

Centesimus Annus Pro Pontifice Foundation

2016 International Conference

Group Discussion (Italian Speakers)

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The first social encyclical, written 125 years ago, explored the “new things” that were developing in society at that time. The expansion of the industrial revolution brought many positive aspects to humanity which in time enabled the transition to our present-day modern economy, but at the same time presented new challenges. Pope Leo XIII in his encyclical *Rerum Novarum* reaffirmed foundational principles derived from the Gospel and placed them in context of the new changes occurring in the workplace. He reaffirmed the principle of human dignity and how workers should not be exploited but rather be engaged in work that helps them grow and flourish. Employers should allow workers adequate time to meet their obligations towards God, their family and other people. At the same time workers should contribute by putting in a full day’s work and doing their work with care. As a consequence of good work, people create new things to be shared or exchanged. In this way, we build a functional society and solidarity with others.

The roadmap for a modern economy in a Christian context was charted with this foundational encyclical discussing “new things”, and these were revisited in the encyclical *Centesimus Annus*. Today, we are also faced with contemporary “new things”, namely: the challenge of migration and “people on the move”, poverty, and the recent growth in income inequality. These are complex issues which need to be addressed through a multifaceted approach and through applying the principles of Catholic social teaching.

As Pope Francis mentioned in his address to members of the foundation, the underlying setback to present-day challenges is not only economic in nature, but moral too. His vision for the design of a new economic model for growth embraces inclusion, mediation between stakeholders, avoidance of extremes, and pragmatism. Inspired by *Evangelii Gaudium*, the new economic model needs to be inclusive, ethical, sustainable, and most importantly, organizing work in such a way that it leads to the advancement of the dignity of men and women.

The central theme of the conference was fighting poverty through business initiatives. One particular approach to combating poverty is through microfinance, a method pioneered by Dr. Yunus in Bangladesh, in which institutions and individuals make unsecured loans of small amounts to impoverished people at relatively low interest rates to help them grow their business/es.

When taking into consideration the various initiatives to combat poverty, offering tangible support through microfinancing programs has proven to be effective. Microfinance is also a way of improving income inequality and is different from simply giving grants because the organization making the micro loan often offers additional support through training, access to existing networks of expertise, and general encouragement to foster and develop entrepreneurial skills.

However, microfinancing is not a single solution or silver bullet for helping people overcome poverty. Similar to a bank deciding to lend money to a business in a standard commercial loan, the organization making a micro loan needs to consider several factors to ensure that the proposed business model is viable (geographical and other considerations). Additionally, microfinancing can be beneficial to a

company in the early stages of its life cycle, but might not be adequate for subsequent growth or for the micro enterprise to eventually develop into an SME.

In the spirit of *Laudate Si*, we need to also think about and work towards business initiatives that are in alignment with our environmental responsibilities. This means “not just fighting poverty but doing it in an environmental sustainable way.”

Impoverished people in developing countries often fret and worry about their next meal and the needs of the same day. Microfinance creates in them a sense of hope because it helps them build a more stable, peaceful future.

Here are some suggestions that were made during the group discussions:

1. As a foundation we need to develop new instruments to address the issues of migration and refugees because this subject is going to be a central issue that will dominate and have an impact on the coming decades.
2. Should refugees have "the right to organize" and to defend themselves from organized crime and human trafficking?
3. Where are the Catholic entrepreneurs? More needs to be done to help and support Catholic entrepreneurs and to provide formation in Catholic social teaching. We need to identify existing entrepreneurs and have them share their stories. The examples from the panellists were very encouraging.
4. Can the parish provide an environment to launch businesses, like an incubator? E.g of a bakery in a Franciscan parish in Belgium.
5. Priests may at times not be prepared to give meaningful answers to the challenges of the modern world. A suggestion was made for the foundation to reach out to priests and to provide the knowledge so that priests can become more fluent in the social teachings of the Catholic Church.