the only contribution to the social well-being of the company appears to be the creation of jobs, often in positions of very strong subordination with respect to ownership and capital placed at the centre of a decision-making process that does not recognize the centrality of people.

This type of economy, labelled "market economy", guided by the "invisible hand" of individual interest, has certainly created many advantages from the point of view of the material quality of life. Indeed, no one would most probably want to go back to the early 1900s, not to speak of times before. But this purely material character of the quality of life has diffused what Pope Francis calls the "disease of consumerism", (Homily, November 26, 2018) which has caused countless damage.

The idolatry of profit and GDP growth "measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile" (Kennedy R., 1968).

The damage to the environment and the climate generated by the profit paradigm is there for all to see, as are the inequalities in income, in the enjoyment of rights and in the quality of life between countries and between people within individual countries.

These conditions generate conflicts and biblical migrations in the search for better living conditions and, with these, growing situations of uncertainty and unpredictability in the environment in which organizations are called to act.

Both in the scientific and social fields there are increasingly more manifestations calling for changes in the economic efficiency paradigm which

inspires businesses and which has strongly contributed to generating this state of affairs.

Thus, the social legitimacy of the enterprise to exist in this form becomes increasingly weaker because people and communities expect from enterprises much more than economic efficiency and jobs. They expect a conduct inspired by the diffusion of well-being for all the actors interacting with the enterprise starting with those who work in it.

They also ask the enterprise to have a positive impact on the environment, on the local communities that host it and on society in general, for the safeguard of future generations.

They require the enterprise to give back resources at least equal to those used in its production cycle and relationship with the market. They require that the enterprise be part of the actors that will have to act together to avoid the climate, environmental and social catastrophe towards which the world community is heading. They require that the enterprise not only lives for itself but also for the others.

Considering the behaviour that is still widespread among businesses, in particular those that ignore the local dimension, some may certainly consider these assessments out of touch with factual reality, but it should not be forgotten that the past has shown that "when the landed aristocracy in Europe was perceived as an obstacle to the well-being of populations as a whole, its decline was inevitable. The enterprise will not be able to maintain its hegemony if the market is widely perceived as an instrument that benefits a few, without contributing to the general happiness" (Csikszentmihalyi M., 2003).

Some companies are moving in the direction of overcoming this capitalist paradigm, others announce changes in this regard, others have already done so, but the majority still take refuge in cosmetic choices such as green washing.

Beyond the current slowness (Solnit R., 2024) of the movement towards a general paradigm shift, what is emerging is a radical change in model, which removes profit as the overriding objective of the enterprise, making room for the well-being and harmony of relationships by following the philosophical principles examined above.

From this perspective, the enterprise no longer appears in a purely technical vision, as a mere tool for generating profits, it appears as a "community" made up of all the actors involved in the relationships that give it life, both inside and outside the organization. This community is aimed at building a "collective work of art" developing around an idea and achieved thanks to the contribution of all those who participate in the entrepreneurial project on the basis of their ability to think and do. It is a community that evolves by recognizing the centrality of people in whatever position they are in relation to the enterprise.

The centrality of people that is revealed through the search for continuous improvement in the quality of life and thus the well-being of all those who interact with the enterprise; workers, customers, suppliers, distributors, financiers, as well as the climate and the natural environment, whose subjectivity shines above all through

the action of young people who act to protect their own future and that of generations to come.

In this way, corporate action outlines a search for harmony in the internal and external relationships that give life to the enterprise (Baccarani C., 2024). This choice means that, in the decision-making process, the company develops thinking about itself but through a thought based on others, on stakeholders and their needs in a programmatic way and not a collateral of a purely economic activity, on the basis of what could be defined as a "budget of harmony" where the processes of creating well-being for individual stakeholders are outlined.

All this takes place with the awareness that harmony is a flow and not a stock and that, as such, it must be continuously pursued and cared for in the intertwining of the different requests and multiplicity of views in the field of action of the enterprise with the possible conflicts that can arise in the relationships.

Thus, thinking, for example, about people in the company, it is a matter of specifying the conditions that generate well-being for those who are involved in a specific role in the company by building a list (Eco U., 2009) which serves as the basis for specific actions such as : sharing of the company's purpose and its mission, periodic updates on company evolution, fair, transparent and correctly paid working conditions, support for personal and professional development, safe and welcoming working environment, friendly spaces for people with disabilities, possibility of participating creatively in the enterprise and so on.

Likewise, thinking about the environment and the community is a matter of specifying the technical and organizational choices in order to contain and eventually eliminate one's ecological footprint and of imagining, planning and implementing actions adopting the objectives of the 2030 agenda of the United Nations starting with those closest to the company's activities, for each of the company's stakeholders.

In particular, considering the well-being of customers, it is a matter of identifying choices that allow a conscious and sober consumption based on the customer's needs and expectations, avoiding any form of induction into consumption as an end in itself. This is done with the aim of creating an enterprise where one feels comfortable because the management understands the importance of work in the lives of the people who live the organization with their dreams, fears, hopes, desires, skills, enthusiasm, sense of community and vision of the future by overturning the principles of marketing as they are put into practice in the profit-driven market.

Central to this action is the alliance between capital and labour based on the recognition of a balanced complementarity of the two factors avoiding the domination of one over the other, with the recognition that profit is not an objective but a result that can be achieved by doing in the right way the things that need to be done. This can be achieved by offering in the market useful, functional, beautiful and sustainable products which are a source of competitiveness "open to the future" because they are based on the diffusion of well-being.

At the foundation of this enterprise oriented towards harmony and "good business" are values consistent with the philosophical principles set out above. Among these, humility, listening, dialogue, trust, rhythm, tenacity, play and community stand out.

Humility is an awareness of one's limits and a spur for the search for continuous improvement. Listening is an enhancement of attention to what people say, but also to their silences. Dialogue is a central element in building human as well as professional relationships. Trust is a force in the system of relationships that gives life to the enterprise. Rhythm is the ability to alternate harmoniously speed and slowness, action and thought. Tenacity is a spiritual and intellectual strength to face adverse situations. Play is an ability to make people happy in the workplace. The community means the awareness of being a network of actors which in turn is part of a network of territorial organisations.

Following this path, the enterprise will be able to gather the social legitimacy to exist in an increasingly uncertain, complex and continuously transitioning context. This path will lead the enterprise to have to "chase profit" no longer because it will be a situation where "profit will chase it."

What is proposed with the enterprise of well-being, the enterprise for good or the harmonious enterprise or the humanistic enterprise is, therefore, the closing of the parenthesis of *homo economicus*, (2023, Manifesto for a Renaissance in Economics) revisiting the thoughts of Adam Smith who, contrary to what is often thought, never used this phrase and stated that there was no contradiction between the well-being of those who are offered products and services and the interest of the offeror.

We must also remember that in parallel to the "The Wealth of Nations", he wrote another less well-known but no less important book (he always stated that it was his most important work) "The Theory of Moral Sentiments" in which he advocated a virtuous social conduct as a bulwark to unbridled economic activity.

4. Conclusion:

The theory of the firm that founded the working of the economic system and management first in the so-called Western World and then spread throughout the world (the experiment based on a Marxist-Leninist having failed in all respects, economically, socially and environmentally) , based on the predominance of 'self-interest' dating from a narrow-minded interpretation of the work of Adam Smith, summarized in the 19th century in the concept of *homo economicus* in the time of John Stuart Mill and 'consecrated' in the 20th century with the 'School of Chicago' led by Milton Friedman, putting, in a nutshell, the 'maximization of profit' as the overriding goal, has obviously reached its limits.

The ignorance and disregard of this theory for its negative externalities or overflows has led to the deterioration and possible destruction of the natural environment in which the world population lives. This phenomenon, in turn, creates social conditions making a decent life harder and harder and even impossible in certain places both inside business organizations and in societies in general.

It is therefore high time that the concept of *homo economicus* be definitively discarded and replaced by a new paradigm founded on a more holistic concept trying

to reconcile the purely economic objectives of the enterprise with the social ones and the preservation of the natural environment in a sustainable way, not only in the medium-term but in the (very) long term. Indeed, when a company fails from the *homo economicus* point of view, it just goes bankrupt, and it is not the end of the world. But, if the world economy fails in securing satisfactory living conditions for people and preserving a liveable environment, it *will* be the end of the world.

Therefore, business enterprises, and the economy as a whole, need to move as fast as possible towards a type of organization based on a new economic and management paradigm. Several names can be found for this type of organization: the *well-being enterprise*, the *good business*, the *harmonic enterprise* or the *humanistic enterprise*. The latter seems to be quite appropriate as it both conjures up the idea of the centrality of people and its historical philosophical foundations. Indeed, the concept of a *humanistic enterprise* is not new. It dates back from the teachings of ancient philosophers, whose prominent representatives are Aristotle in the “West” and The Buddha and Confucius in the “East”. Their basic ideas have been taken up and developed through an uninterrupted string of philosophers, thinkers and moralists until the present time. The main advocate of a *humanistic enterprise* today is probably Pope Francis. So, the *humanistic enterprise* has always been there, sometimes in the forefront, sometimes in the wings of history, particularly, of course, during the hegemonic period of the *homo economicus* between the mid-nineteenth century and the end of the twentieth century. In a very long-term perspective, it appears that the *homo economicus* will have been a parenthesis in the conception of economics and management.

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