

Vatican Voices and Tech Companies' Ethics

2018 SRIC Annual Event Reflections

Rev. Séamus Finn, OMI

Work continues apace on a set of ethical investment guidelines that will provide a Catholic perspective on Faith Consistent Investing and therefore be of service to the Vatican itself and to other Catholic institutions and organizations around the world. This has been in many ways a work of research and consolidation that has worked to mine the Scriptures and the Tradition for insights, teaching, guidance and principles that relate to the kinds of decisions, operations, activities and questions that asset managers including investment committees and individual investors deal with every day. In addition, this project has included an analysis of the investment principles and guidelines that have already been adopted and published by some bishop's conferences, individual dioceses and religious institutions. Many of you won't be surprised by what's in drafts of this document because of the rich and longstanding commitment that your institutions have made to aligning the ways in which you manage your assets with the missionary charisms and priorities of your congregations. Your experience as well as the experience of believers from other faith traditions has already played an important role in verifying that the integration of beliefs and values into the investing process does not mean the sacrifice of financial return while at the same time achieving significant social and environmental return in the process. This is approach is wholly consistent with the message of the encyclical *Laudato Si* that has been so well received by faith and business communities.



This encyclical and projects, like the one undertaken by the Vatican, is a cause for gratitude and celebration because it elevates and amplifies the voice and presence of the church in venues across the world where the issues that many of you have worked very hard on for a number of years are debated. This has been an important part of your mission here at SRIC, the extended community of ICCR and the mission of many other faith traditions. I think this history and the Catholic Social Teaching tradition and the encyclical *Laudato Si* provide a great foundation for the guidelines that are being prepared for the Vatican and subsequently for asset management professionals at Catholic institutions. Today this work embraces the broad spectrum of human rights that have been adopted by the United Nations as well as the care and cultivation of the environment, "our common home" that was highlighted by Pope Francis. The opioid crisis and genetically modified organisms, climate change and access to potable water are also priorities. Work with extractives companies including those in the oil, gas and mining sector and about health care so are an important part of those conversations and activities.

Oeconomicae et Pecuniariae Quaestiones; Economic and Financial Questions

There is another document, that I am told will see the light of day very soon (was subsequently published in May 2018) that is a compilation and consolidation of Pope Francis's thinking and teachings on the economic and financial questions, on money and on the global financial system. It is significant that this document is being developed by the Congregation for the Doctrine of the Faith and therefore will serve to locate these teachings at the heart of the church's teaching tradition. This is in some ways reminiscent of the manner in which the Second Vatican Council located the social mission of the church at the center of the church's mission and an integral dimension of evangelization. While we know that the Catholic Social tradition has frequently presented guidance on any number of questions about the operation of the global financial system, the perspective of the tradition on the benefits and deficits that flow from economic growth, the integration of the financial system that has resulted from globalization and the efforts to harmonize and coordinate financial regulation as well as the flows of goods, capital and peoples will be studied by many practitioners. Many of these economic and financial questions operate underneath the surface of the issues that SRIC is involved in or anybody who's involved in faith consistent investing. They will also speak to anyone who's involved in considering and trying to understand the operations of the financial system and the regulatory debates that are considered in Congress and other legislative bodies and adopted and enforced by different regulators. The document will lay out a vision of a financial system and articulate some guiding principles going forward. I suppose somewhere, between what we often talk about as free market capitalism and a more centralized social economy that is being debated and discussed in many places these days, is a topic and issue that the church has often written about. Many are hoping that this document will offer more clarity on some of the specific issues that were deemed to be at the heart of the near global financial calamity in 2018. I think that this document will be a rich resource for the kind of work that you at SRIC do, and that anybody involved in financial services and asset management ought to be paying attention to.

Amazon, Alphabet, Apple, Microsoft, and Google

I wanted to mention one other issue before I close because it is very current and very important. It is also one of the topics that we have been wrestling with at ICCR recently and it was highlighted this past week for us in Washington; the operating principles and activities of the five of the biggest tech companies: Amazon, Alphabet, Apple, Microsoft, and Google. What social purpose do they serve? What is the relationship between the kind of services and products that they operate or produce and human right, the environment and the wellbeing of human communities across the world. How important and how pivotal an issue this is and how important it is not just for investors whether to invest in Apple or Amazon or Microsoft is important in its own right, but it also opens up a whole other set of questions for the faith consistent and socially responsible investing community.



When you think alone about the fact that Facebook has a market capitalization of about \$580 billion dollars with 20,000 employees, that's double the size of the market capitalization of Walmart—with about 1.1 million employees in the United States. How much do we know about and understand what these five giants in the tech/communications industry? I'm sure you heard Mr. Zuckerberg assure senators and congressmen that they were hiring 20,000 more people in the coming months to handle the questions related to Cambridge Analytica scandal and the broader issues of user privacy, "fake news" and exploitation of the tools and services that they have developed. I think largely—what is the added value? what is the product? what is the good that Facebook has created relative to society? Mr. Zuckerberg started out by saying he created Facebook to do two things—he wanted to bring people together and build community starting in his dorm in Harvard. However, we also know that, in a very short amount of time, this company has grown to its present size and has any number of people are engaged in manipulative and abusive practices on others and other questions and concerns about privacy, freedom and illegal activities.

The second thing I want to say about it is very simply that I know this is probably going to convince some of you to not look at Facebook. I encourage you to at least not to let this present controversy push you away from in terms of its capacity and in terms of its utility and in terms of what it may bring to the kind mission that I know most of the organizations in this room are involved in. It is indeed a very important and significant tool like all tools and all technology and can be used for good and purportedly used to disrupt and to create confusion, but it does need our attention. It does need us to engage, it does need us to think about the kind of questions that are out there, as it has, I think, made a lot of people think about that data—how much they reveal on which they put on there, what kind of walls need to be built between some of the things that are shared and not

shared, that's fine. But it does create these other levels of community and communication and establish new and vibrant networks that are extremely important. Aside from that, I think as I have said, the Facebook and Walmart comparison may be an entrance into the kinds of questions that many of you are reflecting on regularly like; how wealth and value are created and what corporations bring to society—how we measure it and how we value it.