

# “The Talmud and corporate citizenship”

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## The Talmud and corporate citizenship

### Abstract

The Talmud is without doubt the most prominent text of rabbinic Judaism's traditional literature which is replete with precepts that deal with corporate citizenship. Thus the Talmud can be used as a starting point for those who are interested in establishing financially successful companies. This article is based on a literature review of related journal articles and the Talmud. Some of the issues discussed in this article include: Talmud and ecology, caring for the environment, corporate charity, employer-employee relationship, honest weights and measures, community prosperity, buyer-seller relationship, transparency, honesty in business, fraud and theft, and corporate citizenship in the contemporary world. The author concludes that sustainable financial success is guaranteed through corporate citizenship. This article is of benefit to the academia, corporate citizenship advocates and the business community at large.

**Keywords:** Talmud, Torah, Tanach, corporate citizenship, corporate social responsibility.

**JEL Classification:** M14.

### Introduction

The Talmud is without doubt the most prominent text of rabbinic Judaism's traditional literature. Among Jews, of course, the Talmud has been revered, studied, and commented upon over and over again for more than a millennium (Jaffee and Fonrobert, 2007). The Talmud (Oral Torah/Law) literally means "study". The Talmud is the twin of the Torah (written Torah) itself. Both were given to Moses at Mount Sinai. The Talmud is a lengthy commentary on the Mishnah composed in Hebrew and Aramaic. There are two editions of the Talmud the Jerusalem or Palestinian Talmud (*Talmud Yerushalmi*) and the Babylonian Talmud (*Talmud Bavli*). The Talmud is organized into orders, (*sedarim*) and, within the orders, into tractates (*masekhot*) (Jaffee and Fonrobert, 2007). This article is based on the Babylonian Talmud, unless otherwise indicated.

According to Miller (2011) cited in Maune (2015a), the Talmud is a comprehensive term for the Mishnah and Gemara, as joined in the two compilations known as the Babylonian Talmud (6<sup>th</sup> century) and the Jerusalem Talmud (5<sup>th</sup> century). The Mishnah is a fundamental collection of the legal pronouncements and discussions of the Tanna'im (Rabbinic sages), compiled by rabbi Yehudah HaNasi early in the 3<sup>rd</sup> century. The Mishnah is the basic text of the Oral Torah (Maune, 2015a). The Talmud is principally concerned with *halachah* (Jewish law), but it also provides a detailed record of the beliefs of the Jewish people, their philosophy, traditions, culture, and folklore, that is, the *aggadah* (homiletics). The Talmud is also replete with legal, ethical, and moral questions. For a more detailed description of the Talmud, one should refer to Unterman (1971), Friedman (2000), Kahaner (2003), Brackman and Jaffe (2008), and Friedman (2012).

Why the Talmud? The Talmud has always been a book solely for scholars, savants, and researchers and it is considered a significant part of their [Jewish] daily life (Unterman, 1971). Modern commentaries of Jewish law are all based upon the principles of the Talmud. The Talmud has been the cornerstone of the Jewish culture, their creative strength, as well as the backbone of their history (Unterman, 1971; Brackman and Jaffe, 2008). The Talmud has been argued to be the Jewish wisdom for business success (Brackman and Jaffe, 2008). To the Jewish people, the Talmudic literature, as well as the Bible (Tanach), is imbued with the highest of universal ideals, full of love for mankind and human brotherhood.

The whole subject of corporate citizenship revolves around Hillel the Elder's most famous Talmudic saying: "What is hateful to you, do not do to your fellow human, 'that is the whole Torah, and the rest is just commentary'" (Talmud, Shabbos, 31a). A large number of the Torah and Talmudic precepts have dealt much with societal and business related issues. Thus, how business relates with society, that is, corporate citizenship. The Talmud has, in a broader way, discussed issues of corporate citizenship that are applicable to the contemporary business world. Indeed, Rabban Simon ben Gamliel asserts that the world is established on three principles: justice, truth, and peace (Talmud, Avos, 1:8).

Why corporate citizenship in the contemporary world? Corporate leaders began paying significant attention to issues of corporate citizenship during the late 1990s and early 2000s, following waves of anti-globalization protests, critiques of corporate outsourcing practices, fears about climate change and other serious environmental problems said to be, at least, partially created by businesses, and the rise of anti-corporate activism, sometimes, directed at specific companies and, sometimes, at policies of powerful global institutions such as the World Trade Organization (WTO), the World Bank, and the In-

ternational Monetary Fund (IMF) (Waddock, 2012). Advanced communication technologies fueled the ability of activists and other critics to question corporate activities and create increasing demands for responsibility, transparency, and accountability by companies (Waddock, 2012).

In this article, forms of corporate citizenship are explained and discussed from a Talmudic perspective. It is the author's hope that, in some way, this article will be of help to both the academia, governments, corporate citizenship advocates and the business community at large.

## 1. Research methodology

This article was informed by the researcher's inductive epistemological, ontological and axiological logic of reasoning. An inductive approach starts by looking at the focus of the research. It considers the multiple realities, hence, the need to dig deeper for exploration and reconstruction of meaning. The aim of the literature review was to describe and critically appraise studies and articles reporting on the Talmud and corporate citizenship. The review focused on gathering evidence to understand and reconstruct the meaning of corporate citizenship in the Talmud. The literature review was conducted through collecting published electronic journal articles and other relevant documents. The aim was to dig deeper into the text to look for categories or themes in the data that build into rich corporate citizenship ideas. Many different strategies are employed in qualitative research to establish trustworthiness (Krefting, 1991), and this article adopted triangulation to enhance its trustworthiness.

## 2. Talmudic conception of corporate citizenship

The Talmud has debated, dissected, and defined quiet a number of precepts that have a direct or indirect bearing on corporate citizenship, and some of these precepts are discussed and explained below.

**2.1. The Talmud and ecology.** Environmentalists work to protect and improve the quality of life and are concerned with issues that include conservation of resources, pollution control and prevention, protecting endangered species, and control of land use. Many environmental issues that society is confronting today were faced by the ancients. The Pentateuch (the Torah) is an ideal starting point for those interested in raising moral standards for business and society when it comes to all kinds of issues, including the environment, as it provides the proper guidelines from the Creator of the world on how best we can preserve the ecology. Although the world of several thousand years ago was a time when individuals mainly lived in an agricultural society, many of the

ideas of the Torah and the Talmud can be easily extended to our modern industrial society. It is likely that pollution was not a serious problem in Biblical times. Despite this, both the Torah and the Talmud contain many laws that demonstrate the importance of caring for the environment.

The Talmudic sages assert that the role of humanity is to enhance the world as "co-partners of God in the work of creation" (Shabbos, 10a; Sanhedrin, 7). There is a midrash that beautifully expresses the idea that God needs people to help to tend the world:

In the hour when the Holy one, Blessed be He, created the first human being, He took him and let him pass before all the trees of the Garden of Eden and said to him: "see my works, how fine and excellent they are! Now all that I have created, for you have I created them. Think upon this and do not corrupt and desolate My World, for if you corrupt it, there is no one to set it right after you" (Ecclesiastes Rabbah, 7:28).

'Not what man thinks of God is of primary importance, but what God thinks of man [and the environment] and wants him to do', was a favorite saying of the Talmudic sages. The Talmudic sages indicate great concern about preserving the environment and preventing pollution. They state: "it is forbidden to live in a town which has no garden or greenery" (Babylonian Talmud, Kiddushin, 4:12, 66d). Threshing floors were to be placed far enough from a town, so that the town would not be polluted by chaff carried by winds. Tanneries are to be kept at least fifty cubits (a cubit is about half a meter) from a town and are to be placed only on the eastern side of a town, so that odors and pollution would not be carried toward the town by the prevailing winds from the west (see also Babylonian Talmud, Bava Kamma, 30a, 92b; Babylonian Talmud, Bava Bathra, 24b, 25a for further discussions by the rabbis with regards to polluting the environment).

Much of the early Jewish history is closely related to the natural environment. The Patriarchs and their descendants were shepherds. Their work led them into many types of natural settings, including mountains, prairies, wilderness, and deserts. They developed love and appreciation of the natural wonders and beauty. Many Jewish prayers extol God for His wondrous Creations. In the morning, religious Jews say a prayer to thank God for the new day. The sensitivity of the Torah to environmental cleanliness is illustrated by the law in Deuteronomy, 23:13-14, which commands disposal of sewage, even in wartime, by burial in the ground, not by dumping into rivers or littering the countryside. For other discussions by the Talmudic rabbis pertaining beautifying

and appreciating the environment see also Babylonian Talmud, Arachin, 33b, Babylonian Talmud, Bava Bathra, 24b, Babylonian Talmud, Berachos, 43b, 54a, Babylonian Talmud, Kethubos, 112a-112b, Babylonian Talmud, Taanis, 5b-6a, 23a, Babylonian Talmud, Rosh Hashonah, 2a, Babylonian Talmud, Gittin, 32a, 34b, 40b, 41b, 45a, b and Babylonian Talmud, Tamid 29a-29b.

The Talmudic rabbis contented with the verse in the Torah, Genesis, 1:29 that God never wanted people to eat meat because of the cruelty involved; people should not kill any living thing and fill their stomachs by destroying other life. According to the rabbis, the Torah (Deuteronomy, 12:20) teaches a lesson in moral conduct that man shall not eat meat, unless he has a special craving for it ... and shall eat it only occasionally and sparingly. Although the Torah states that people are to have "dominion over the fish of the sea, and over the fowl of the air, and over every living thing that creeps upon the earth" (Genesis, 1:28), there is to be a basic relatedness, and the rights and privileges of animals are not to be neglected or overlooked. The author of Psalms also pictures God as "satisfying the desire of every living creature" (Psalms, 145:16), "providing food for animals and birds" (Psalms, 147:9), and, in general, "preserving both people and animals" (Psalms, 36:7). The Babylonian Talmud, Shabbos, 77b describes God providing animals with the attributes necessary for survival in their environment. Perhaps, the Jewish attitude toward animals is best summarized by the statement in Proverbs, 12:10: "the righteous person regards the life of his or her animal". The Talmud is a more explicit and specific source of laws involving compassion for animals. It also provides examples of kindness to animals by Biblical heroes, who include Moses, David, Rebecca, Jacob, Noah. Noah was called a *tzaddik* (righteous person) because of his extraordinary care of the animals on the ark. He was careful to feed each species its appropriate food at the proper time. Indeed, the midrash tells us that Noah did not sleep due to his continuous concern for the welfare of the animals. The Torah explicitly designates only one other personality, Joseph, as a *tzaddik*. In times of crisis, they both provided food for humans and animals. The Talmud is also replete with stories and passages on the Jewish tradition related to compassion for animals (see also Babylonian Talmud, Shabbos, 128b; Sanhedrin 56a-b; Berachos, 40a; Bava Metzia, 85a, for discussions by the Talmudic rabbis involving treatment of animals).

The sages of the Talmud believed that every creation has a purpose and "Of all that God created in His world, He did not create one thing that is use-

less" (Babylonian Talmud, Shabbos, 77b). This idea is evident when one reads the story of Noah. God instructed Noah to save all species (Genesis, 6:19): "And of every living thing, of all flesh, two of every sort shall you bring into the ark to keep alive with you; they shall be male and female". All species would be saved, as all were useful and each had its own place in the universe. It demonstrates how snails, flies, hornets, gnats, snakes, spiders, and scorpions have a purpose. The Talmud demonstrates the value of all living creatures by showing that people can learn from them. The Talmud states (Babylonian Talmud, Eruvin, 100b): "If the Torah had not been given, we would have learned modesty from a cat, not stealing from an ant, sexual chastity from a dove, and conjugal manners from a rooster". A similar idea is expressed in Proverbs (6:6): "Go to the ant, you sluggard; see its ways and be wise".

Modern agricultural methods related to meat production are considered a prime cause of the environmental crises facing the United States and much of the world today (Schwartz, 2001). According to Schwartz (2001), vegetarianism is an essential component of the changes necessary to reduce global environmental threats.

**2.2. Caring for the environment.** The idea that everything, including the environment, belongs to God, and that one of mankind's job is to act as its caretaker, plays a large role in how the Talmudic rabbis viewed the world's resources (Kahaner, 2003). Ecclesiastes Rabbah (7:13) states that "God said to Adam: 'everything you see I created for your sake. See to it that you do not spoil and destroy the world, for if you do, there will be no one to repair it after you'". One of the hallmarks of Talmudic environmental beliefs is that what someone does in one place has an effect on someone else, no matter how much distance is between them (Kahaner, 2003). Traces of radioactivity from the Chernobyl nuclear plant accident were found in the milk of cows grazing in Scandinavia (Kahaner, 2003). The Torah states (Deuteronomy, 20:19) that "When you besiege a city for many days to wage war against it to seize it, do not destroy its trees by swinging an axe against them, for from it you will eat, and you shall not cut it down; is the tree of the field a man that it should enter the siege before you?" Even during this time of extreme urgency, soldiers were expected to take into account the need to spare the fruit trees and use another kind of tree for this task (Kahaner, 2003). The Midrash, Genesis Rabbah (13:3), summarily states that three things are of equal importance: earth, humans and rain. The Talmudic rabbis understood the interconnection of everything on the earth. That is why the Creator of the world had appointed man as a caretaker of the earth's environment.

The Talmudic rabbis discussed extensively issues pertaining to air, water and noise pollution. The ancient rabbis were aware of which businesses caused air pollution, and they made sure to keep them away from population centers. The rabbis did not allow smokestacks in the city of Jerusalem (Kahaner, 2003). The Talmud states (Bava Kamma, 82b) “No kilns be kept there” – on account of the smoke”. The rabbis, according to Kahaner (2003), had seen other cities damaged by smoke and soot and did not want Jerusalem to become polluted. All these were signs for caring for environment.

**2.3. Corporate charity.** Many companies have developed programs to help the indigent and the needy. Rabbi Akiva<sup>1</sup> regarded wealth as a long-term debt to God, which is paid off by living a righteous life. In this vein, wealthy people and businesses are expected to act as trustees for their riches and use this wealth to alleviate suffering. The acceptance that there will always be both rich and poor in the world makes charity imperative (Kahaner, 2003). To the Talmudic rabbis, charity was not solely an act of kindness or compassion; it was also an act of justice. They saw charity as a legal obligation that must be performed by all individuals and businesses. The Hebrew word for charity is *tzedakah*, from the word *tzedek*, which means “just”, as in the word justice. According to the Talmud, giving charity is not an act of love, but an act of justice, a way of adjusting the playing field that moves the universe toward fairness. According to Kahaner (2003), the Talmudic rabbis also discussed the importance of self-interest, because they believed it to be a prime factor in business success, in general, and in leadership, in particular. The rabbis had in mind what Adam Smith, in 1776, termed the “enlightened self-interest”, which urges leaders to strive for profits for the benefit of society, but without hurting others in the process.

By many Talmudic accounts, charity is the strongest force in the universe. The sages considered it more powerful and more important than all the sacrifices ever brought to the temple<sup>2</sup>. The Talmud states (Avos, 2:8) that “He who increases *tzedakah* [charity], increases peace. This teaching that *tzedakah* fosters peace may be based on the Torah (Isaiah, 32:17); “And the doing of *tzedakah* shall bring peace”. Righteous and charitable deeds bring about peace in the social order. The Talmud (Bava Batra, 10a) states that “Great is charity, for it brings near Israel’s deliverance, as is said: “Keep ye justice, and practice charity, then, My deliverance will be near to come” (Isaiah, 56:1). Isaiah condenses the 613

commandments of the Torah into these two commandments: observe justice and practice charity (perform righteousness). One who distributes charity is beloved and, thus, promotes peace among people; even one who advises others to give charity is looked upon favorably. The effort to achieve righteousness and charity will bring forth peace and security forever. The Rambam<sup>3</sup> (Matanos Aniyim, 10:1) states: “A person will never become impoverished from giving charity, nor can any harm result from it, as it says, the product of charity is peace”. The Talmud (Bava Batra, 9a) states that “charity is equal in importance to all other commandments combined”. The Torah (Proverbs, 10:2) states that “charity delivereth from death” – not merely from unnatural death, but from death in any form<sup>4</sup>. The sages of the Talmud in the school of rabbi Ishmael taught: Whoever shears off part of his possessions and dispenses it as charity is delivered from the punishment of Gehenna. A parable of two ewes, one shorn and the other unshorn, crossing a body of water: the shorn one gets across; the unshorn one does not (Bialik and Ravnitzky, 1992)<sup>5</sup>.

The Talmud institutes ten percent of one’s net income as a minimum donation, and places an upper limit as well. The Talmud states (Ketubot, 50a) that “one who wishes to donate [generously], should not give more than a fifth of his income, lest he himself come to be in need of charity”.

The issue of corporate charity was summed up by Hillel the Elder when he said: if I am not for myself, who will be for me? And if I am only for myself, what am I? And if not now, when? Aside from the matter of self-interest stated here, Hillel the Elder was calling for people to conquer the temptations of being selfish. This matter of self-interest poses a great challenge to organizations that are caught in between satisfying their employee needs, as well as the community needs.

**2.4. Employer-employee relationship.** The Talmudic sages encouraged people to be hard-working. They taught four things that have to be industriously completed: Torah study, performance of good deeds, prayer, and performance of one’s occupation (Berachos, 32b). Whenever he went to the academy, rabbi Yehudah would carry a pitcher on his shoulders and say “Great is labor, for it honors the worker” (Nedarim, 49b). The Psalmist declares “When you eat the labor of your hands, you are praiseworthy

<sup>1</sup> Rabbi Akiva Ben Yosef (c. 40-135 C.E.).

<sup>2</sup> Talmud Sukkah, 49b.

<sup>3</sup> Rambam – “Maimonides,” Rabbi Moses Ben Maimon (1135-1204) born in Spain before moving to Egypt.

<sup>4</sup> Talmud Bavli, Shabbos, 156b.

<sup>5</sup> Her unshorn wool absorbs so much water that its weight pulls her under and drowns her.

thy<sup>6</sup>, and it is well with you” (Psalms 128:2).

The Talmud (Kiddushin, 22a) interprets the verse “because he fares well with you” (Deuteronomy, 15:16) to mean the servant must have the same living standard as the master: “[the servant] must be equal to you in food and drink; you should not eat refined bread and he eat coarse bread, you [should not] drink old wine and he drink new wine, you [should not] sleep on a mattress and he on straw”. The Talmud concludes that one who procures a servant acquires a new master for himself! Many scholars have noted that the rules applying to slaves would certainly apply to employees. Thus, treating employees poorly is prohibited. The Talmud (Berachos, 5b) tells a story that once rabbi Huna suffered great financial loss when four hundred jars of his wine turned sour as a result of treating employees poorly.

The Torah in Leviticus (19:13) says: “You shall not cheat your fellow and you shall not rob; a worker’s wage shall not remain with you overnight until morning<sup>7</sup>”. Employers must pay employees on time. Withholding payment due to workers is a violation of the Torah law. The Talmud (Bava Metzia, 112a) states that “Whoever withholds an employee’s wages, it is as if he has taken the person’s life from him”. The Talmud (Bava Metzia, 111b) extends this law to all kinds of payments owed, including various types of rental fees. Firms that are late in paying their landlords or suppliers violate this law. The importance of paying workers on time can be seen from the episode related in the Talmud (Bava Metzia, 83a).

The Torah (Deuteronomy, 23:25-26) gives a field worker the right to eat the produce he cultivates. Surely, an ethical employer, especially one in the food business, should allow workers to take a reasonable amount of food for them. Interestingly, many hotels allow employees to get all their meals free while working, but do not allow them to pack up food to bring home (see Bava Metzia, 83a for a related story).

The employee-employer relationship is very critical for business success and the community, as evidenced by the above classical Talmudic discussions and examples. It must be a win-win relationship. The concepts of corporate citizenship emphasize a company’s willingness to assume social responsibility, and include components such as its attitude towards human rights, the needs of its employees and suppliers, and commitment to social issues (Kopp and Richter, 2007).

**2.5. Honest weights and measures.** The Torah is very much concerned with honest weights and measures. The Torah states (Leviticus, 19:35-36): “You shall not commit a perversion in justice<sup>8</sup>, in measures of length, weight, or volume. You shall have correct scales, correct weights, correct dry measures, and correct liquid measures – I am Hashem, your God, Who brought you forth from the land of Egypt”. One is not permitted to own an inaccurate weight or measure (Deuteronomy, 25:13-16): “You shall not have in your pouch a weight and a weight – a large one and a small one. You shall not have in your house a measure and a measure – a large one and a small one. A perfect and honest weight shall you have, a perfect and honest measure shall you have, so that your days shall be lengthened on the Land that Hashem, your God, gives you. For an abomination of Hashem, your God, are all who do this, all who act corruptly” (Bava Metzia, 61b). This is why shopkeepers were instructed to wipe their weights once a week and clean their scales after every weighing (Bava Batra, 88a).

The Talmud further states that “The punishment for measurements is [even] more severe than the punishment for promiscuity....” The Talmud is so concerned with honest measures that the sages even prohibit vendors of liquids from pouring a liquid rapidly from a great height. Since foam is generated, the consumer ends up with less liquid. In addition, market commissioners were appointed to oversee businesses using weights and measures (Bava Batra, 89a). For example, the strict Talmudic attitude towards maintaining accurate weights and measures counters society’s lenient view with respect to “shortchanging” clients and “cutting corners”. One major form of theft or monetary exploitation regarded by Talmudic law is “overcharging”. There are three degrees of overcharging, as cited in Tamari (1991).

**2.6. Community prosperity.** Businesses have a unique obligation to help the poor because of their often superior financial position in the community. In Talmudic times, when landowners harvested their fields, they were obligated to leave the corners alone (Deuteronomy, 24:19-21). They were also not permitted to go back and pick up fruits or vegetables dropped along the way during harvesting, as in Ruth (2:9) which states that “Keep your eyes on the field which they are harvesting and follow after them”. The leavings were for the poor people in the community. The Torah (Deuteronomy, 24:19-21; Leviticus, 19:9-10) discusses about gifts to the poor from the harvest. The emphasis here is to take care for the proselyte, the orphan, and the widow of the commu-

<sup>6</sup> Scherman (2013). Tanchuma, Vyeitzei.

<sup>7</sup> Scherman (2013). 19:13 (Rashi; Sifra).

<sup>8</sup> Scherman (2013). Leviticus, 19:35-36.

nity, so that Hashem, God, blesses one's handiwork. The Torah (Leviticus, 19:9-10) states that "When you reap the harvest of your land, you shall not complete your reaping to the corner of your field, and the gleanings of your harvest you shall not take. You shall not pick the underdeveloped twigs of your vineyard; and the fallen fruit of your vineyard you shall not gather; for the poor and the proselyte shall you leave them – I am Hashem, your God".

The Talmud teaches of *chesed* (good deeds). According to the Talmud, the essence of *chesed* is to be aware of people, animal, and plant needs around, and to perform a good deed when the opportunity arises. The Talmudic rabbis taught: *Gemilut chesed*<sup>9</sup> (loving-kindness) is greater than charity in three ways. Charity is done with one's money, while loving-kindness may be done with one's money or with one's person, for example, spending time with a sick person. Charity is given only to the poor, while loving-kindness may be given both to the poor and to the rich, for example, consoling one who is in mourning or depressed. Charity is given only to the living, while loving-kindness may be shown to both the living and the dead, for example, by arranging a proper burial for a person who died indigent (Sukkot, 49b). Man is, therefore, obligated to honor his fellowman and shower him with *chesed*, for by so doing he is honoring God. He must be careful not to embarrass or abuse another person, for by so doing he is slighting God<sup>10</sup>.

The Talmudic rabbis considered God to be the original exemplar of acts of loving-kindness; the Torah (Deuteronomy, 13:5) commands people to walk in His ways. The Torah states (Genesis, 3:21, Genesis, 18:1, Deuteronomy, 34:6; Genesis, 25:11) that: God clothed the naked, visited the sick, buried the dead and comforted mourners, respectively (Sotah, 14a).

Kahaner (2003) states that successful companies focus on pleasing customers, respecting employees, and producing excellent products and services.

**2.7. Buyer-seller relationship.** Talmudic law requires that the seller informs the buyer of any hidden defects in the merchandise. Sales made under false pretenses, for example, by hiding a product defect, would be null and void. Two classic cases are discussed in the Talmud. One case involves an individual who sells fruit without specifying whether the fruit is to be used for eating or seed. The buyer, who purchases the fruit for its seeds, plants the seeds and, then, finds out that the seeds are sterile.

The seller's argument was that he sold the fruit for eating and not for the seeds. The other classic case involves an individual who buys an ox and, then, finds out that the ox is a gorer and, thus, unsuitable for plowing. The seller claims that he sold it for meat. The above cases are situations in which the seller distributes both types of products, for example, oxen for plowing and oxen for meat. If, however, a seller only sells one type of product and clearly is trying to deceive a blameless customer, there is no question that this is a violation of the Biblical law.

One is not permitted to deceive others under any circumstances. The Talmud prohibits various kinds of deceptions in selling, including the following: painting animals or utensils to fool prospective buyers into thinking they are younger or newer; or deceiving potential customers by placing the better quality merchandise on top of the bin (and the lower quality merchandise on the bottom) to make it appear that the merchandise is of uniformly high quality throughout. The law against deception is relevant even in marriage, that is, one party can claim *mekach taos* (transaction under mistaken assumption), if the other party has a hidden defect. The discovery of a bodily defect in a spouse can annul a marriage; this kind of marriage is voidable. Evidently, the Talmud considers any type of deception or dishonesty to fall under the Biblical prohibition against stealing, denying falsely, or lying.

The Talmud states that there is a clear distinction between fraudulent and legitimate business practices: Whatever one does to show the buyer the true value and beauty of an item, is a fair and honest effort. However, whatever [is done] to conceal its defects is fraudulent and prohibited. This, according to the Talmud, is a fundamental rule in the workings of business ethics (Luzzatto, 2009).

**2.8. Transparency.** The Torah (Numbers, 32:22) says "And you shall be innocent before God and Israel". This verse is used by the Talmud (Yoma, 38a) to derive the principle that it is not enough for one to know that one's actions are proper in God's eyes. One must also act in such a way as not to engender suspicion on the part of human beings. Conflicts of interest, of course, cause people to be suspicious of one's actions and this is not permitted. Demonstrating the importance of keeping honest records, the Torah (Exodus, 38:21-31) enumerates the amount of gold, silver, and copper used in the construction of the Tabernacle. Moreover, the Torah (Exodus, 38:21) informs us who was ultimately responsible for guaranteeing that accurate records were kept: "These are the accounts of the Tabernacle, the Tabernacle of the Testimony, as they were calculated according to the commandment of Moses..."

<sup>9</sup> Chofetz Chaim defined *gemilut chesed* as "any good deed that one does for another without getting something in return" (Ahavat Chesed).

<sup>10</sup> Sparks of Mussar, page 153 by Chaim Ephraim Zaitchik.

Moses wanted to show everyone that he was acting in such a way, so that no one would be suspicious of him and to make evident to the Israelites that no precious metals were diverted for anyone's personal use. Thus, he commanded others to audit the books.

The Sidrah begins with a detailed listing of the amounts of gold, silver and copper that were contributed for the construction of the Tabernacle. Despite the fact that metals were deposited with Moses and were under the supervision of Bezalel, people whose greatness and integrity were indisputable, known to the people, and attested to by God, Moses would not rely on assumptions. Leaders must be beyond reproach and must keep accounts of the funds that pass through their hands. Today, we would refer to this as transparent accounting records. Moses gave a complete reckoning to the Jewish people of what their donations had been used for. Financial transparency is essential for all organizations and, especially, those that are supported by the community.

The Talmud (Pesachim, 13a) states that the overseers in charge of the soup in the kitchen were not allowed to purchase surplus food when there were no poor people for whom to distribute it. Surpluses were only allowed to be sold to others so as not to arouse suspicion that the charity overseers were profiting from public funds. The Talmud (Yoma, 38) relates how the family of Garmu, that made the showbread for the Temple, was especially careful to be above suspicion. Their children were never seen with fine bread. Brides from the family of Abtimas never wore perfume, since this family made the incense for the Temple. In the contemporary world of business, Enron provides an example of ethical erosion (Sison, 2007).

**2.9. Honesty in business.** The Talmud (Shabbos, 31a) states that: "The first question an individual is asked in the afterlife at the final judgment is: 'Were you honest in your business dealings?'" This statement on its own demonstrates the importance of honesty in business dealings. In fact, all that the Holy One blessed be He desires, is honesty, as it states (Psalms, 31:24): "The Eternal safeguards the honest." And it says (Isaiah, 26:2): "Open the gates and let the righteous nation enter – they have waited trustingly" and (Psalms, 101:6): "My eyes are upon the faithful of the land, that they may dwell with me; he who walks the way of perfect innocence, he shall serve me", and (Jeremiah, 5:3): "Surely, your eyes are toward those who are faithful". "Whoever conducts his business dealings honestly is liked by humankind, and it is considered as though he observed the entire Torah" (Mehilta, Exodus, 15:26). Rabbi Shimon Ben Gamliel, in Avos (1:18), states that: "The world endures on three principles: truth, justice, and peace".

"One who wishes to become pious must be scrupulous in observing the laws dealing with damages and torts" (Bava Kamma, 30a).

The Talmud states that rather eat vegetables and fear no creditors than eat duck and hide (Pesachim, 114a). The rabbis made this statement several times in different ways. It calls on companies and individuals not to spend beyond their means. Once in debt, you are always fearful of creditors and the humiliation that being in debt can bring (Kahaner, 2003). Obeying the strict letter of the law is not enough. The Talmud says that Jerusalem was destroyed, for not doing more than the law required (Bava Metzia, 30b). This idea is brought out in the story of Kamtza and Bar Kamtza, which is told in the Talmud (Guitin, 55b). The Talmud uses the term "the way of the pious" to describe the highest form of ethical behavior. A businessperson who leads his or her life according to this standard would rather sacrifice time and money before exploiting another's misfortune (Friedman, 1985). This calls for ethical business practice.

According to Sims and Brinkmann (2003) in reference to the case of Enron, business ethics means a question of organizational "deep" culture rather than of cultural artifacts, like ethics codes, ethics officers and, the like. Enron was not honesty in business, as it exaggerated its earnings through recognizing gains on the sale of assets to SPVs.

**2.10. Fraud and theft.** The Talmud's views towards fraud and theft go beyond those of contemporary business ethics thought. Besides acknowledging the rational and logical requirement of honest dealings within the marketplace, the Talmud looks at monetary dishonesty as a transgression against God's will. Regarding stealing, many prohibitions have been stated in reference to it in the Torah: "You shall not steal" (Exodus, 20:13), "Nor may you rob" (Leviticus, 19:13), "You shall not oppress" (ibid.), "Nor may any man [among you] make a false denial" (Leviticus, 19:11), "Or lie against his fellowman" (ibid), "You must not cheat one another" (Leviticus 25:14), "You must not move back the border of your fellowman [s field]" (Deuteronomy, 19:14). Such activities lead to Divine retribution (Tamari, 1991).

The Talmud (Bava Batra, 88b) says: "Stealing from a human being is worse than stealing something that is consecrated [for use in the Beis HaMikdash<sup>11</sup>], for, when referring to the former, [the Torah] speaks first of 'sinning' and only afterwards does it mention 'misappropriation' [while, when referring to the

<sup>11</sup> Temple.



latter it speaks first of ‘misappropriation’ and only then does it mention ‘sinning’]. Theft requires not only restitution, but also repentance before God (*teshuvah*), and may result in an individual becoming ineligible as a witness (Tamari, 1991).

The Talmud (Bava Kamma, 119a) says: “Whoever steals from another, even [something] worth only a prutah, it is as if he has taken his life”. [From here] one sees the severity of this sin even with regard to small amounts. The Talmud further states (Taanit, 7b) that “The rains are withheld only because of the sin of stealing”. The Torah (Leviticus Rabbah, 33:3): “[In] a basket full of transgressions, which sin is the most incriminating? The sin of stealing!” And it was the sin of stealing that finally condemned the generation of the Flood to such harsh punishment (Sanhedrin, 108a).

### 3. Corporate citizenship in the contemporary world

Waddock (2012) defines corporate citizenship, which is sometimes called corporate responsibility, as the ways in which a company’s strategies and operating practices affect its stakeholders, the natural environment, and the societies where the business operates. In this definition, corporate citizenship encompasses the concept of corporate social responsibility (CSR), which involves companies’ explicit and mainly discretionary efforts to improve society in some way, but is also directly linked to the company’s business model in that it requires companies to pay attention to all their impacts on stakeholders, nature, and society. Corporate citizenship is, in this definition, integrally linked to the social, ecological, political, and economic impacts that derive from the company’s business model; how the company actually does business in the societies where it operates; and how it handles its responsibilities to stakeholders and the natural environment. Corporate citizenship is also associated with the rights and responsibilities granted to a company or organization by governments where the enterprise operates; just as individual citizenship carries rights and responsibilities, however, companies have considerably more resources and power than do most individuals and do not have the right to vote (Waddock, 2012). For the most widely accepted and referred definition to conceptualization of CSR found in the business and management literature

is that of Archie Carroll (1979 & 1991) cited in Matten and Moon (2007), who sees CSR as a construct relating to four different areas of business-society relations, that is, economic, legal, ethical and philanthropic responsibilities. Matten and Moon (2007) further provide a more detailed conceptual framework for understanding CSR. A plethora of other definitions and views on CSR have been suggested and discussed over the years, but Carroll’s definition captures, probably, the lowest common denominator of CSR (Matten and Moon, 2007). For evidence of more implicit and explicit CSR in Europe, see Matten and Moon (2004).

The term corporate citizenship, as applied to companies’ core business practices, strategies, and impacts, became popular particularly in the European Union in the mid-1990s, but has been in use at least since the 1950s decades, after the Talmudic rabbis had extensively discussed, dissected and explained the precepts of corporate citizenship. The corporate world, however, is encouraged to borrow some of the precepts on corporate citizenship from the Talmud.

The contemporary world has also witnessed quite a number of billionaires, that is, individuals, as well as companies, giving their fortunes towards charity. This is in line with the Talmud dictates.

### Conclusion

The Talmud is without doubt the most prominent text of rabbinic Judaism’s traditional literature. Among rabbis, of course, the Talmud has been revered, studied, and commented upon over and over again for more than a millennium. The Talmud considers corporate citizenship to be based on the precepts of the Torah. Although the ultimate goal of any business should be profit, the most successful companies have heeded the Talmudic lessons and do not focus on money for money’s sake. They think of money as a vehicle for furthering their objectives: the good deeds of research, greater employment, and community and global prosperity. Professor Louis Kaplan, formerly of the Baltimore Hebrew College, has noted the Hillel the Elder’s choice of words in his saying: “If I am not for myself, who is for me? And if I am only for myself, what am I?” suggests that a person who is concerned only with himself or herself ceases to be a “who,” and becomes instead a “what”.

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