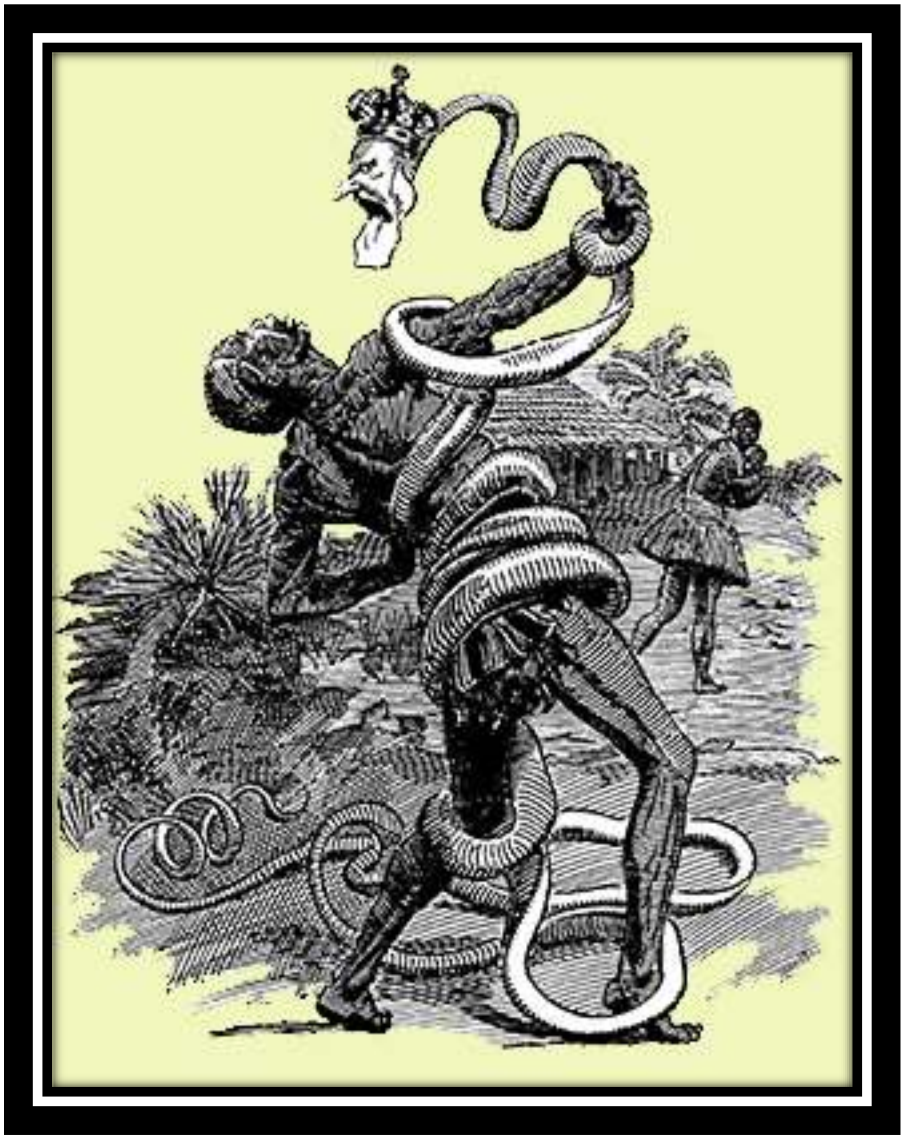

The image above is based on a 1906 Punch cartoon of a Congo rubber worker in the coils of a snake with the head of King Leopold II of Belgium.

Conscious Capitalism vs. Rapacious Capitalism: Lessons from King Leopold II

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Abstract

In this paper it is argued that two kinds of capitalism are engaged in a great struggle in the United States. Both approaches are derived from the opinions of Adam Smith, the father of capitalism, who posited in *The Wealth of Nations* that universal self-interest and the “invisible hand” of the marketplace allocate scarce resources more efficiently and promotes social welfare better than any other economic system. One type of capitalism could be called “moral capitalism” or “conscious capitalism”; the other kind of capitalism takes a “greed is good” approach this paper condemns.

This paper’s authors argue that the only kind of capitalism that is good for a country is based on values and morals. In fact, they say, this is exactly what Adam Smith had in mind, as he was a strong believer in empathy and benevolence. The example of King Leopold II of Belgium is provided as an example of why capitalism based on greed is not desirable because it is widely believed that he was responsible for the death of ten million natives of the Congo Free State,. which makes him one of history’s most notorious mass murderers. The Congo Free State was created in the 1880s as the private holding of a purported, private charitable organization created by some European investors that was headed by Leopold II, whose personal control of the country was unrestrained. Outrage over the well documented atrocities committed by his brutal regime led to the Congo Free State being abolished and replaced in 1908 by the Belgian Congo, a colony controlled by the Belgium parliament.

Introduction

There are two competing philosophies when it comes to running corporations in the United States. Both are derived to some degree from Adam Smith’s famous statement in his classic work, *The Wealth of Nations* (Smith, 1776): “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.” Smith explained how universal self-interest and the “invisible hand” of the marketplace allocate scarce resources efficiently and promote social welfare.

One group feels that the invisible hand argument means that regulation is unnecessary and that “greed is good.” The group associated with this approach is against such notions as corporate philanthropy. In 1970, Milton Friedman, a Nobel Laureate, attacked the idea of business having a social responsibility in a *New York Times Magazine* article. The title of the article sums up his personal belief: “The Social Responsibility of Business is to Increase its Profits.” According to Milton Friedman:

> There is one and only one social responsibility of business–to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.

Friedman felt very strongly that top management must be solely concerned with increasing shareholder wealth, not social welfare. Friedman's idea led to the dangerous view — usually attributed to Michael C. Jensen — that the goal of the firm should be maximization of shareholder value. The way to achieve this was to offer CEOs and other key corporate leaders financial incentives such as stock options and shares of stock so that CEOs would focus on maximizing the price of the stock. In a 2009 interview with Phil Donahue which is available on YouTube at (https://www.youtube.com/watch?v=alP0WiL2P0g), Milton Friedman defended greed (which he used interchangeably with self-interest) as an important engine of economic growth. The philosophy of maximizing shareholder value, which is taught in virtually all finance courses, is quite consistent with a greed philosophy. In fact, the United States has still not fully recovered from the ripple effects of this philosophy, largely blamed for the Enron debacle and various accounting scandals as well as the Great Recession of 2008.

Irons (2009) underscores the point that a recession can have a consequences for years to come. He discusses the concept of "economic scarring" which is the long-term societal consequences of a recession. For example, children may suffer poor nutrition and inadequate health care for several years after a parent loses a job. Entrepreneurial activity and business formation are also affected by a recession. There are serious long-term consequences when people lose their home. Yau & Brutoco (2012) state:

> More shareholder value has been destroyed in the pursuit of profits in the name of shareholder value maximization than for any other reason. In fact, shareholder maximization not only failed to occur in the run-up to the Great Recession from 2008 to 2009, but shareholder value was destroyed on a massive scale while societal costs were created that will be borne by the next several generations.

There is another approach to understanding Adam Smith, who was a moral philosopher. First, there is no question that there is a great deal of truth to what Adam Smith said, and the invisible hand should be used to guide the marketplace. After all, capitalism does a far better job at allocating resources than a planned economy. However, Smith did not believe that the single-minded pursuit of self-interest would be beneficial to society, but, rather, that "society… cannot subsist among those who are at all times ready to hurt and injure one another." To Smith, benevolence — not pursuit of self-interest — was one of the highest virtues. Smith asserted in *The Theory of Moral Sentiments* (1759) that economic growth depends on morality, arguing that

> Man… ought to regard himself, not as something separated and detached, but as a citizen of the world, a member of the vast commonwealth of nature and to the interest of this great community, he ought at all times to be willing that his own little interest should be sacrificed.

- Adam Smith also stated in *The Theory of Moral Sentiments* that self-interest could have benevolence in it:

> 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.

Proponents of this view believe that Adam Smith's philosophy has been distorted; he did not believe that pursuit of profits and self-interest alone would ensure that society would thrive. On the contrary, Adam Smith believed in the importance of morality and virtue. He believed that the virtue of benevolence had the ability to counteract our most powerful selfish desires. In fact, people would be willing to sacrifice their own selfish interests in order to help others (Gregoire, 2014). Smith did not feel that money and fame would lead to happiness; that could only come from being loved, appreciated, and respected. Incidentally, there is evidence that people who help others are happier than those who are self-absorbed (Ricard, 2015; Grant, 2013). Economist Russ Roberts called this book a "road map to happiness, goodness, and self-knowledge" (Gregoire, 2014).

Smith also believed in the importance of regulation. Amartya Sen, Nobel Laureate and renowned economist, and others see the two books by Smith – *The Theory of Moral Sentiments* and *The Wealth of Nations* as complements to each other: capitalism works when combined with ethics and morality. The Conscious Capitalism organization is a network of corporate leaders committed to the idea that business is about more than just making money. Certainly, a company has to be profitable, but this does not mean that the needs of other stakeholders – not just stockholders – should be ignored. The credo of conscious capitalists is at their website where the "Four Principles of Conscious Capitalism" are discussed (Conscious Capitalism, 2016):

> We believe that business is good because it creates value, it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence and it is heroic because it lifts people out of poverty and creates prosperity. Free enterprise capitalism is the most powerful system for social cooperation and human progress ever conceived. It is one of the most compelling ideas we humans have ever had. But we can aspire to even more (Conscious Capitalism, 2016).

The CEOs who are joining the Conscious Capitalism organization want to use capitalism to "elevate humanity" by serving all stakeholders (customers, employees, suppliers, local communities, the environment, society), not just shareholders, and improve the world. There is evidence that firms that practice conscious capitalism outperformed the S&P 500 firms by 14 times (Lewis, 2014). The investment returns to brands run on conscious capitalistic principles have been 1025% over the past 10 years vs. 122% for the S&P 500 (King & Fromm, 2013). Coleman (2016) also states that socially-responsible investing (SRI) produces greater returns than regular investing.

There is an opinion that capitalism cannot work on its own. Ayres (2014) asserts:

> For decades now the social contract that existed between American workers and businesses has been unraveling at an alarming rate. There are many exceptions of excellent businesses that treat their workers fairly and pay their fair share of taxes but every year the rate of CEO pay and perks increases and the pay and benefits of the workers stays flat. The federal minimum wage stays the same as consumer prices escalate. Companies that fired workers during the Great Recession and forced their remaining workforce to work longer hours for the same or less pay have found they can do quite well with a smaller workforce even as their business rebounds by hiring part time workers or consultants at a fraction of the cost.

Piketty's (2014) popular book, *Capital in the Twenty-first Century*, provides ammunition for the view that capitalism, if left alone, has a tendency to lead to greater income inequality and concentrate wealth at the top. Piketty posits that since the rate of return on capital is greater than the economic growth rate, government has no choice but to get involved to prevent a greater income disparity. Piketty's mantra is that "Capitalism and markets should be the slave of democracy and not the opposite."

Dorn (2014) sees Piketty's argument as dangerous. He and others assert that planned redistribution via government taxation of income and wealth would undermine the fabric of civil society, stem economic growth, and diminish economic and personal freedom. Government power would rise and human liberty decline. As Adam Smith long ago explained, the wealth of a nation is best advanced by liberty and markets, not by government intervention and planning. The "invisible hand" of market competition under a just government protecting persons and property is more apt to lead to social and economic harmony than the "grabbing hand" of the state.

Scripture, of course, does not see greed as being good. The Christian church sees greed as one of the seven deadly sins —pride, envy, greed (avarice), wrath, lust, gluttony, and sloth (laziness). Ecclesiastes (5:10) asserted: "He who loves money will not be satisfied with money." Erich Fromm (1942), renowned psychiatrist, would agree. He understood the perils of selfish greed as contrasted with enlightened self-interest:

> [Greed] Selfishness is not identical with self-love but with its very opposite. [Greedy] Selfishness is one kind of greediness. Like all greediness, it contains an insatiability, as a consequence of which there is never any real satisfaction. Greed is a bottomless pit which exhausts the person in an endless effort to satisfy the need without ever reaching satisfaction. Self-interest, on the other hand, is not a bottomless pit of selfish desire and greed and can include benevolence. (Fromm, 1942)

Self-interest, on the other hand, does not suggest a "bottomless pit of desire" that can never be satisfied. Moreover, it can include benevolence. An employee who works hard because she wants to make extra money for her family or wants to help a sick friend or wants to donate more to charity is motivated by a benevolent self-interest. Altruism may actually be quite rational given that studies demonstrate that people who are generous and benevolent will live a life that is mentally and physically healthier than those who are selfish and self-centered (Post & Neimark, 2007).

Approximately 2,000 years ago, the Jewish sage Hillel made a distinction between greed and self-interest in his aphorism: “If I am not for myself, who will be for me? If I care only for myself, what am I? And if not now, when?” (Avot 1: 13-14). Greed is being only for one’s self and not caring at all about others. A number of companies went bankrupt during the Great Recession of 2008 because of excessive risk taking on the part of CEOs who were extremely greedy and wanted huge bonuses for themselves. This is the reason that regulators have new rules in place to limit how executives at financial institutions get paid. These new rules dealing with executive compensation emerged from the 2010 Dodd-Frank Act. One of regulators remarked that the public as well as politicians “want senior executives at large financial institutions held accountable if their desire for personal enrichment leads to decision-making that results in material losses” (Popper, 2016). There is no question that prior to the Great Recession, compensation was set up in a way that “motivated bankers to seek short-term gains even if their actions led to losses over the longer term” (Popper, 2016).

Nocera (2012) believes that two kinds of capitalism are in a great struggle in the United States. One approach to capitalism could be called “moral capitalism”; the other kind of capitalism he refers to as the “rip-your-eyeballs out” capitalism and is based solely on greed. A 2015 Cone Communications study dealing with corporate social responsibility found that 87% of Americans “Would be more loyal to the company (i.e., continue buying the company’s products/services)” if it supported a social or environmental issue; 48% would boycott a company’s products/services if they found that the company “behaved irresponsibly” (Cone Communications, 2015). Millennials in particular are concerned about CSR (corporate social responsibility) and are willing to use social media to spread the word if a company is behaving responsibly or irresponsibly (Cone Communications, 2015). This does not bode well for companies that are based solely on greed.

Martin Shkreli, former CEO of Turing Pharmaceuticals, became the “most hated man in America” after he raised the price of Daraprim, a 62-year old drug, from $13.50 a tablet to $750. Valeant Pharmaceuticals has also been criticized for raising the price of several old drugs; the price of Isuprel, a heart medication, increased by 500% (Pollack & Huetteman, 2016).

King Leopold II: A Lesson in Greed

As noted above, there is a huge distinction between self-interest and greed. It is very helpful to examine the story of the life of King Leopold II of Belgium in order to have a very clear understanding of the harm that greed can cause. Storytelling is a powerful way to communicate ideas. The Talmud used stories as a way to teach business and personal ethics (Friedman, 2016). Gallo (2016) states that storytelling skills are important in the business world.

Storytelling has been found to be a useful tool in getting employees to be engaged; it is a simple way to teach new employees about the purpose of the company (Knowledge@Wharton, 2016). According to Charlie Rose, a talk show host, “What sets TED talks apart is that the big ideas are wrapped up in personal stories” (Gallo, 2016: 63). Stories made up more than 65% of the content of the 500 most popular TED talks (Dykes, 2016). This is why founding stories are used as a simple way to connect with stakeholders such as customers, investors, and employees (Bluestein, 2014).

Peter Guber, CEO of Mandalay Entertainment Group, was once trying to convince the mayor of Las Vegas to provide funding to support a new baseball stadium. He realized that the PowerPoint presentations filled with numbers were not doing the trick. It occurred to him that if you want to persuade others, a good story is more effective. The trick is to aim for a person’s heart and soul, not their brain. The following quote from Guber says it all: “Stories have a unique power to move people’s hearts, minds, feet, and wallets in the storyteller’s intended direction” (Gallo, 2016: 56-57). One firm that discovered how impactful storytelling can be in getting employees to be engaged was KPMG, one of the big four accounting firms that is also into consulting:

> KPMG actually came up with a pretty extensive study not too long ago — they found that morale was declining somewhat…And they came to the conclusion that people, young people, especially, wanted to be part of a bigger mission. A purpose. OK. We’re starting to understand that. That’s fine. Now, how do you teach them about the purpose of your company? Through storytelling.
>
> So they literally took their managers, and helped transform them all into storytellers, so that the managers were constantly telling stories of the history of KPMG — how KPMG has shaped the world; how they continue to shape industries and lives, and make the world a better place. And they said as they got immersed in the storytelling culture, engagement scores went up substantially. Turnover was reduced substantially. And this is a study that is online. They’ve broken it down. They’re showing to you empirically how profits began to soar. So in all of those empirical models that we look at, storytelling helped transform that company in a big way (Knowledge@Wharton, 2016).

The best way for people to understand the dangers of unregulated, rapacious capitalism is to learn about King Leopold II. It is also a lesson in the evils of racism and exploitation of labor. King Leopold turned the Congo into something that combined a concentration camp with a sweatshop.

White (2012) provides a list of the 100 most horrific mass killings, and refers to them as “multicides.” He attributes about 10% of these 100 multicides (47 million out of 455 million killed) to religious fanaticism. Economic factors, however, were responsible for many more deaths, about 34%. Two of the ten worst killers in history were Mao Zedong (responsible for 40 million deaths) and Joseph Stalin (20 million deaths). Adolf Hitler, of course, is number one when it comes to multicides; he was responsible for 66 million deaths. His absurd view that the world consists of the übermensch (superman) and üntermensch (subhuman), a misunderstanding of the philosophy of Nietzsche, led him down the path of proclaiming the superiority of Aryans (the master race) and the need to enslave the inferior races. Several scholars posit that Nietzsche was not anti-Semitic, sexist, or a German nationalist; in fact, he would have been strongly opposed to just about every philosophy the Nazis would later embrace (Solomon & Higgins, 2000). This seems similar to the misunderstanding of the philosophy of Adam Smith mentioned earlier that also caused a great deal of misery and suffering for humanity.

One name on White’s list is not well known, King Leopold II of Belgium, who was responsible for the deaths of 10 million innocent people in the Congo. As we shall see, the only motive for this horrible genocide was greed. It is important for people to understand the harm that greed can cause. Stalin, Mao, and Hitler were ideologues who were fanatical, dogmatic followers of a particular ideology. It should be noted, however, that Mao may have been an ideologue, but he was also a libertine and had, according to White, “squads of beautiful women picked and assigned for his pleasure. He had over fifty rural villas built. Entire mountains and lakefronts were fenced off for his personal enjoyment.”

King Leopold II appointed himself the ruler of the Congo Free State, a private colony in 1885. The Congo Free State leased out territories to private companies to develop various minerals. Leopold always made sure to own substantial blocks of stock in these companies. The Congo Free State did more than just plunder the land and minerals of the Congo, it also exploited the labor force. He turned the Congo into a forced labor camp and a prison state. His company would draft the men living in a town to do all kinds of jobs and would take wives as hostages to ensure that quotas were met. At first, the main export of the Congo was ivory. This changed when the price of rubber skyrocketed because of the rubber boom. Rubber was needed for automobile tires and insulation for power lines. Laborers were needed to harvest the rubber sap from the trees in the jungle. Villages were given quotas; those that resisted were destroyed. Chopping off hands (sometimes penises were cut off) was a method of mutilation introduced by Leopold’s army, the *Force Publique*. Soldiers had to prove that they were not wasting ammunition and had to produce a hand for each bullet fired.

Flogging, executions, cutting off hands were used as ways to get slave laborers to meet quotas (White, 2012: 325-333; Hochschild, 1999). The following quotations describe some of the horrors:

> The Force Publique arrived in a village and began looting it in retaliation for the villagers' refusal to carry out orders. The soldiers then attacked the villagers and seized their women, whom they declared as hostages until the chief could bring in the required quantity of rubber... To add insult to injury, the soldiers sold the women back to their families for the price of a couple of goats apiece…
>
> If they failed to bring the required amount... native troops, many of them cannibals, were sent into the village to spread terror, if necessary by killing some of the men; but in order to prevent a waste of cartridges, they were ordered to bring one right hand for every cartridge used. If they missed, or used cartridges on big game, they cut off the hands of living people to make up the number (British Museum, 2010).

Morel (1906) describing the horrors that occurred in the Congo because of the need for rubber. Sjöblom, a Swedish missionary of the American Baptist Mission, described how villagers who did not make their quota of rubber were killed or had their hands cut off. He personally saw 45 burned towns (Morel, 1906: 47). Morel (1906: 33) provides a picture of a native staring at the remains of his wife and daughter eaten by King Leopold's solders at a cannibal feast. All this was done to produce a product that was called "red rubber." The rubber was "red" from all the African blood spilled to harvest it. The chicotte whip, made of hippopotamus hide, was also used to ensure that workers obeyed orders. A famous picture of a laborer being whipped with a chicotte is available at: <http://congofreestate.wikispaces.com/3+Chicotte+%28Whip%29>.

Léon Fiévez, was a commissioner in charge of one of the districts of the Congo. He bragged of killing 1,300 people and burning down 162 villages. This was done to terrorize the people into working as slave laborers and increasing the production of rubber. He boasted of only using 3,000 cartridges for his mass murders and causing starvation. He was successful and his district produced one ton of rubber per day. He earned his epithet, "The Devil of the Equador" (Bate, 2004). Captain Léon Rom of the *Force Publique* was also quite evil and it was said about him: "Many women and children were taken, and twenty-one heads were brought to the falls, and have been used by Captain Rom as a decoration round a flower-bed in front of his house!" (Hochschild, 199: 345).

There were numerous rebellions by the people of the Congo but they lacked the modern weapons that Leopold's army had access to. One reason it took so long for news of the atrocities to reach Europe was because travel around the Congo Free State was highly restricted. Eventually word did get out thanks to the efforts of Edmund Morel and Roger Casement. Morel was a shipping clerk and noticed that a huge amount of rubber was being exported from the Congo but nothing except ammunition went back to the Congo. He surmised that the laborers were being exploited. It is ironic that Leopold sought moral justification for colonizing the Congo by denouncing the evil of the slave traders working the area. Those slavers were African Muslims who took the captives from Africa to sell in slave markets around the Indian Ocean. Casement, who worked as British consul in central Africa, was asked by the British foreign office to write a report about what was going on. Casement had done extensive traveling in the Congo and knew much of the area. His report revealed the awful atrocities committed by Leopold in the Congo. In 1904, Casement and Morel founded the Congo Reform Association. Leopold fought back and actually bribed several newspaper editors and even hired someone to work as lobbyist for him with Congress. Leopold claimed that what he did in the Congo was his Christian duty (White, 2012: 325-333; Hochschild, 1999).

Ultimately, word leaked out. The Congo Free State came to an end in 1908 when it became clear to the world how badly the people of the Congo had been treated by Leopold. Leopold was forced into selling the Congo to Belgium at an exorbitant price. Under Leopold, the population of the Congo plummeted from 20 million to 10 million. Leopold was responsible for the death of 10 million people. All this was done in the name of greed. It is hard to believe, but there are still statues honoring him in Belgium, although some have been vandalized by people appalled that such an evil person had been honored (Stanard, 2011).

Discussion and Conclusion

King Leopold II took the philosophy of maximizing shareholder value to an extreme. He was a shareholder and wanted the value of his holdings to increase. All he cared about was maximizing his profits and to build up Belgium. To King Leopold, the best way to achieve those goals was to coerce the people of the Congo to work for free. The price of a share of stock rose from ₤4 to ₤335 during his rule. It is not clear how much wealth was sent to Belgium and how much enriched the royal family. For ten years, Leopold had a rubber monopoly. To learn more about Leopold's crimes against humanity, one should view the film, *Congo: White King, Red Rubber, Black Death*, available on YouTube (https://www.youtube.com/watch?v=6_ZH2_pjqLQ).

One might state that Britain under Queen Victoria also committed an immense crime in the name of greed. They turned 12 million Chinese people into becoming opium addicts as a way to improve their trade imbalance. At one point, opium accounted for 15% – 20% of the revenues of the British Empire.

The story of King Leopold II demonstrates the tremendous harm that can be done by greed. Burgo (2015) describes what he refers to as “Extreme Narcissism.” According to Burgo, greed and narcissism are highly related:

> Extreme Narcissists envy and resent people who are wealthier or more powerful than they are, which means that they will do anything to surpass these people and make them feel like losers in comparison. This brings us to greed. Amassing great wealth is another way that the Extreme Narcissist strives to prove himself a winner. But because there will always be someone more successful and wealthier, the Extreme Narcissist is never satisfied. He needs to continue amassing an ever-larger fortune and flaunting it to everyone around him — all those contemptible losers. Soaring executive pay has received a lot of press lately, most of it negative. Scholarly research on the high incidence of narcissists in the corner office has also been in the news (Burgo, 2015).

How would one categorize the robber barons (some saw them as captains of industry) such as J.P. Morgan, Andrew Carnegie, Cornelius Vanderbilt, and John D. Rockefeller that took advantage of laissez faire capitalism and created monopolies and exploited labor? Indeed, there were situations where there were violent confrontations when laborers clashed with detectives hired by management. One of the more violent episodes was the Great Railroad Strike of 1877 which resulted in the death of 100 people (Digital History, 2016). There were many other violent strikes. Jay Gould, one of the robber barons, actually said “I can hire one half of the working class to kill the other half.” As bad as our robber barons were, none committed genocide.

Stiles (2010) discusses the question as to whether we should consider these business leaders as robber barons or captains of industry. He concludes:

> As with workers’ demands for eight-hour laws, agrarian radicals wanted government action. One council of Grangers declared, “We hold that a state cannot create a corporation that it cannot thereafter control.” …
>
> This call for public regulation, even ownership, marks a major shift in politics… Now those on the left embraced government

> intervention as a means of countering the new power of large corporations, which towered over the economy as no businesses had before the Civil War.
>
> It took decades for this kind of regulation—especially federal regulation—to emerge…In a sense, it does not matter whether one sees Vanderbilt and his peers as robber barons or captains of industry; it is the fact that we argue about them as one or the other that matters most. They not only changed the way we live—they changed the way we think (Stiles, 2010).

We continue to see ugly examples of what greed can cause. On April 24, 2013, 1,132 factory workers died in Bangladesh when the 9-story building housing the factory collapsed. The building —Rana Plaza— housed factories that made garments for many manufacturers including Benetton, the Children's Place, and Walmart. More than 300 people died when the Korean ferry MV Sewol capsized; and 124 people died from the General Motors defective ignition switch. Angelo Mozilo, CEO of Countrywide Financial, did not cause the death of millions. Instead, thanks to him, millions of people lost their homes. This is what *Portfolio Magazine* has to say about him:

> Meet the man who made subprime a household word. Once a symbol of self-made accomplishment—a butcher's son who built the largest mortgage lender in the country—Mozilo became blinded by success and began going after the riskiest and most unsavory of borrowers to boost his company's market share. In doing so, he legitimized a sector that would ultimately bring down the economy (Portfolio, 2009).

Kerry Killinger, former CEO of Washington Mutual (WaMu) used adjustable rate mortgages (ARMs) to tempt underprivileged people to borrow huge sums of money and approved almost every mortgage. The people obtaining the mortgages were unaware that the very low payments during the first few years of the mortgage would not continue indefinitely and would eventually balloon. Kerry Killinger made $88 million in compensation between 2001 and 2007 and encouraged these type of sub-prime mortgages. His punishment was paying $275,000 in cash and giving up a claim to his WAMU retirement account of $7.5 million. Killinger and Mozilo did make it to Portfolio magazine's (2009) "Worst CEOs of all Time" list. Their greed did not kill people but destroyed lives. As noted above, the economic scarring resulting from a recession lasts for many years (Irons, 2009).

It is hoped that studying the admittedly extreme case of King Leopold II, a person not motivated by ideology, but only by greed, will finally put an end to the false belief that "greed is good" and will encourage corporate leaders to embrace capitalism built on a moral, virtuous foundation. Adam Smith did get it right: the "invisible hand" of the marketplace together with benevolent corporate leadership would result in great prosperity for all. Greed is not good; self-interest combined with caring for others and benevolence is what is good. Capitalism must be built on a moral foundation for it to work properly. Alex Brigham, executive director of the Ethisphere Institute, which uses a ratings system known as the Ethics Quotient to create a list of the "The World's Most Ethical Companies," maintains:

> … studies show that employees increasingly want to work for an organization that aligns with their own personal values. They are more loyal to such organizations. In addition to providing a competitive advantage in workforce recruitment, many companies also display the designation in their marketing materials to attract customers, particularly in new markets, where the company may not be well-known (Smith, 2013).

Undoubtedly, no CEO today has killed millions of workers (at worst, some have killed numerous jobs and pension plans). Many CEOs, however, have been guilty of extreme greed.
One study conducted by the Economic Policy Institute found that the CEO to average worker pay ratio went from 20 in 1965 to 303:1 in 2014 (Mishel & Davis, 2015). Another study found that American firms have found ways to avoid paying their fair share of taxes to the tune of $111 billion a year. Admittedly, it is difficult to define what "fair" means when it comes to corporate taxation. The official corporate tax rate is 35% but many companies pay considerably less than that by using all kinds of accounting maneuvers. There is concern about the approximately $2.6 trillion kept abroad by American firms – e.g., Apple, Microsoft, Pfizer, and General Electric – in order to avoid paying taxes on foreign income (Cohen, 2016). It is strange that companies in the S&P Top 50 have widely fluctuating average tax rates (this is an average for fiscal years 2006-2015): Boeing paid 7.8%, Amazon paid 12.5%, and Home Depot paid 38.4% (Cohen, 2016). This does not seem fair.

Each dollar spent on lobbying by corporate America resulted in $130 in tax breaks and benefits such as bailouts, federal loans, and loan guarantees worth about $4000 (Kristof, 2016). According to the International Labour Organisation (ILO), 260 million children are employed with 170 million of them engaged in child labour, "defined by the UN as 'work for which the child is either too young – work done below the required minimum age – or work which, because of its detrimental nature or conditions, is altogether considered unacceptable for children and is prohibited'" (Moulds, 2016).

These children work in industries such as textiles and garments to satisfy consumer demand in countries that include the United States and Europe.

Hazelton (2005) stated that the corporation is "unquestionably one of the most important inventions of humanity." Both Marx and Smith agreed that the corporation has produced an unbelievable amount of affluence for people (Hazleton, 2005). In fact, 24 out of the 50 largest economic entities in the world are corporations (Hazleton, 2005). Capitalism has the ability to be a powerful engine for reducing poverty and it works much better than any other economic system. World poverty has been dropping, and between 2001 and 2011, the number of "poor" people (defined as living on less than $2 a day) plunged from 29% to 15% (Cook, 2015). One can imagine what conscious capitalism that focuses on helping all, not just CEOs, can accomplish. According to Pogge, the cost of eliminating global poverty would be $312 billion per year, or 1% of total annual global income (Schweickart, 2008). It is easier to justify contributing 1% of profits towards eliminating world hunger than excessive compensation for CEOs. Drucker understood the importance of the corporation in improving society and asserted:

> None of our institutions exists by itself and as an end in itself. Every one is an organ of society and exists for the sake of society. Business is no exception. 'Free enterprise' cannot be justified as being good for business. It can only be justified as being good for society. (Drucker 1977: 40).

Pope Francis sees capitalism as the problem, not the solution. Actually, conscious capitalism can solve problems such as world poverty and income inequality better than any other economic system. The Pope is right in his description of what a "greed is good" approach to capitalism does to the world.

> [B]ehind all this pain, death and destruction there is the stench of what Basil of Caesarea called 'the dung of the devil'. An unfettered pursuit of money rules. The service of the common good is left behind. Once capital becomes an idol and guides people's decisions, once greed for money presides over the entire socioeconomic system, it ruins society, it condemns and enslaves men and women, it destroys human fraternity, it sets people against one another and, as we clearly see, it even puts at risk our common home (Pope Francis quoted in Huddleston, Jr., 2015).

The Pope is also concerned about income inequality: "Working for a just distribution of the fruits of the earth and human labor is not mere philanthropy. It is a moral obligation. For Christians, the responsibility is even greater: it is a commandment." Actually, the selfish kind of capitalism does not work and has the ability to destroy a society. Jackson (2010) sees the Great Recession of 2008 as a result of a breakdown of morality and lack of virtue and believes that "our thinking needs to be more sensitive to the complexity of the relationship between ethics and economics and more attuned to the importance of trust, truth, and transparency." Government also has to be more honest. Gilens & Page (2014) examine more than 1,800 U.S. policies and asserts that the United States political system does not serve the interest of the majority of Americans. Rather, it serves the needs of special interests such as corporations and the country resembles an oligarchy more than a democracy.

After the Enron debacle, Alan Greenspan, the then-Chairman of the Federal Reserve, declared: "There's been too much gaming of the system. Capitalism is not working! There's been a corrupting of the system of capitalism" (Suskind, 2008). The capitalism that works is based on values such as compassion, truth, trust, and a desire to improve the world.

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Editor's Note: The cartoon of a Congo rubber worker is an altered version created for B>Quest of one drawn by Linley Samboune entitled "In the Rubber Coils," which was published on 28 November 1906. It depicts King Leopold of Belgium as a snake entangling a Congolese rubber collector. It is in the public domain because it was published in the U.K.'s *Punch* prior to 1923.

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