



FONDAZIONE CENTESIMUS ANNUS
PRO PONTIFICE

CENTESIMUS ANNUS PRO PONTIFICE FOUNDATION 2017 STATEMENT

CONSTRUCTING ALTERNATIVES TO PROMOTE HUMAN DIGNITY

THE POPE'S BRIEF

In his address of May 13th, 2016, Pope Francis asked the Centesimus Annus pro Pontifice (CAPP) Foundation¹ to “*contribute to generating new models of economic progress more clearly directed to the universal common good, inclusion and integral development, the creation of labour and investment in human resources*”.

Translating these aims into practice requires changes in economic behaviour and personal commitment at various levels, from political institutions to business management, to workers and consumers. Such changes question underlying attitudes, as the Church consistently does in Catholic Social Thought, namely the prevailing utilitarian, positivistic, or emotive versions of ethics or, at another level, the idea of ‘shareholder value’ as a sufficient goal to ensure on its own that the economy will work for the common good. Questioning moral attitudes is ever more urgent in the context of a digital economy, which offers new possibilities for inclusion but also poses new ethical challenges. As the Popes tirelessly repeat for more than 125 years, the dignity of all human persons must be the true compass in this search. And the message can be understood and shared by Christians and non-Christians alike.

The Centesimus Annus pro Pontifice Foundation addresses people who are active in economic life. Within our brief, it is useful to contrast moral exhortations with the analysis made by academic experts and with the experience of professionals, thereby contributing a dimension of feasibility to the search for alternative models.

In the last two years, the Foundation has focused its work on three main themes. All of them offer possibilities to focus on constructive alternatives:

- *Business initiative in the Fight against Poverty*
- *A Digital Economy at the Service of the Common Good*
- *New alliances in the search for Inclusive Economic Reforms.*

¹ The Centesimus Annus pro Pontifice Foundation is a Vatican based, lay-led platform on Catholic social teaching applied to social and economic life. This statement is based on the Foundation’s recent activities and was approved by its Board on March 3, 2017. More details on www.centessimusannus.org.

1. BUSINESS INITIATIVE IN THE FIGHT AGAINST POVERTY²

*“To enable these real men and women to escape from extreme poverty, we must allow them to be dignified agents of their own destiny. Integral human development and the full exercise of human dignity cannot be imposed. They must be built up and allowed to unfold”.*³

Economic growth and a market embedded in institutions and social relations are the only contexts in which poverty has been effectively reduced in large numbers. But this is not enough: there are permanent demands of human development which economic growth does not solve by itself.⁴ We need better measurement and better understanding of poverty. A process of human and participative development is best served by autonomous and responsible entrepreneurial initiative.

- Poverty is not adequately measured by income figures. The experts are the poor themselves, and what is measured should match their experience of multidimensional, overlapping deprivations. The CAPP Foundation wishes to support research and recognition of new methodologies like, for example, the Fordham Francis Index (FFI) developed by Fordham University’s International Political Economy and Development Program. This is based on the Holy Father’s priorities and includes seven easily accessible indicators: water, food, housing, employment, education, gender equity and religious freedom.
- The real alternative to bureaucratic utilitarian approaches is a person-based path, internally fostered by entrepreneurship, and effectively helped from outside. The aim should be to promote small- and medium-sized enterprises, which are the bone of developed economies. In this process, profit is not to be considered an evil in relation to poverty reduction. Poor people are poor because they are excluded from networks of productivity and exchange. Small business owners should be supported on the way to reach critical mass; credit and government policies should aim at this wealth-creating process, not just at mitigating poverty.
- Business in general is responding to ethical responsibility towards the poor through philanthropy projects, and this is both positive and necessary for certain activities, which need ongoing subsidies. But more creatively, a growing number of companies and financial institutions are using their own business models to contribute to poverty reduction as well, particularly for the promotion of entrepreneurship, small business development, affordable housing and the support of women’s groups. Good practice of this kind must be known and extended.
- There are possible ways to share risk by working together across corporations and banks in development impact investment projects designed in dialogue with the parties involved. In the light of the social teaching of the Church, there is need for ‘goodwill brokers’, *mediators rather than intermediaries*⁵, who can bring together corporations and banks with local initiatives and development groups. Church

² From debates held at the Vatican CAPP international conference, Vatican, May 2016 and at the CAPP-USA/Fordham University conference, New York City, September 2016

³ Pope Francis, *Meeting with the Members of the General Assembly of the United Nations Organization*, 25 September 2015

⁴ Centesimus Annus pro Pontifice Foundation, 2015 Statement, *A Reformed Market Economy: Entrepreneurship for Human Development*

⁵ Interview with Pope Francis, *El País*, January 22, 2017

members can lend institutional strength, credibility, knowledge and unbiased generosity to these contacts.

- The refugee crisis and the fight against human trafficking requires specific action. But the long-term objective should be, as indicated by Pope Francis, “*to defend each person’s right to live with dignity, first and foremost by exercising the right not to emigrate and to contribute to the development of one’s country of origin*”.⁶
- Income inequality, even in developed countries, implies threatening vulnerability for many persons and families. To help people helping themselves and avoid falling back into poverty, we need to foster new sharing initiatives involving a larger number of people, especially within the Church. This is the idea behind the *Voluntary Solidarity Fund* network, which is being set up as a follow-up to debates held in several CAPP Foundation instances.

2. WORK AND WAGES IN DEVELOPED ECONOMIES: DIGITAL TECHNOLOGY, FEAR OF JOB LOSS AND EDUCATION⁷

*“Work should be the setting for this rich personal growth, where many aspects of life enter into play: creativity, planning for the future, developing our talents, living out our values, relating to others, giving glory to God. It follows that, in the reality of today’s global society, it is essential that we continue to prioritize the goal of access to steady employment for everyone, no matter the limited interests of business and dubious economic reasoning”.*⁸

Decent work is a vital part of human development. Nowadays, industry, commerce and financial activities as well as public institutions face deep challenges and opportunities in the context of digitization and ‘big data’. These transformative innovations offer great potential for inclusive finance and economic development, but they also pose challenges about the future of jobs. And they raise a range of new ethical questions relating to truth in communication, extreme time pressure, uncertainties about the future of meaningful work, lack of interpersonal relations and the question of moral agency in machine driven self-learning processes. The strength and effects of the underlying *technology imperative* are difficult to discern: technology is a means, but sometimes it is not easy to distinguish the ends it pursues. Church groups need to update their thinking on the legitimacy of the *technology imperative* and on the ethical issues typical of hyper-connectivity.

A full picture of the present digital revolution on jobs will not emerge until new technologies are standardized and consolidated. As ‘robots and computers are eating jobs’, we need a serene analysis about jobs disappearing and others emerging, taking history into account, and without cultivating utopian proposals of universal income and the ‘end of work’, which would undermine human dignity and freedom. We also need to identify the existing obstacles to change, whether legal, managerial or educational: lay-offs sometimes are not caused by technology, but are the consequence of changes in consumer behaviour or the price paid for past mismanagement. The Church has an important role to play in

⁶ Message for the World Day of Migrants and Refugees 2016

⁷ From debates at the CAPP/Civiltà Cattolica Italian conference, Rome, November 2016 and at CAPP/Universidad Pontificia Comillas/BBVA consultation, Madrid, January 2017

⁸ *Laudato sí*, 127

educating consumer choice. Digitization needs to be seen together with demographics and intergenerational tensions. There are also some positive signs of a new work mentality, still the fact of a small minority, where flexibility is seen as an opportunity for autonomous and meaningful community-oriented activities.

- The public sector, both as regulator and as sponsor of many technical developments, has a role to play in influencing the direction and the pace of technical change so as to minimize its negative effects on employment and working conditions. The debate in the field of education, social safety nets, public and private policies in the digital era also requires a new start in the dialogue among employers and workers. Catholic Social Thought could offer a platform for such free and constructive dialogue among social partners.
- We support transparent, co-operative use of ‘big data’ technology for common good purposes: for instance for inclusive finance, better sectorial risk management, protection against natural catastrophes, well-functioning job markets, international business relationship developments.
- Education policies need to revalue the prestige of professional vocational training. Financial support should go to practical educational institutions. Corresponding bridging possibilities towards university should be available for those academically most gifted.
- Permanent education of workers is an essential business responsibility as a way to allow a balance between flexibility and security.
- Portability of welfare rights and the principle of contribution are essential to continue shifting protection from jobs towards the working person.
- Managers and workers should join efforts to monitor the digital environment in a way that promotes knowledge and a sense of purpose.
- New ways of combining public and private initiative are necessary to address the possibilities of the unemployed (young and old) to find employment. Personal care activities need to be re-valued and better paid.

3. NEW ALLIANCES FOR CHANGE⁹

*“I urgently appeal, then, for a new dialogue about how we are shaping the future of our planet. We need a conversation that includes everyone, since the environment challenge we are undergoing, and its human roots, concern and affect us all”.*¹⁰

The Holy See exercises through its teaching and through diplomatic action a permanent role as world-wide moral authority. For instance, on the question of *“populations and entire regions being displaced, trying to flee from war, from persecution, from exploitation and poverty, (...) the Holy See will continue to encourage Governments to overcome every form of narrow nationalism and, above all, to recognise the unity of the human race. (...) Migrants are men and women who enjoy the same universal rights, above all the right to life and to dignity. It is the task of all civil societies, including the*

⁹ From CAPP international conference, Vatican, May 2016

¹⁰ *Laudato sí*, 14

*commercial sector of those societies, to accompany this action and to engage actively in welcoming and integrating migrants and refugees”.*¹¹

The message is being addressed not only to members of the Catholic Church. Its effectiveness depends on believers and non-believers, Christians or otherwise, to join forces on a common basic program which is essential for sustainability of our planet and for a reasonable pursuit of dignity for all. We need to leave aside the old, often sclerotic established ways and promote possibilities for new alliances based on shared responsibility and shared interest. This requires new ethical conversations: “*We are challenged to be people of depth, attentive to what is happening around us and spiritually alert. To dialogue means to believe that the ‘other’ has something worthwhile to say*”.¹²

To foster new alliances for change translates into two immediate practical guidelines:

- For a useful dialogue, we need to be capable of arguing convincingly against moral ills in a way which is neither exclusive nor relativistic. For this purpose, as Christian lay people we should commit more time and effort to self-education and training, abandoning a passive attitude as Church members and being able to sustain mature, constructive debate on moral issues with all people of good will.
- Business corporate policies and our public engagements should include listening to the poor and including their aims as fully legitimate criteria.

THE WAY FORWARD

The CAPP Foundation will continue to debate practical and realistic ways of applying the Pope’s teachings, in the search for constructive alternatives to promote human dignity. It will do it through the analysis and understanding of new social facts, and with an eye to current international challenges. CAPP members are expected to help elaborate and disseminate its findings and translate them into action within their circle of contacts and within their possibilities.

In the present turbulent political environment, with far-right and far-left movements seeming to gain traction while a majority appears to be disillusioned with politics, people who wish to reconcile their Christian faith with their social and political commitment need to abandon prejudice and open up for dialogue in what Pope Francis calls *the culture of encounter*.

Participating in a group like the CAPP Foundation means adhering to a new humanism, oriented to the present and future, with the aim to integrate, to dialogue and to produce creative new answers.

The Vatican, March 2017

¹¹ Archbishop Paul Gallagher, Secretary for Relations with States, Address to the CAPP Foundation conference on 14 May, 2016.

¹² Pope Francis, World Communications Day Message, 2014