

International Conference--Centesimus Annus Pro Pontifice Foundation

Rethinking Key Features of Economic and Social Life

Monday, 25 May and Tuesday, 26 May, 2015

GROUP DISCUSSIONS (Italian-speakers)

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1st Session

Can Growth Continue without Compulsive Consumption?

The Chairman of the working group suggested the structure of the discussion to be divided into 2 parts: introductions of national groups position papers, that was followed-up by group discussion.

Discussion was started by underlying the importance of anthropologic, not only economic perspective. Western civilization has evolved from hierarchical society (still present in parts of the world) into Christianity influenced society, bringing focus on individual person and recognizing each person's contribution. Contemporary Western society boosted focus on individual consumption, producing cycles of innovation expecting continuous economic growth.

The question remains what the compulsive consumption really is. If we have in mind really the "buy and throw away" consumption which are completely unnecessary or made only to show social status, it is probably not a macroeconomic problem. The share of such a consumption on GDP is probably negligible, as these are only very small top of the pyramid of general consumption in the economy. On the other side, although small in terms of macroeconomic impact, this kind of "consumerism" behavior has devastating impact on the society in terms of real values, dignity and human virtues. Willingness to achieve hard and long term goals is exchanged for temporary satisfaction from immediate consumption. Especially the young generation is probably the most vulnerable. Situations of excessive waste shall be avoided and instead focus on saving the resources (including natural resources) shall be promoted. Interesting best practice in France is redistributing not-consumed food products and avoiding excessive waste.

In today's interconnected world, we are not living within bi-polar world (Europe vs. Europe), but in an increasingly global world, including countries Brazil, China, Russia, India and

other fast-growing regions. With the raising middle class, consumer choices become more focused on health and quality, rather than just price.

Short term risk of decreased consumption represents a challenge for job sustainability and increased unemployment. Reaching new economic equilibrium without constantly seeking economic growth and consumption, need revised and innovative thinking about new models of society.

Excessive focus on individual consumption may sometimes reflect loneliness, with people feeling abandoned, lonely or tired, and in these occasions it may be proper to discuss how Faith and Love may be of a help. Moments of personal sadness may be occasions for moments of reflection. Deeply rooted strive for happiness is not fulfilled by materialism and attempts how to renew spirituality and values orientation within companies shall be considered.

Accounting principles of Western companies tend to reflect short-term profit maximization, instead of longer-term value creation. Discussion about these principles may also be part of the transformation of the society. Financial instruments shall primarily reflect value of goods and services, and should not be misused extensively for building speculative financial instruments that are distant from reality, toxic and constructed with pure ambition of maximizing short-term profits at all costs. Formation of individual person's conscience and push for social justice need to be integral parts of the education of entrepreneurial and political leaders.

Empowering consumers and education towards responsible consumption, should take into consideration also responsibility for living conditions and solidarity with workers, according to Pope Francis. Development of our modern society was fueled by individual desires and consumption, with the risk of Western society excessive focus on consumerism. We shall seek ways to contribute to Pope Francis's global thoughts.

Welfare state shall be considered not as a means in itself, but as providing infrastructure for individuals and citizens. Focusing instead on community involvement may be better and more effective approach. Particularly in the U.S., charitable contributions of individuals are part of the culture, and sense of individual responsibility is present.

Focusing exclusively on consumption might not be solution for all the problems, instead, improving living conditions of individual citizens and increasing quality of their human lives, with particular attention to people living in developing countries, should be our objective as well. Uncompromising fight with corruption shall be our utmost priority, as corruption results in massive inefficiencies and waste. Part of the solution is education and formation of a new generation of responsible political leaders - leaders that share, recognize and respect common values.