Why Bishops and CEO's Do Not Agree on Economics

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If one may judge from press reports, it would be an understatement to say that business leaders did not welcome the Catholic bishops' pastoral letter on the U.S. economy (Economic Justice for All, November, 1986). Some, in fact, went so far as to label it naive, socialistic, even marxist.

The overall business reaction to the letter raises some interesting speculation. For example, how many business executives have read the lengthy document in its entirety? How many have read the final version, which is substantially more tempered in tone than the earlier and more publicized drafts? To what extent do business executives share some of the same concerns as those held by the bishops? Perhaps their disagreement with the bishops is only "in principle" whereby managers simply challenge the bishops' warrant to make economic pronouncements, that is, their competence in economics. As many of the media commentaries referred to the letter in general, to what extent do influential business executives agree with certain aspects of the letter while disagreeing with others? Finally, if the bishops and many executives are poles apart in many of their views about the economy, what are the root reasons for their differences?

In order to probe such questions, we conducted a poll of immediate past CEO's of very large U.S. corporations. The results reported here provide detailed information about the respondents' reactions to individual propositions advanced in the letter. When they are analyzed to determine if there are any discernible patterns, they suggest a hypothesis which might go far to explain the principal source of the disagreements between the bishops and the business executives. The basis of the differences, we suspect, has to do with ideologies -- conflicting ideologies.

Catholic bishops, obviously, are Christians. So too were the respondents to the questionnaire, with only two exceptions. How can it be that two groups professing adherence to many of the same religious beliefs see eye to eye on only some of the issues addressed in the bishops' letter? Part of the answer might lie in the fact that professed Christians have much disagreement even among themselves in the matter of beliefs. But the differences between the bishops and the executives appear to stem less from differences within the collection of Christian beliefs than from differences between Christian belief and another powerful ideology, classical capitalism.

Many of the basic notions of the classical capitalist
model are compatible with Christian beliefs: e.g., private property, subsidiarity and freedom. It would seem then that one can comfortably embrace both ideologies simultaneously. Now, along comes a group of Christian clerics who are saying to business leaders, as well as others, in essence, "We believe your interpretation of the imperatives of Christian beliefs and responsibilities in the economic arena is flawed; we find it in part unacceptable." That a business executive with a self-image of a good Christian and good capitalist takes exception to the bishops' position should not come as a surprise. Nor should it come as a surprise when the critics' (i.e., the bishops') credentials are questioned.

One example will suffice to illustrate what we see as the gulf between the bishops and the archetypical classical capitalist. The bishops look at economic outcomes and find a large underclass, millions of disadvantaged poor in a very rich nation. They go back to what the founder of Christianity taught about the obligation to the poor and make it the centerpiece of their message, the "preferential option for the poor." The classical capitalist looks at the same phenomena, sympathizes with the victims and even in many cases gives generously from his personal resources to help alleviate their distress. But he does not see systemic deficiencies in the system. He does not question the system. And he surely does not want bishops or anyone else, especially government, tampering with it, for he fears they will just put sand in the gears of the deus ex machina.

The survey was not an effort to prove the two-ideologies hypothesis. Rather, the hypothesis is developed as an unexpected by-product of an effort simply to see where the differences lie between the bishops and business leaders. We shall return to the hypothesis presently.

THE SURVEY

Past rather than incumbent CEO's were chosen for this study in view of the common corporate policy not to respond to opinion polls. Seven hundred companies were selected from the special Forbes issue profiling the top 1,000 U.S. based corporations.\(^1\) Their immediate past CEO's were sent a mail questionnaire via the companies' head offices. This two-step process was expected to result in some reduction in the size of the actual sample. Usable returns were received from 71 ex-CEO's, almost all of whom (91%) are still corporate directors. This translated to a response rate slightly above 10% of the original list, a rate approximately representative of what one may expect when surveying top management. This response rate might appear to be very low, but it is consistent with the experience of others who have polled CEO's of the largest companies. Polls directed to the vice presidential level typically achieve a rate of 15 to 20% whereas the CEO level draws only 10 to 15%.\(^2\) The number of responses precludes any claim to representativeness by the usual stan-