



Quaker Capitalism and virtuous companies

I am fascinated that in the early years of the industrial revolution some of the great businesses were established by Quakers – not least the first iron foundry established by Abraham Darby. There were many others, Cadbury, Rowntree, Clarks' Shoes, Barclays and Lloyds. Why was this so? The answer lies in some combination of *moral integrity, culture, networks* and spiritual commitment or *purpose*. I am not suggesting we all become Quakers but rather that there are lessons, both commercial and moral, which we could usefully learn. Later this year we will hold a day conference on this subject, considering the lessons for today, including debate around trust and corporate structure – join the mailing list, contact the office or watch the website for details!

Too often in our debates about enterprise, ethics and society we use 'binary' terms. So, for example, 'profit' is set up against 'people' or 'competition' against 'fairness.' However, these dichotomies (capital versus labour is another one) are invariably simplistic. *Profit* may also enable *people* to flourish, through the provision of goods and services as well as employment. *Competition* may increase *fairness* by allocating resources for consumers at lower prices and ensuring efficient production. The impact of enterprise in an economy cannot not be reduced to an 'either-or' but affects many people and their livelihoods, from entrepreneurs to consumers. The encouragement of enterprise is essential especially through what is usually termed the 'supply-side' of the economy. This means a fair reward for the entrepreneurs who take risks, encouragements to invest and to employ and taxation regimes that incentivise.

From an ethical perspective however the responsibilities extend more widely. Companies, large and small, have a significant impact on wider society. Do virtuous companies exist or just virtuous individuals? A virtuous enterprise might be described as one which not only behaves well or acts properly but which acknowledges and acts upon its wider role in society, even challenging that society itself in the direction of virtue. Companies and individual business people can have an enormous impact upon their local communities for the good. They can indeed act morally commercially, but also, through their actions they can, in a free economy and a free society, shape virtue itself, through service, philanthropy and example. However, to do so, they must be fashioned and led by moral individuals. Values are at the heart of both virtuous enterprises and individuals; the restoration of commercial trust will have direct commercial benefit but will also benefit society itself.

Richard Turnbull, Director

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Restoring Ethics to Banking

We were joined, in January, by civic guests including the Lord Lieutenant for Oxfordshire and the Thames Valley Police Commissioner, together with over a hundred civic, university and business guests at Harris Manchester College to hear the Chief Executive of Barclays, Antony Jenkins, outline his vision for the restoration of trust. Antony detailed the challenge faced by Barclays, the problems of transforming the culture in an authentic way in such a large institution as well as genuine issues the bank still faces. Antony noted the importance of being a steward of the original vision of the bank's Quaker founders. There followed an extensive time for questions – many topics from remuneration to lending to small businesses were covered - then dinner and a short response and vote of thanks from the Bishop of Oxford.

The Ethics of Usury

A seminar in London heard the Revd Dr Ben Cooper reflect upon the teaching of the Old Testament on the charging of interest. He argued that in order to assist the poor it was not only permissible but essential to charge interest on loans particularly for investment rather than consumption. The availability of credit and wealth creation is essential to the relief of poverty.



Research, publications, events

We are committed to a research agenda to think deeply about business, ethics and responsibility. As well as other events on this page the future focus includes:

- A CEME publication on *Quakers in Business*
- Autumn events (and publications) in London on *the Social Value of Capital Markets* and *The contribution of Catholic thinking on the market*
- A Conference in London on *Quaker Capitalism: lessons for today*
- Plans for a conference in 2015 on 'Capitalism in the 21st Century'

Enterprise not Aid?

How can private equity and social venture capital be effectively harnessed in economic development? Dr Kim Tan will explore whether this approach is more effective than inter-government aid. Professor Alex Nicholls of the Said Business School and Penny Fowler of Oxfam will respond.

25th June 2014, Said Business School Oxford from 6pm

Places limited. Email office@theceme.org for invitation.

Lord Shaftesbury: radical conservative? Lessons for social welfare today

A talk by the Director, sponsored by CCLA Investment Management Limited.

12th June 2014, 4.30pm – 7pm, London. Email office@theceme.org for details

How can you help us?

We aim to both educate and transform. We seek to change opinion and make a practical difference. Our passion is for an effective, enterprise economy shaped by ethical values so that the world can be a better place.

We are an independent Centre, and rely entirely upon donations to fund our work.

In the UK donations can be sent payable to the Centre for Enterprise, Markets and Ethics, 31, Beaumont Street, Oxford OX1 2NP. We will supply a Gift Aid form and higher rate taxpayers can claim further relief via their tax returns

US citizens can send donations, payable to CAF America, for the benefit of 'The Centre for Enterprise, Markets and Ethics' ('the CEME Fund') to *CAF America, 1800 Diagonal Road, Suite 150, Alexandria, VA 22314* with the donor advice available from www.theceme.org or office@theceme.org. *This is tax deductible.*

Please advise us of any donation so we can thank you promptly and properly.

To join our mailing list and be kept informed of future events please contact us on office@theceme.org or in any other way.

Our website is www.theceme.org

The Centre for Enterprise, Markets and Ethics (CEME) exists to promote, through events, research and publications, an enterprise based economy built upon ethical foundations drawing upon the history and values of the Judeo-Christian tradition.

The Board consists of Lord Griffiths of Fforestfach, Carl Ferenbach, Dr Kim Tan and Philip Wood.

The Director is the Revd Dr Richard Turnbull, Research Fellow and member of the Faculty of Theology in the University of Oxford and a Chartered Accountant.