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**REPORT**

**on**

**Corporate Law, Religion and Social Responsibility**

**One-day workshop: 7th February 2023**

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# BACKGROUND

A one-day workshop at the University of Glasgow on 7th February 2023 was designed to bring together academics, practitioners, theologians, and civil society representatives with an interest in the general theme of, ‘Corporate Law, Religion and Social Responsibility’. The following questions were posed to delegates at the outset of the workshop:

1. What does theological doctrine say about (corporate) social responsibility?
2. Does the religion of a director decision-maker impact on his decision-making on corporate social responsibility?
3. How does religion influence ethical investment practices?
4. How can religion itself be protected as a corporate social responsibility value?
5. What can we learn from faith organisations about ‘purposeful’ business?

Delegates were invited to reflect on these questions as they listened to the speaker contributions.

# SUMMARY

The workshop opened with reflections from Professor Jane Mair on the place of values in organisational culture and operation. Setting the scene, [Professor Irene-marie Esser](#_Professor_Irene-marié_Esser) and [Dr Catriona Cannon](#_Dr_Catriona_Cannon) then presented on their proposal to research how ‘corporate purpose’ is manifested in the structure, operation, and decision-making of faith-based or faith driven organisations.

In the first session, [Ms Anita Bennett](#_Ms_Anita_Bennett), Head of Delivery at Eido Research discussed the findings of a project in which she had been involved whilst working for the Jubilee Centre Christian think tank which had identified positive contributions made by Christians to ‘purpose-driven’ business in the UK. [Professor Iain MacNeil](#_Professor_Iain_MacNeil) then shared his thoughts on the assistance entity selection and governance may offer organisations seeking to use corporate purpose to embed ethical and faith-based beliefs into their structure and operation.

In the second session, the delegates heard from [Mr Ephraim Borowski](#_Mr_Ephraim_Borowski), Director of the Scottish Council of Jewish Communities, on collective responsibility in Judaism. This was followed by a presentation delivered by [Professor Ken McPhail](#_Professor_Ken_McPhail), Professor in Accounting at the Alliance Manchester Business School, on how Christian theology shapes accountability narratives, and on the bridging organisations which connect these narratives to the workplace. Closing the second session, [Mr Shakeel Adli](#_Mr_Shakeel_Adli), former partner and Global Head of Islamic Finance at CMS, shared his thoughts on how Islamic teaching influences and impacts on business, with insights from the operation of his own multidisciplinary property development and investment business.

The third session of the day comprised contributions from the [Rev Dr Jock Stein](#_Rev_Dr_Jock), a poet, piper and preacher from Scotland, and [Dr Stephen Bogle](#_Dr_Stephen_Bogle). Stein presented a poem he had written on the common faith in ‘something more than law’ which is held by people of different beliefs and professions. Bogle, meanwhile, reflected on the absence in early modern Scotland of active involvement by the Kirk in legislation on commercial activity, the influence of Calvin’s view on the role of civil government in commerce and the relevance of the division between spiritual and temporal authority.

# REFLECTIONS

The workshop offered an important contribution to the study of religion and corporate social responsibility by situating the topic in the legal discipline and inviting reflections from experts and delegates with a diverse range of experiences and backgrounds.

We offer the following brief reflections on the contributions and discussion at the workshop:

1. There is significant interest in how business, law and religion can interact to achieve positive outcomes for society and the environment.
2. There appears to be a general consensus that business can and should contribute in some way to addressing today’s pressing social and environmental issues. Less clear, is the extent to which business should take responsibility in this area and the ways in which business can contribute.
3. Principles of social responsibility can be discerned in religious doctrine. Examples include *zakat* in Islam which requires a fixed portion of income above a defined threshold to be donated to charity; and the commandments in Judaism pertaining to community obligations, social cohesion, and the environment. Religion and business are not incompatible: business activity can reflect, reinforce and realise religious principles and teachings.

1. Religious influences in business are significant and varied. They can lead to socially responsible practices, including philanthropy, and can, for example, encourage honest dealings, fair employment and accountability.

1. It is incorrect to assume that all individual actors in business leave their religion at home when they go to work. More commonly, religiously based ethics infiltrate working lives and decision-making.
2. ‘Corporate purpose’ offers a means by which faith-based beliefs can be integrated into business operations. Its ability to achieve this in practice may depend particularly on structure and governance factors.
3. In exploring the *legal* potential for religion to influence socially responsible business behaviour, there is significant value in the perspectives of other disciplines and of those with lived experience.

SPEAKER CONTRIBUTIONS

## Corporate Purpose: What lessons can we learn from faith organisations?

##### Irene-marie Esser and Catriona Cannon

‘Corporate purpose’

‘Corporate purpose’ is a managerial concept, variously defined,[[1]](#footnote-1) which connotes the idea that companies ought to have a ‘higher purpose’ which gives them ‘social legitimacy’.[[2]](#footnote-2) Corporate purpose can potentially mean different things for investors, company directors, marketing and salespeople, HR and so on. The Business Roundtable in 2019 proposed that: ‘Purpose is the statement of a company’s moral response to its broadly defined responsibilities, not an amoral plan for exploiting commercial opportunity.’[[3]](#footnote-3) According to the Financial Reporting Council, purpose should not become an aim on its own but should be underpinned by ethics and ‘it should serve as a “moral compass” through which innovation and profitability are pursued’.[[4]](#footnote-4)

In recent years, calls for companies to have a ‘corporate purpose’ and for business to contribute to sustainability have grown significantly. A key issue is whether the purpose of a company *ought* to encompass objectives other than profit maximization and whether (and, if so, how) interests other than those of shareholders can legitimately be considered in board decision-making. Although the framing of the current debate in ‘corporate purpose’ is a recent phenomenon, the issues that it addresses are familiar to corporate social responsibility (‘CSR’). In the UK, CSR activity is anchored in law by the statutory duty of directors to have regard to stakeholder interests in the context of their overriding duty to act in the way they consider, in good faith, is likely to promote the success of the company for the benefit of the members as a whole.[[5]](#footnote-5) The stakeholder interests referred to in this duty include, but are not limited to, the interests of employees, suppliers and consumers of the company as well as environmental and community interests.

The extent to which the legal framework should be adapted to mandate and regulate corporate purpose has, unsurprisingly, engendered considerable academic debate. Proponents of legal change advocate for corporate purpose to be included in companies’ governing documents,[[6]](#footnote-6)for company law to regulate its determination and implementation by directors[[7]](#footnote-7) and for mandatory sustainability due diligence to monitor companies’ compliance.[[8]](#footnote-8) Others consider that the current legal framework is adequate, without modification, to accommodate purposeful business.[[9]](#footnote-9)

Research proposal: aims and objectives

Against the background of increasing attention on the social legitimacy of business and its role in contributing to sustainability, our research situates itself in the current debate on corporate purpose and links this to the broader area of study on the relationship between CSR and religion. Our literature review revealed a link between CSR and religion which has been widely explored in the management, business, and ethics fields. Some of the literature explored theological foundations for CSR[[10]](#footnote-10) whilst several studies sought to reach conclusions on the influence of religion on CSR compliance and reporting by conducting empirical research on the CSR practices of firms operating in areas with differing levels of religiosity.[[11]](#footnote-11) Other studies have gathered data on individual attitudes to CSR with a view to reaching conclusions on whether the religious affiliation and beliefs of individuals influence their views on CSR practices. Some of these studies have focused on consumers, whilst others have collected data from business executives.[[12]](#footnote-12) Additionally, there are several works which have looked at the relationship between religion and ethical investment practices, including works which consider the investment practices of religious organisations.[[13]](#footnote-13)

The main aim of our research is to explore how ‘corporate purpose’ is manifested in the structure, operation, and decision-making of faith organisations. Faith organisations (defined widely) have been chosen as the focus of this study because of the strong links between religion and social responsibility which have been identified in the management, business and ethics literature (see above). It is anticipated, therefore, that faith organisations will have relevant experience in operationalising corporate purpose in the context of the current UK legal framework and that from this experience, opportunities and challenges for purposeful business which are relevant more broadly to the secular, for-profit sector can be discerned and assessed.

Firstly, we want to investigate to what extent the structure and governing documentation of faith organisations is influential on their ability to operationalise their purpose. What legal structures do faith organisations use? What are the opportunities and barriers created by these legal structures? How do faith organisations use their governing documentation to express their purpose and what impact does that have? Secondly, we want to explore what challenges or opportunities are experienced by faith organisations when navigating promotion of their purpose within the parameters of their legal and fiduciary duties. How does purpose affect decision-making and how is purpose used to navigate competing interests? And finally, we want to investigate to what extent the pursuit of purpose in faith organisations leads to socially responsible outcomes and investigate how faith organisations are held accountable in their pursuit of purpose.

Research contribution

It is clear from our literature review that the study of the relationship between religion and CSR has so far been conducted, in the main, in the management, business and ethics fields. We hope that our research – conducted in the legal discipline – can therefore contribute something of value to the wider area of study. We have also observed that much of the literature concentrates on CSR practices of for-profit firms or the attitudes of religious individuals. Less attention has been paid, at least out-with the area of investment, to the social responsibility activities of faith-based or faith driven organisations.[[14]](#footnote-14)

The value in this research is its contribution to a more informed and open debate on whether, and how best, to regulate corporate purpose in the secular, for-profit sector. This research is timely as it is increasingly recognised in academic and popular thought that business ought to help tackle the major issues encountered by individuals, society and the environment today.[[15]](#footnote-15) The research will be of particular benefit to business and civil society organisations interested in the development of law and policy on the relationship among corporate governance, stakeholder interests, social and environmental responsibility, and human rights.

## Research findings of the Jubilee Centre: 21st Century Pioneers: Faith, enterprise & social purpose

##### Anita Bennett

Anita Bennett(formerHead of Research at the Jubilee Centre)presented findings from a national UK-wide study called C21st Pioneers, published by the Jubilee Centre in July 2022. The report interviewed the leaders of 40 business enterprises founded, led and/or influenced by Christians working in wide-ranging different sectors, from micro to large employers, geographically spread across all four nations and most regions of the UK. The study explored how these leaders were motivated by their faith in pioneering new and better approaches to doing business.

The research was based on nearly 40 years of the Jubilee Centre’s theological work and relational analysis – that good purpose-driven businesses can be a solution to many of the problems in our society, including poverty, societal breakdown and environmental degradation. This research looked for evidence of ways in which these enterprises were behaving differently to others in their sector across seven biblical principles, each defining an area of good and ethical practice for enterprise. These seven principles are from the Jubilee Centre’s working agenda publication ‘Beautiful Enterprise’ (2022) and provided a framework for this research. They were:

1. **Purposeful Enterprise** – ‘a good business has a social purpose which it delivers well’

2. **Dignified Work** – ‘a good business offers dignified work’

3. **Fair Pay** – ‘a good business pays its workers fairly and honestly’

4. **Relational Capital** – ‘a good business uses capital in a fair and relational way’

5. **Rooted Communities** – ‘a good business contributes to rooted community’

6. **Fair Tax** – ‘a good business pays its fair share of taxes’

7. **Environmental Stewardship** – ‘a good business promotes environmental flourishing in its approach to using resources’

The research found many detailed examples of business enterprises who care about how they work and are applying biblical principles in each of the seven areas above showing they can be a force for good, can reshape the marketplace and can be a crucial part of the solution.

The report concluded that, with three out of every four jobs in the UK in the private sector - what happens in the marketplace really matters. Much needs to change in our economy and the way we do business, but positive change is starting to happen, and enterprise can be a force for good. There is a growing group of social reformers, including Christians, who are pioneering new ways of doing business in our current generation. So, the message to Christians and churches in the UK is that the marketplace offers possibilities for good and Christians working to make business a force for good need to be celebrated and supported. Renewal has started and is happening today. However, there is still much further to go and much to be done to develop the vision of ‘good business’. There is also much for businesses to learn from each other. We should recognise the reformers within our own generation and need more to join them and trial new and better ways of working to see a wave of cultural renewal in the marketplace to shape the UK for good.

The research report of the Jubilee Centre, ‘21st Century Pioneers: Faith, Enterprise and Social Purpose’ can be accessed on the Jubilee Centre website <https://www.jubilee-centre.org/research-reports>.

## Corporate Purpose: what are the levers (a view from entity selection)?

##### Iain MacNeil

Introduction

Corporate purpose provides a legal mechanism at the level of the business entity whereby ethical or faith-based beliefs could be implemented in terms of the objectives of the enterprise and how it is run. It can be seen as running in parallel with the concept of ethical or responsible investing, which provides a mechanism whereby finance is provided by reference to ethical considerations. Taken together, both the investment channel and the entity channel could represent a significant influence in terms of aligning business practice to ethical and faith-based beliefs. In this contribution, we evaluate how legal techniques could contribute to that process.

The Levers of Purpose

Corporate purpose can be viewed as a form of direct control over the operation of a business or alternatively as an outcome which is driven by other elements of the legal framework. The former view was clearly present in the past when the objects clause in company law defined purpose by reference to the scope of the business and limited the powers of the directors so as to protect shareholders and creditors from the risks of diversification into broader activities. That restriction has now gone, but corporate purpose has been revitalised as a concept by reference to sustainability considerations encompassing the idea that the interests of stakeholders other than shareholders (e.g., employees, consumers) should be considered in corporate decision-making. That approach is reflected in the so-called ‘Enlightened Shareholder Value’ model of corporate governance in s.172 of the Companies Act 2006 but it is generally accepted that in practice corporate decision-making remains focused on shareholder interests, even though the law provides some flexibility to consider other stakeholders. That outcome can be rationalised to some extent by considering capital, profit and governance as levers of purpose that tend to prioritise shareholder interests. In that sense, a more indirect approach to purpose, focused on adjusting the levers, may provide a better conduit for altering purpose and ultimately the way in which a business is run. This could in principle be done in two ways: by founders selecting a legal entity in which the purpose provided by law fits their vision for the business; or by founders/owners adjusting purpose within an entity that is already established.

Entity Selection Options

Entity selection options have expanded over time in recognition of the fact that founders can have very different objectives and modes of operation. They range from entities such as partnerships with a purely commercial focus at one end of the spectrum to charities with an exclusively public benefit focus at the other end. In the middle are entities that can mix commercial and social or public benefit objectives such as community enterprise companies and (generally to a lesser degree) commercial companies. In the US there is an even wider range of options including the Public Benefit Corporation. At the global level, B-corp certification provides a model for business with a social purpose that links to the local legal framework for establishing companies.

The meaning of purpose in commercial entities

While entity selection potentially provides a mechanism to integrate ethics or faith-based beliefs into a business, the evolution of ESG (Environmental, Social and Governance considerations) has drawn attention to the challenge of adjusting the purpose of commercial companies. Business leaders, policy makers and academics have all addressed this issue and there is a proliferation of proposals and solutions. But profit in the conventional sense tends to remain to the fore and draws attention to the centrality of that concept as a driver of corporate purpose and a constraint on change.

Adjusting the levers within entities

In the light of the embedded nature of corporate purpose and its linkage to the key levers of capital, profit and governance, adjustment of those levers in commercial entities may be the only option for significant change. The extent to which that can occur within the exiting legal framework in the UK is variable: partnerships (including LLPs) offer some scope to adjust governance, less so profit; companies already have some flexibility in their governance and so the board of directors could exercise it so as to change corporate purpose incrementally (more fundamental change would likely require shareholder approval or adjustment of the articles of association).

Direct adjustment of purpose (bypass the levers)

While we make the case for indirect adjustment (via the levers), considerable attention has focused on direct adjustment of purpose e.g., through a provision in a company’s articles of association or a ‘say on purpose’ resolution at annual general meetings (along the lines of the ‘say on pay’ process already in place). Proponents view this as a method of direct intervention to change corporate purpose. We are less convinced by this approach and in that context take heed of the fate of the objects clause which was rendered irrelevant over time as broadly drafted clauses circumvented its objective.

Conclusion

Corporate purpose represents an important mechanism for the integration of ethical and faith-based beliefs into the structure and operation of a business. Entity selection represents the first choice for founders and deserves more prominence in the current debate as the options expand. Adjustment of purpose within entities is best addressed indirectly rather than directly, with purpose viewed as an outcome linked to the key levers which drive it.

## "If I am only for myself, what am I?" - collective responsibility in Judaism

##### Ephraim Borowski

“If I am not for myself, who will be for me? If I am only for myself, what am I? And if not now, when?” – Hillel the Elder, Talmud: *Ethics of the Fathers*, 1:14.

* generally interpreted as “first put on your own oxygen mask before helping others”
* the first clause is a prerequisite of the second; the second is the motivation of the first.

Judaism is not simply a set of beliefs and practices, but a way of life.

Tradition identifies not just the famous 10, but 613 commandments that govern not only ritual observances but interactions with other people (both “civil” and “criminal”), obligations to community and wider society, social cohesion, relations with other groups, environment, etc.

There is no essential distinction between “ritual” and “ethical” obligations so far as the nature of the obligation is concerned – both obligations derive from the fact that they are mandated by the Torah, not because ethics is the product of reason; in fact some commentators suggest that if human reason were perfect we could work out the ritual for ourselves too!

The distinction between obligations “between man and Gd” and “between man and man” is that the latter can only be remedied by apologising and making restitution to the wronged party, not by ritual or religious penance or absolution.

The source of all Jewish law (“*halachah*”) is the Hebrew Bible, but this requires interpretation in order to form the basis of a code of law. It consists of the *Torah* (meaning “teaching, direction”), the Prophets; and other scriptures including the books of Psalms and Proverbs.

The Torah is made up of the “Five Books of Moses”:

* *Genesis*: The creation narrative and the story of Noah’s Flood both emphasise the common origin of all humanity. The “Seven Laws of Noah” (Gen. 9) set the basic standards for civic society, including the establishment of a legal system.

The rest of the book is primarily the story of Abraham, the founder of monotheism, and his descendants (the “twelve tribes”) until famine forces them to seek refuge in Egypt.

* *Exodus* tells the story of the enslavement of “the Children of Israel” and their deliverance under the leadership of Moses, which marks the beginning of the Jewish people as a collective entity. The account of the revelation of the Ten Commandments to Moses on Mount Sinai (Exodus, 21) is preceded by Moses setting up a hierarchy of courts, and immediately followed by rules of ethical and equitable conduct.
* *Leviticus* consists primarily of rules for the Temple service, but also agricultural laws which include providing for the poor and disadvantaged. (Lev, 19; cf Deuteronomy, 24)
* *Numbers* continues the narrative of the wanderings of the Jewish people in the wilderness of Sinai for forty years.
* *Deuteronomy* consists of a series of farewell addresses by Moses to the Jewish people, which reiterate and reinforce both ethical and ritual laws, before his death and their return to the Land of Israel.

The “oral law” provides the interpretation of the written Torah, and was first codified in the Mishnah (which includes rabbinic disputes as to the correct interpretation) around 200 CE).

The Talmud is then a record of further debate around the interpretation and practical implications of the Mishnah:

* the “Jerusalem Talmud” continues the discussion in the Mishnah and was recorded in Galilee around 350 CE.
* the much longer Babylonian Talmud is the primary authoritative source of orthodox Jewish religious law, but is difficult to use as a source of practical rulings because its more than 5400 pages often read like the minutes of 300 years of debate!

The Mishnah and Talmud are divided into six “Orders” which deal with:

* agricultural rules,
* Shabbat and festivals,
* marriage and divorce (much of which extends to contracts in general),
* civil and criminal law (including legal procedure and determination of damages),
* the Temple service, and
* spiritual purity and impurity.

Codifications developed in medieval times, such as Maimonides (“RaMBaM”)’s *Mishneh Torah* (“Review of the Torah”, c.1170–80) and Joseph Karo’s *Shulchan Aruch* (“Arranged Table”, 1563). Many subsequent commentaries and collections have followed till the present day.

Examples of biblical obligations that protect the needy and promote social justice:

* Not withholding wages or charging interest (Leviticus, 19)
* Returning pledged clothing and bedding overnight (Exodus 22)
* Leaving the corners of fields for the poor to glean (Leviticus, 19)
* Not returning to collect dropped stalks or forgotten sheaves (Deuteronomy, 24)
* Produce is ownerless, so available to all, every seventh year (Exodus 23; Leviticus 25)
* Land sales revert to original owner in Jubilee year (Leviticus 25)

Most of these rules are only applicable in the agricultural society of the Biblical era – e.g. gleaning in the story of Ruth (which also describes inheritance and some marriage rules) – and are dependent on the existence of the Temple in Jerusalem, so do not apply today.

The Talmud includes legal and social legislation that is still applied in Jewish courts (“*Batei Din*”, singular *“Bet Din*”), for example:

* Decisions are made by a simple majority, so there must be an odd number of judges
* Monetary cases (civil claims, theft, personal injury, etc) are adjudicated by 3 judges. (In Talmudic times, capital cases were tried by a “small *Sanhedrin*” of 23 judges, and proceedings for communal wrongdoing required a “Great *Sanhedrin*” of 71 judges.
* Judges must be impartial and not show favour on any grounds
* Bribery “blinds the eye of the wise and perverts the words of the just” (Exodus 23)
* Evidence requires corroboration (Deuteronomy, 17)
* Inadvertence, negligence, ignorance, duress are not deliberate wrongdoing (*mens rea*)
* The same law applies to the native and the foreigner (Ex. 12, Lev. 24, Num. 15)
* “The law of the land is the law” (so if parties wish, *Batei Din* can arbitrate on civil cases)

With the exception of the Seven Noachide Laws, Judaism does not regard Jewish law as obligatory for non-Jews, nor does it seek to covert others (in fact it discourages them. These seven rules are: the establishment of a legal system, and prohibitions against idolatry, blasphemy, murder, sexual immorality, theft, and eating flesh from live animals.

The obligation to set up courts is derived from Genesis, 9:6:

“*Whoever sheds a man’s blood, by a man shall his blood be shed; for in the image of Gd made He man.”*

This is usually interpreted as meaning that it is because the victim was “made in the image of Gd” that the shedding of his blood is so heinous as to require expiation by capital punishment. However compare Exodus 22:7–8:

*… the owner shall approach the Judge … For every matter … before the Judge both parties shall state their case; the one that the Judge condemns shall pay to the other.*

The Talmud (*Sandedrin*, 2a) derives the rule that a court requires a minimum of three members from the fact that “the Judge” is mentioned here three times. But the Hebrew word generally interpreted here as “Judge” literally means “Gd”, and is used in that sense in Genesis 9:6, quoted above. That suggests an alternative interpretation of that verse: that the explanatory clause “*for in the image of Gd made He man”* refers not to the divine aspect of the victim, but that of the judge – the ability to make reasoned judgements being the defining characteristic of homo sapiens.

Judaism does not require or even expect non-Jews to live by our rules, to observe our Shabbat, to eat only kosher food, etc. Eating pork, like oppressing the poor, is wrong for me according to the rules of my faith, but in a free world it is for other people to make their own judgements. Judaism provides a way of life for Jewish people to aspire to, as we strive to be "a light to the nations", and point the way to*Tikkun Olam* (making this a better world).

## The micro-foundations connecting faith and work: how Christian theology shapes accountability narratives and the bridging organisations which connect them to the workplace

##### Ken McPhail

Ken McPhail’s research profile can be accessed at <https://research.manchester.ac.uk/en/persons/kenneth.mcphail>

## Islamic finance: more than smoke and mirrors?

##### Shakeel Adli (summarised by Dr Catriona Cannon)

Adli referred to his background as a practising solicitor advising on Islamic Finance and acknowledged that working in this area gave him the opportunity to bridge the gap between his religion and career ambition. More recently, Adli has left legal practice to focus on developing his own multi-disciplinary property development and investment business.

Reflecting on Islam’s perspective on business, Adli described Islam as a ‘religion of totality’: Islam, thus, stipulates what is, and what is not, permitted. The Quran is clear, for example, about how a contract is formed. Adli explained that, in Islam, there is the belief that if you enter a contract with someone, you are entering a contract with God. Although there is an element of trust required in all business dealings, the Quran prudently stipulates that contracts ought to be in writing and witnessed. Adli also explained that some countries such as Malaysia have been at the forefront of using *waqf* (charitable endowments / trusts) to encourage charitable giving in a way which provides ongoing rather than single instance benefits.

Adli noted that The Prophet Muhammad was a trader and observed that the aspiration to be profitable and to ‘do good’ reflects a wish to be close to The Prophet. Acknowledging that work can be a form of worship, Adli considered the conflicts which can arise for a religious person in business. Adli explained that in Islam, everything is governed with intention. This is one of the reasons why Islam prohibits alcohol and non-medicinal drugs as the effects of such substances can impair judgment and mean that actions are taken without due intention. Adli posed the question, how does this relate to business? Muslims, he explained, believe they are custodians responsible for ensuring the preservation of the earth. This responsibility can be tended to by embedding CSR ethical principles in business. Muslims, Adli believed, can be ‘drivers of positive change’ by ‘demonstrably doing good’. Yet, challenges arise because of the level of importance attached to religion in Western societies.

Adli explained that his own business is operated on Islamic principles. The ethics of his religion guide Adli’s purposeful behaviour. For example, his religious ethics influence decisions on investment activity. Adli explained he had two main aims for his own business: one aim was to create a legacy for his business; and the second was to donate 50% of his business profits to charity. Adli observed that one of the 5 pillars of Islam relates to charity: if you meet an income threshold, there is an obligation to gift a fixed portion to charity. At present, Adli’s business employs 3 people who are not Muslim. Adli reflected on how he ensured ethical principles infiltrated his business and expressed his view that it was about ensuring the principles – which he considered provide a moral compass - were put into practice, for example by being true to your word.

## Something More than Law

##### Jock Stein

Dr Jock Stein presented the following poem, which describes how people of different beliefs and professions have shared a common faith in ‘something more than law’.

**Something More than Law**

*‘The fear of the Lord is the beginning of wisdom’* Psalm 111:10

Tom Risk, atheist, Bob Maiden, believer:

last of the older, wiser Scottish bankers

moved by fear of something more than law,

a just and precious nugget no one saw,

buried generations deep in Hebrew

compost, something common people knew,

flowering in the likes of Thomas Reid

and Glasgow principles of common sense.

Charles Handy, stoic, Vaclav Havel, humanist:

sharing a hunger for a better order,

moved by love of something more than law,

a just and precious nugget no one saw,

but James Clark Maxwell mined for real science,

Douglas Martin Hogg for jurisprudence

bound with values, free from ‘anything goes’,

so law might plant true justice, balance rights.

‘Fear God above, and never fear below’:

Are laws just made, agnostic in their sources,

or like exoplanets pre-discovery,

fit for human occupation, every

one a gift beyond the words we use

to pin things down? How wise to choose

a God whose justice is no alien system,

but the head and heart of real law.

Afterwards he quoted Lord Hailsham’s view that law required grounds beyond itself in the created order for it to make sense as law, grounds which the Scottish philosophical ‘common sense’ tradition would say could be recognized but not proved. He referenced the ‘Scottish democratic intellect’ convictions of George Davie and the importance of different professions being able to speak to one another (as did Cardinal Newman outlining principles for Dublin’s Catholic University). And he cited Alastair McIntosh, who pointed out from Butterworth’s *Laws of Scotland* Vol. 18 in his book *Healing Nationhood* that landlords – and by extension owners of capital – were stewards accountable to God.

This accountability is a principle which not only requires submission to God, but to one another, so may be recognized and adopted by people of differing religious belief, and has a special relevance to corporate law which seeks to balance rights and responsibilities.

## Calvinism, law, and commerce: preliminary remarks on early modern Scotland

##### Stephen Bogle

The picture I sketched during my talk suggests that the Church of Scotland (known as the Kirk) took very little interest in commercial activity and did not seek to influence or shape legislation. Of course, the catechisms offer instruction on commercial ethics. Plus, there are more examples of Reform ministers providing direction to their flock on what God expects when buying and selling. Yet this was far from a concern for the Kirk. This could be surprising. Scots had like most of Europe inherited from the Ancients a rich literature which was suspicion of trade and concerned about the greed and acquisitiveness it can generate. However, the Kirk’s position may be explained for several reasons, some practical, some contextual, but one overriding reason is the fundamental distinction made by Presbyterians between the jurisdiction of the church and that of the state. Scots Presbyterians received from Geneva a keen sense - to the point of obsessiveness - of the role of civil government compared to that of spiritual authority. It may have claimed spiritual authority over commerce and trade, but it also appears to have acknowledged that trade was, in essence, a temporal matter.

On this, Calvin’s view of civil government, I argue, shaped Scottish political thought during the seventeenth century and the approach of the Kirk. It is not inconsequential that there was an express mandate to be found in the Calvin’s *Institutes* to further commerce. It says that the purpose of civil government is not to merely enable men to eat, drink and breathe but that ‘the public be quiet and not disturbed, that every man’s property be kept secure, that men carry on innocent commerce with each other, that honesty and modesty be cultivated.’ This in part gives Viscount Stair’s pro-commerce attitude theological justification. The practical picture also looms. Scotland had suffered a great deal throughout the seventeenth century. Famine, lack of money, indebtedness, closed borders – it was a grim picture. It is no surprise therefore that the development and encouragement of trade was on the minds of Parliament and jurists like Stair. Further, with jurisdictional division acknowledged by the Kirk and the juristic division between natural and civil obligations there was an intellectual framework established which placed marketplace ethics into the personal spiritual domain and the basic needs of the economy into the temporal domain of the state.

# NEXT STEPS

[Reflections](#_REFLECTIONS) on the contributions to, and discussion at, the event are noted above. There was considerable interest among the delegates at the event in continuing a multi-disciplinary conversation on the theme of Corporate Law, Religion and Social Responsibility.

In light of this interest, Irene-marie and Catriona have set up a webpage dedicated to the theme which can be accessed here: <https://www.gla.ac.uk/schools/law/research/themes/corporate/religion-and-social-responsibility/> We will keep this webpage updated with information on relevant events and developments. We also welcome contributions of blog posts for publication on the webpage.

In the coming months, Irene-marie and Catriona will also apply for research funding to support their project on faith organisations and corporate purpose. Updates on the project will be provided on the webpage.

Finally, we would like to take the opportunity to offer our sincere thanks to each of the speakers and delegates at the event for sharing their insights and expertise on this important topic.

# APPENDIX 1

## PROGRAMME

**Corporate Law, Religion and**

**Social Responsibility**

Tuesday 7 February

9.45am - 3.30pm

9.30am - 9.50am Coffee on arrival

9.50am - 10.00am Welcome: Professor Jane Mair

Overview: Dr Catriona Cannon

10.00am - 10.30am Corporate Purpose: What lessons can we learn from faith organisations?

**Professor Irene-marie Esser and**

**Dr Catriona Cannon**

**Session 1**

Chair: Professor Irene-marie Esser

10.30am - 11.30am Research findings of the Jubilee Centre: 21st Century Pioneers: Faith, enterprise & social purpose

**Ms Anita Bennett**

Corporate Purpose: What are the levers (a view from entity selection)?

**Professor Iain MacNeil**

**Session 2**

Chair: Dr Catriona Cannon

11.30am - 1.00pm *“If I am only for myself, what am I?” – collective responsibility in Judaism*

**Mr Ephraim Borowski**

The micro-foundations connecting faith and work. How Christian theology shapes accountability narratives and the bridging organisations connecting them to the workplace

**Professor Ken McPhail**

Islamic finance: More than smoke and mirrors?  
**Mr Shakeel Adli**

*1.00pm - 2.00pm Lunch*

**Session 3**

Chair: Professor Iain MacNeil

2.00pm - 3.00pmWelcome: Professor Jane Mair

**Rev Dr Jock Stein**

Calvinism, law, and commerce: Preliminary remarks on early modern Scotland

**Dr Stephen Bogle**

3.00pm - 3.30pm Final Reflections

**Professor Irene-marie Esser and**

**Dr Catriona Cannon**

*3.30pm - 4.00pm Coffee*

# APPENDIX 2

## SPEAKER BIOGRAPHIES

### Mr Shakeel Adli

Shakeel Adli is a solicitor qualified in England and Wales. He spent over 18 years working at various international law firms in London and Dubai and was most recently a partner and the Global Head of Islamic Finance at CMS; the fifth largest law firm in the world. He left legal practice at the start of 2023 to focus on growing a multidisciplinary property development and investment business that he has founded in the UK.

### Dr Stephen Bogle

Stephen Bogle is a Senior Lecturer in Private Law at the University of Glasgow. Stephen joined the School in 2014. He has an MA in Philosophy (University of Edinburgh, 2005), an LLB (University of Strathclyde, 2007), an LLM by Research (University of Edinburgh, 2012), and a PhD in Law (University of Edinburgh, 2016). He is a qualified (non-practising) solicitor in Scotland (2010). He teaches delict, contract, and international sales law. His forthcoming book, Contract before the Enlightenment (OUP, 2023) examines the influence of Calvinism, Aristotelianism, and Grotius upon the ideas of James Dalrymple, Viscount Stair.

### Mr Ephraim Borowski

Ephraim Borowski is the Director of the Scottish Council of Jewish Communities, and has held numerous other voluntary positions in the Jewish Community in Scotland, for which he was awarded an MBE. He has also been Convener of the ethnic minority umbrella organisation, Bemis, a member of the Scottish Committees of both the EOC and CRE. He is currently Vice-Chair of the Defence Division of the Board of Deputies of British Jews, and chairs the Police Scotland National Independent Strategic Advisory Group on diversity matters.

In a former life, Ephraim was head of the Philosophy Department at Glasgow University, elected member of the University Court, and President of the Glasgow Association of University Teachers. He is author of the Collins Dictionary of Mathematics, and was President of the Royal Philosophical Society of Glasgow, of which he is only the third Honorary Member since Einstein!

### Ms Anita Bennett

Anita Bennett is a social and economic researcher and impact evaluation consultant. Until recently, she was Head of Research at the Jubilee Centre Christian think tank where she led a team that recently published a national research report about purpose-driven businesses with Christian influence. After graduating from Cambridge University, she began her career as an economic development consultant and over the years, she has worked for a variety of public, private and third sector organisations. She is now Head of Delivery at Eido Research – a research consultancy that helps Christian organisations to measure and improve their social and spiritual impact. Her interest is in the growth and transformation of people, communities and organisations to become more effective, healthy and purpose-driven for influence and social impact.

### Dr Catriona Cannon

Catriona Cannon is a Lecturer in Equality Law in the School of Law at the University of Glasgow. She joined the School in November 2018. She has a PhD (2018) and a LL.B with Honours in Scots Law (2003) from the University of Glasgow and a Diploma in Professional Legal Practice (2004) from the Glasgow Graduate School of Law. She qualified as a solicitor in Scotland in 2006 and prior to taking her post at the University, she worked as a solicitor in commercial legal practice for many years, specialising in the field of employment law. Catriona’s research interests are primarily in the area of Equality Law. She has a particular interest in religion in its human rights and equality law context and in the experiences of religious organisations.

### Professor Irene-marié Esser

Professor Irene-marié Esser is a Professor of Corporate Law and Governance in the School of Law at the University of Glasgow and Dean of the Graduate School, College of Social Sciences. Since 2020 she is an Extraordinary Professor at Stellenbosch University, South Africa. Professor Esser acted as Director and Deputy-Director of Postgraduate Teaching and Co-Subject Head of Commercial Law at the School of Law, University of Glasgow from 2018 until 2022 as well as the Early-Career Co-Ordinator. She also served as a Professor Extraordinarius at the University of South Africa (UNISA) and was, until 2017, a Visiting Professor at the Open University, UK. She has been in academia for 15 years and was admitted as an Attorney of the High Court of South Africa in 2005. She was the Company Law Convener for the UK Society of Legal Scholars for 3 years, until 2021. She currently teaches Corporate Governance, Corporate Social Responsibility and Company Law at the University of Glasgow and supervises postgraduate research students in the United Kingdom and South Africa. Her research spans doctrinal and empirical approaches, covering the UK, EU and South Africa in the field of corporate governance, company law and corporate social responsibility.

### Professor Iain MacNeil

Iain MacNeil is the Alexander Stone Professor of Commercial Law at the University of Glasgow. His teaching, research and consulting are focused on corporate governance and financial regulation. He began his academic career after a decade working in investment banking in the City of London. He has undertaken research and collaborated with colleagues in Australia, Canada, China, Hong Kong and the United States. Beyond the University of Glasgow, Iain has several roles. He is a member of the advisory board of the Centre for Business Research at the University of Cambridge, the Board of Trustees of the British Institute of International and Comparative Law, and Chair of the International Securities Regulation Committee of the International Law Association. He has acted as Senior Adviser on several projects examining national compliance with EU financial sector Directives.

### Professor Ken McPhail

Ken is Professor of Accounting at Alliance Manchester Business School (AMBS). He joined the University of Manchester in 2014 taking up the position of Vice Dean Social Responsibility. He was appointed Director of Research, and Deputy Head of AMBS in 2017 where he led the business schools 2021 REF return and was involved in bringing the £32 million ESRC Productivity Institute to Manchester. In December 2022, Ken was appointed incoming Head of AMBS, a position he will assume form August 2023.

Ken researches the role of accounting in helping business be successful in generating profits for their shareholders as well as value for the environment and society. He is currently studying the role of institutional investors in transitioning towards net-zero and the role of business engagement in humanitarian relief as a driver of both technology and business model innovation. Ken was made an honorary member of the Institute of Chartered Accountants of Australia and New Zeeland in 2012 and his seminal work on business and human rights was recognised in 2018 when he was made a fellow of the Academy of Social Sciences.

### Rev Dr Jock Stein

Jock Stein is a poet, piper and preacher from Haddington in Scotland. He has degrees from Cambridge, Edinburgh and Glasgow Universities, and brings experience of the Sheffield steel industry, people and places in East Africa, and the life of modern Scotland to his poetry, which began seriously after he reached the age of 70. Earlier in life he ran Carberry Tower, then a 90 bed conference centre, and currently chairs Tyne and Esk Writers. In his spare time he manages the Handsel Press, a small publishing house started in 1975, and a large garden, and is Interim Moderator at Aberlady and Gullane Parish Church. He is the author of Commentary (poems on economics and politics), and his latest book is Temple and Tartan: Psalms, Poetry and Scotland (www.handselpress.co.uk)

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2. Holger Fleischer (2021) Corporate Purpose: A Management Concept and its Implications for Company Law, *European Company and Financial Law Review,* Vol. 18, No. 2, pp. 161–189 at 162. [↑](#footnote-ref-2)
3. Business Roundtable (2019) Statement On The Purpose Of A Corporation, available at <<<https://opportunity.businessroundtable.org/ourcommitment/>>> last accessed 22 March 2023. [↑](#footnote-ref-3)
4. The Financial Reporting Council (April 2022) *In focus: Corporate purpose and ESG* (FRC, London), p4, available at <<<https://www.frc.org.uk/getattachment/Directors/Corporate-Culture/FRC-In-Focus-Corporate-Purpose_April-2022.pdf>>> last accessed 13 June 2023. [↑](#footnote-ref-4)
5. Companies Act 2006, s172. For a discussion of s172 and corporate purpose, see Irene-marie Esser and Iain MacNeil (2022) ‘Shareholder Primacy and Corporate Purpose’ *Faculty of Law Blogs, University of Oxford*, 21 December 2022 [Blog] available at <https://blogs.law.ox.ac.uk/blog-post/2022/12/shareholder-primacy-and-corporate-purpose> (accessed 29 March 2023). [↑](#footnote-ref-5)
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8. Beate Sjåfjel and Jukka Mähönen (2022) ‘Corporate Purpose and the Misleading Shareholder vs Stakeholder Dichotomy’, University of Oslo Faculty of Law Research Paper No. 2022-43, Nordic & European Company Law Working Paper No. 22-08, Available at SSRN: <https://ssrn.com/abstract=4039565> or [http://dx.doi.org/10.2139/ssrn.4039565](https://dx.doi.org/10.2139/ssrn.4039565). [↑](#footnote-ref-8)
9. Paul Davies (2022) The role of corporate law in corporate purpose: the British Academy Report (The ECGI blog) << <https://www.ecgi.global/blog/role-corporate-law-corporate-purpose-british-academy-report>>> last accessed 22 March 2023. [↑](#footnote-ref-9)
10. E.g. Lukman R, Patel A, Yekini K and Aljadani A (2013) Exploring the theological foundation of Corporate Social Responsibility in Islam, Christianity and Judaism for Strengthening Compliance and Reporting: An Eclectic Approach. *Issues in Social and Environmental Accounting* Vol. 7(4): 228—249 [↑](#footnote-ref-10)
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