

**Fondazione Centesimus Annus
Pro Pontifice**

“Dignified agents of their own destiny”

**Pope Francis’ Call for Escaping Poverty:
Practical Examples and New Proposals**

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“Economic and social exclusion is a complete denial of human fraternity and a grave offense against human rights and the environment. The poorest are those who suffer most from such offenses, for three serious reasons: they are cast off by society, forced to live off what is discarded and suffer unjustly from the abuse of the environment.”

“The number and complexity of the problems require that we possess technical instruments of verification...The simplest and best measure...will be effective, practical and immediate access, on the part of all, to essential material and spiritual goods.”

“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.”

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

Introduction

On September 22-23, 2016, the conference titled **Pope Francis' Call for Escaping Poverty: Practical Examples and New Proposals** brought together Church prelates, international specialists, business professionals and academics to examine the definition and measurement of poverty and propose specific, practical efforts which help to operationalize Pope Francis' call that people "be dignified agents of their own destiny" (Pope Francis, *Meeting with the Members of the General Assembly of the United Nations Organization*, 25 September 2015). The Fondazione Centesimus Annus Pro Pontifice, with the help of Fordham University, organized the conference in the spirit of the foundation's initiative to help define and broadcast Catholic Social Teaching's implications on the structures of society and on the political, economic and social issues facing our world. To that end, the conference brought together practitioners and scholars to examine poverty from their varied professional and academic perspectives. The conference was organized according to the following outline:

1. Frame the issue of global poverty according to Pope Francis' position
2. Examine the definition and measurement of poverty
3. Propose specific, practical efforts to enable an escape from poverty

This report attempts to summarize the discussions and the conclusions reached in regard to this outline. It aims to fulfill the intention of the conference to provide "value added," that is, a practical and substantial contribution to international dialogue on the topic of poverty.

The conference included a sense of urgency: the international community has taken increased interest in the religious reality on the ground, including the significant role of religious organizations in fighting extreme poverty (Auza). Thus the moment is opportune to analyze the current reality of global poverty in light of Catholic Social Teaching such that the Church might

continue to be an active voice in enabling the poor to generate positive socioeconomic change in their lives. Inspired by the call of Pope Francis, participants in the conference advanced this work through their presentations and dialogue.

The global picture of extreme poverty is dire: we encounter a daily flow of information about poverty and war for millions across the globe. The urgency that this forces upon us can leave us unsure of the best way forward. Is it only about action? Are we impelled to bypass conversation in the interest of advancing concrete measures? Should we stop talking and just get to work? On the contrary, un-reflected action is not enough (Sugranyes Bickel). A rational, analytical approach to addressing extreme poverty is both possible and necessary. The problems faced by the world's poor are inherently complex and thus require slow analysis, even in the midst of urgency (Sugranyes Bickel). In *Evangelii Gaudium*, Pope Francis reminds us that “time is greater than space,” a fundamental principle for progress (222). As he goes on to write, “this principle enables us to work slowly but surely without being obsessed with immediate results. It helps us patiently to endure difficult and adverse situations, or inevitable changes in our plans” (223). Thus patient and deliberate analysis remains a worthy and valuable effort, in fact indispensable. Accordingly, this conference was convoked to contribute critical analysis offered through the particular lens of Catholic Social Teaching. The indispensable role of critical analysis gives rise to a sense of optimism, which was encountered among participants in the conference in the belief that we were in fact engaging with all those who work to uncover solutions to the problems of global poverty.

I. Frame the issue of global poverty according to Pope Francis' position

Pope Francis' efforts to denounce and combat poverty are one of the main priorities of his Pontificate. This was clear from the very beginning when, at his election, he chose the name

of the saint of poverty, Francis of Assisi. Pope Francis has insisted on many occasions that he desires a Church that is poor and works for the poor (Parolin). He is constantly centered on the need to be taking care of brothers and sisters, especially those with the greatest needs (Auza). Pope Francis draws from the Gospel, which tells us that the compassionate care of others is the basis of our eternal judgment (*cf.* Matthew 25).

What are the causes of extreme poverty that we encounter in the world today? In the writings and speeches of Pope Francis, we can identify a series of root causes. We must begin with the causes in order to attack the issue of poverty, just as a doctor needs to diagnose an illness before prescribing medicine (Auza). The first root cause identified by Pope Francis is the globalization of indifference:

“To sustain a lifestyle which excludes others, or to sustain enthusiasm for that selfish ideal, a globalization of indifference has developed. Almost without being aware of it, we end up being incapable of feeling compassion at the outcry of the poor, weeping for other people’s pain, and feeling a need to help them, as though all this were someone else’s responsibility and not our own.”
-Francis, *Evangelii Gaudium*, 54

Selfishness and indifference have reached global levels today. “How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points?” (Francis, *Evangelii Gaudium*, 53). As Christians, we cannot tolerate the globalization of indifference. This presents a real and present danger to all of us, especially those who live in places where it is hard to notice the poor around us, where we find ourselves in places of abundance that are too comfortable. In response, Pope Francis calls for a spiritual renewal in which we repair our moral compass lest we end up anesthetized to the poverty around us (Auza).

The second root cause of global poverty lies in overconsumption and consumerism:

“We all know that it is not possible to sustain the present level of consumption in developed countries and wealthier sectors of society, where the habit of wasting and discarding has reached unprecedented levels. The exploitation of the planet has already exceeded acceptable limits and we still have not solved the problem of poverty.” -Francis, *Laudato Si'*, 27

While “consumption” in general is normal and necessary to live, the production and consumption of more than what is needed exacerbates extreme poverty. We live in a world where 90% of resources are consumed by 10% of the world’s population; where 99% of wealth is in the hands of the richest 1% of the world’s population (Auza). In a world with wealth and resources so concentrated, the poor fall further and further behind. Alarming, the gap has been rapidly increasing, not closing (Auza). Such inequality corresponds with the pervasiveness of consumerism, in which we become dangerously engrossed in our own selfish desires, at the expense of the poor. “Whenever our interior life becomes caught up in its own interests and concerns, there is no longer room for others, no place for the poor” (Francis, *Evangelii Gaudium*, 2).

The third root cause identified by Pope Francis is the idolatry of money: “We have created new idols. The worship of the golden calf (*cf.* Ex 32:1-35) has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human person” (Francis, *Evangelii Gaudium*, 55). The world has become focused on money, and we have “calmly accepted its dominion over ourselves and our societies” (55). This idolatry denies the primacy of the human person and reduces human beings to mere consumers. The poor, lacking the resources to be major consumers, are overlooked and even discarded, thus denying their dignity as human beings.

Pope Francis’ response to extreme poverty and its root causes is based on “integral human development,” a concept first outlined by Paul VI in *Populorum Progressio*. Included in

this term are four key ideas. The first is solidarity, which requires a culture of encounter that can serve as an antidote to the globalization of indifference. In an individualistic age, the ideas of solidarity and encounter are not always well received (Auza). This is where the poor have something to teach us. There exists a unique solidarity among those who suffer, among the poor, among those whom our society seems to have forgotten. Solidarity, as the poor experience it, often means thinking and acting with respect to community, not just as an individual. The poor thus teach us the true meaning of solidarity (Parolin).

The second key element of integral human development is the preferential option for the poor. This directive of the social doctrine of the Church consists of a “special form of primacy in the exercise of Christian charity, to which the whole tradition of the Church bears witness” (*Compendium of the Social Doctrine of the Church*, 182). This option “is implicit in our Christian faith in a God who became poor for us, so as to enrich us with his poverty” (Benedict XVI, *Address at the Inaugural Session of the Fifth General Conference of the Latin American and Caribbean Bishops*, 13 May 2007). The Church, in imitating God who became poor for us, is called to act in accordance with this preferential option for the poor that respects the dignity of every human person (Parolin).

The third key element of integral human development is access to basic human needs, often referred to by Pope Francis in his native Spanish as “the three T’s,” that is “*tierra, techo, trabajo*,” which can be translated as land, housing and work. To live a dignified life, a person needs to have their basic minimum needs met. This includes a job, and land to live on and a roof over his or her head (Auza). When poverty is identified with material destitution, namely the lack of basic needs like “the three T’s,” it offends the dignity of the human person created in the image of God (Parolin).

The fourth and final key element to integral human development is the building of an economy that serves rather than an economy that kills. While the Pope admires business and this important vocation, he is wary of “trickle down theories,” which are unconfirmed by facts (Francis, *Evangelii Gaudium*, 54). Such theories express “a crude and naïve trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile, the excluded are still waiting” (54). Those who have capital are able to increase their capital, and the poor who lack capital also lack the means of acquiring it. Many of the poor contribute to the economy through their labor, but do not benefit from this contribution. Economic progress alone is not enough for integral human development. Many are left behind. The image that “high tide lifts all boats” fails to illustrate the reality. Instead, economic progress seems to lift the yachts, but leave the rickety ones unmoved (Auza). The economy thus needs to be transformed in a way that serves rather than kills, that respects the dignity of all people, and that benefits all people, including and especially the poor.

Through analyzing the writings and speeches of Pope Francis, we encounter these four key elements of integral human development: solidarity, the preferential option for the poor, “the three T’s,” and the building of an economy that serves. By working for integral human development in these ways, we can address the root causes of extreme poverty that Holy Father identifies: the globalization of indifference, overconsumption and consumerism, and the idolatry of money.

2. Examine the definition and measurement of poverty

What is poverty and how do we measure it? The traditional international measurement for extreme poverty is based on income and usual defined as people who live on less than \$1 per day (adjusted for inflation). Statistics have shown that there has been great progress in reducing

this number since the Millennium Development Goals began. The number in extreme poverty has been roughly halved from around 2 billion in the year 2000 to 1.2 billion by 2014: a goal that was reached before the 2015 target date (Auza). Of course, this depends heavily on the measurement of \$1 per day. If that number is increased, it can drastically change the resulting statistics that measure those who qualify. How well can we trust these statistics to accurately capture the global reality? With a global perspective, it is difficult not to question these optimistic results of poverty reduction as poverty continues to be prevalent and severe across the world. One challenge is trying to compare across countries, where wages vary greatly, but so do purchasing power and cost of living (Auza).

While there are ways to control for this variance, a remaining question is whether income serves as an adequate measurement tool. The lack of other resources, such as an adequate education or access to health care, also impacts a person's lived experience. Does income serve as an adequate proxy for other indicators? Today we have increased access to micro data, and the empirical findings reveal that income fails to capture all deprivations (Alkire). In Europe, for example, data was compiled measuring income poverty, material deprivation, and joblessness. When they mapped these out, they found three independent circles like a Venn diagram. There was some overlap, but plenty of mismatches, which indicated that these indicators were capturing different people. Income was not a bell-weather indicator that served to proxy the rest (Alkire). Micro data has likewise shown that increasing income is not sufficient to address other deprivations. Reducing income poverty does not inherently address issues like material deprivation, joblessness, health care access, and education. The trends do not go together: growth is important, but it is not sufficient (Alkire).

To properly define and measure poverty, we need to go to the experts: the poor themselves. We need to listen to their reality. What we measure has to match their experience (Alkire). “What tends to inflame the minds of suffering humanity cannot but be of immediate interest both to policy-making and to the diagnosis of justice” (Amartya Sen, *The Idea of Justice*, 2011). The World Bank’s “Voices of the Poor” and the “My World Survey” are a couple examples of efforts undertaken to ask people in poverty to articulate what poverty and its converse, wellbeing, mean to them. Common descriptions of poverty from such surveys reveal sentiments such as: the inability to think about the future, the scarcity of food, the constant need to wait for access to services, the fear of violence. When asked to articulate wellbeing and what would be necessary to flourish, the results yielded categories that clearly go beyond income. The needs include: material wellbeing (having enough food, assets, work); bodily wellbeing (health, appearance, physical environment); social wellbeing (being able to care for children, self-respect and dignity, good relations with family and community); security (civil peace, physically safe environment, personal security, lawfulness and access to justice, security in old age, confidence in the future); psychological wellbeing (peace of mind, happiness, harmony); and freedom of choice and action. These results, drawn from the lived experience of the experts, reveal with clarity that poverty is **multidimensional** (Alkire). This is not to say that income should be neglected, but rather that other dimensions must be evaluated alongside it. “Human lives are battered and diminished in all kinds of different ways” (Amartya Sen).

Along with being multidimensional, poverty also involves **overlapping deprivations**. The poor do not just experience one particular deprivation: they experience many that overlap at the same time. This contributes to the complexity of poverty, and it makes programs in response more difficult as well (Alkire). For example, a well-funded health project might struggle to reach

its desired clientele if people in need lack money for transport to arrive at the health center. The most cost-effective programs can only be developed when the interconnectedness of overlapping deprivations is better understood.

Furthermore, surveys to analyze poverty demonstrate the importance of freedom in choice and action, which underscore the value of dignified agency. The poor need to be seen and treated as agents, as people of leadership, creativity and skill (Alkire). This is fundamental to helping people to rise out of poverty. Recognizing the talents of the poor, Pope Francis has praised their creativity and expressed his belief that the future of humanity is to a great extent in their hands (Parolin). The poor possess the capacity to sow the seeds of transformation by peacefully combating the structural causes of poverty and inequality, unemployment, the lack of land and housing, and the denial of social and labor rights (Parolin). The poor cannot be relegated to mere passive recipients, but rather they must be entrusted and empowered as masters of their own destiny.

While income is inadequate as a measurement indicator for poverty, there are a number of reasons why such a measure remains valuable. First, from a political perspective, there is a desire for a single summary measure that can produce eye-catching headlines. Second, a good measure can increase the effectiveness of progress in combatting poverty. Third, it can offer incentives, allowing the celebration of progress towards a specific goal or objective. Lastly, in a world where micro data is more accessible and less costly, such a measure is feasible (Alkire). What, if not income, can we use to capture the multidimensional nature of overlapping deprivations to capture poverty?

During the conference, two measures were discussed at length and will be elaborated here: the Multidimensional Poverty Index and the Fordham Francis Index.

A.) *Multidimensional Poverty Index*

The Multidimensional Poverty Index (MPI) was developed by the Oxford Poverty and Human Development Initiative (OPHI). The OPHI developed both a global MPI that covers over 100 developing countries and a national MPI that is supplemented with different dimensions measured by locally appropriate indicators. In general, the MPI is intended to complement income-based poverty measures by capturing the deprivations people face with respect to three dimensions: health, education and living standards. It uses ten indicators across these three dimensions: *years of schooling* and *school attendance* for education; *child mortality* and *nutrition* for health; *electricity, sanitation, drinking water, cooking fuel, floor, and assets* for living standards. Each dimension is equally weighted, and each indicator within each dimension is equally weighted. A person is identified as multidimensionally poor if he or she is deprived in at least one third of the weighted indicators (Alkire).

The results of the global MPI found that across 102 countries, 1.6 billion people are multidimensionally poor, which is higher than the statistics for income poverty. The number of incidences and the intensity varied by country. In the poorest countries, each poor person is deprived in more ways, thus being deprived in more than one third of the weighted indicators. The results were complementary with income poverty, but there are multiple examples that indicate that the MPI does not necessarily overlap with income poverty and thus is capturing different populations. Looking at impoverished populations, the MPI functions as a high-resolution lens that allows you to zoom in by country, region or indicator and see more (Alkire). The national MPI, for example, allows countries to look internally within regions and make comparisons. Further evaluation by indicator allows the creation of a profile of poverty within a given region or across a country as a whole.

Individual countries can then use the national MPI to create tailor-made policies. While international donors typically use income or conflict measures to allocate resources, national governments can use the MPI internally to inform geographic targeting of services based on local needs. A couple of examples can illustrate the impact that the MPI has had on informing policy decisions. In El Salvador, when the government listened to the voices of the poor, it brought attention to underappreciated aspects of their experience, in particular by placing a greater focus on the problem of violence. In Costa Rica, the MPI results have begun to directly impact where money is spent and invested based on which indicators, such as education, show the most acute needs. In Colombia, committed business leaders in the private sector have embraced the MPI as a management tool to drive their social enterprise (Alkire). The MPI does not explicitly provide policies that create change according to each indicator, nor does it illustrate which policies are more effective in situations of limited resources and limited timelines. Nonetheless, the MPI provides a means for tracking progress, which will help to evaluate the success and effectiveness of attempted policy interventions.

The MPI does not include any measure for gender, which results from the lack of availability of international data based on gender. There is interest in creating a gendered measure that would reveal empirically what can be seen anecdotally: women are more multidimensionally poor than men (Alkire). The MPI also lacks an indicator to measure spiritual or psychological deprivations. One difficulty in capturing this data is that it is usually self-reported, and a changing frame of reference can impact the results. The other challenge with spiritual and psychological deprivations is the difficulty for policy makers in developing policies to address them (Alkire). While there remains room for growth, the MPI can serve as an important complement to income statistics and drive policy decisions. The goal of the MPI is not

simply measuring poverty in a passive way, but uncovering useful ways to confront it on both the global and national levels.

B.) Fordham Francis Index

The Fordham Francis Index (FFI) was developed by Fordham University's International Political Economy and Development Program. The FFI is a simple, broad, and innovative international poverty measurement tool derived from a set of primary indicators identified by Pope Francis during his 2015 address to the U.N. General Assembly:

“The simplest and best measure and indicator of the implementation of the new Agenda for development will be effective, practical and immediate access, on the part of all, to essential material and spiritual goods: housing, dignified and properly remunerated employment, adequate food and drinking water; religious freedom and, more generally, spiritual freedom and education”
-Pope Francis, 25 September 2015

Drawing on the Holy Father's words, the FFI is simple because it is based on a small number of indicators (7) with easily accessible data. The seven indicators are organized based on the two broad categories of material wellbeing and spiritual wellbeing as outlined by Pope Francis. The primary indicators of basic material wellbeing are *water, food, housing* and *employment*. The primary indicators of basic spiritual wellbeing are *education, gender equity* and *religious freedom*. The simplicity of the FFI contrasts with the U.N. Sustainable Development Goals, which include roughly 250 indicators in 17 categories (Schwalbenberg). The FFI is purposefully simple as it is intended for local community groups rather than complex organizations. Its objective is to empower local groups to take action themselves (Schwalbenberg). The FFI is a broad poverty measure because the chosen primary indicators are strongly correlated with a large number of key measures of both material and spiritual wellbeing. For example, the percentage of a population using an improved water source shows high correlation with maternal mortality rates, infant mortality rates, and access to sanitation (Schwalbenberg). The FFI is innovative and

distinguishes itself from other standard poverty measures through its inclusion of spiritual wellbeing, in particular by including *religious freedom* as one of the indicators (Schwalbenberg).

Using its data, separate indexes were created for material wellbeing (MWI) and spiritual wellbeing (SWI) respectively. Countries with the most concerning material deprivations are found in south Asia and sub-Saharan Africa, while countries with more severe deprivations of spiritual wellbeing are more concentrated in Asia (Schwalbenberg). Combining the MWI and the SWI yields the composite Fordham Francis Index. Results for the FFI demonstrate its divergence with the U.N.'s Human Development Index (HDI). This variation between the FFI and the HDI primarily stems from the influence of spiritual wellbeing, particularly the inclusion of the *religious freedom* indicator, which again highlights the innovation of the FFI (Schwalbenberg).

Religious freedom is not a straightforward issue: it is complex and difficult. The FFI uses the *government restrictions index* from the Pew Research Center, which compiles 20 sub-indicators to measure how national and local governments restrict religion through means including force and coercion. The complexity of the issue dictates complex responses. The rise of religious pluralism presents challenges when the right to religion results in a conflict of rights (Mallon). For example, the rights of one religious group can, and have, impinged upon the rights of individuals, minorities and other religious groups. At times, individual religious groups have called on the state to impose its power to repress minority positions (Mallon). ISIS provides a striking example. Although they are widely considered religiously and morally abhorrent by fellow Muslims, ISIS has been careful and deliberate in seeking theological justifications for their actions. To not take them as religious is to not take them seriously enough (Mallon). They purport to be exercising their religion as they understand it. At what point does their "freedom to exercise religion" end?

When properly expressed and protected, religious freedom offers the positive contributions of the moral reconstruction of a society and subsequently economic reconstruction. Religious freedom, best understood, creates an atmosphere of respect and cooperation with everyone's participation, including those without religious convictions. A practical and realistic understanding of religious freedom should be directed at the goal of bringing together people of faith and people who do not ascribe to a faith in order that all might work together to build the common good (Mallon).

While not explicitly included in the material wellbeing index, child mortality correlates with the indicator for water. In the field of child mortality today, addressing this issue has broadened from mere survival to include analysis over how children can thrive as they grow and experience transformation in their lives (Carvajal). The principal goal remains ending preventable deaths among children, and significant progress has been achieved through the Millennium Development Goals. Yet work remains and child survival is still an urgent concern. Diarrhea, for example, remains one of the major killers of children, despite the fact that it is preventable (Carvajal). Expanding access to clean drinking water is a clear preventive measure to address diarrhea, thus illustrating the high correlation these indicators have.

Beyond basic survival, we need to enable children to thrive by ensuring their long-term health and wellbeing, which fits with the goals of the FFI. Under-nutrition and stunting both contribute to poverty in the lifespan of individuals. Thus the broader goals fit with other indicators like *food* in order to help end malnutrition, increase early childhood development, and increase universal health coverage (Carvajal). For children to survive and thrive, transformation is needed. This requires the creation of environments enabled to sustain change, rather than instances where quality of service is sacrificed for the sake of a "quick-fix" mentality (Carvajal).

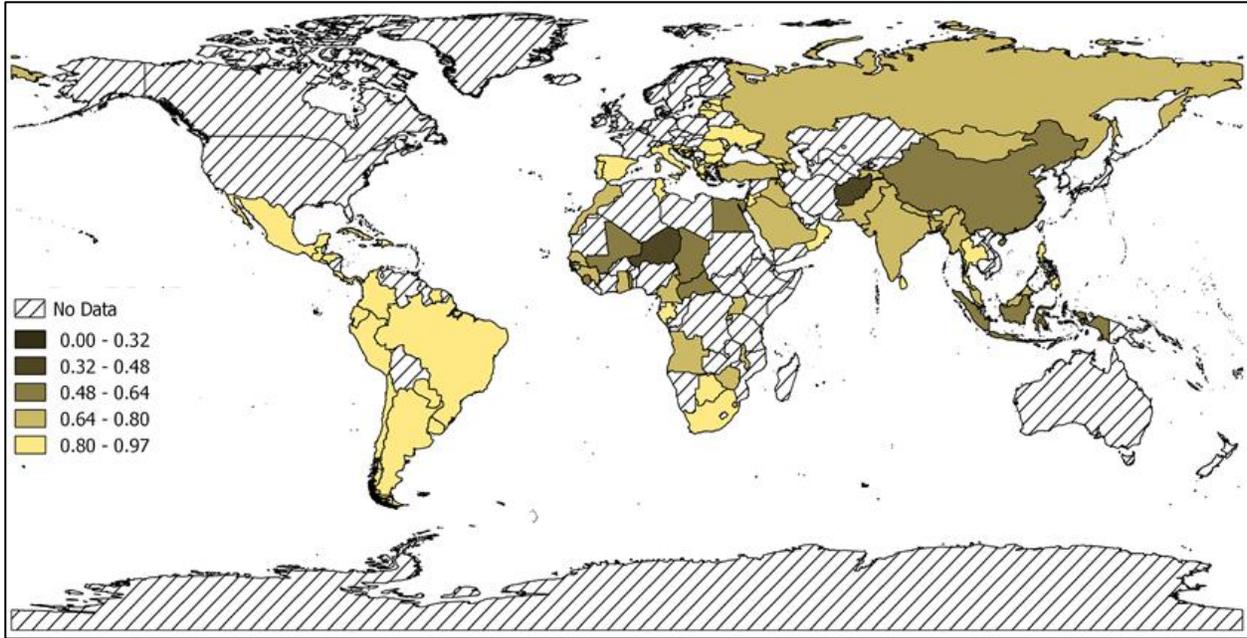


Figure 1. Map of the FFI scores across the globe. Lower FFI score indicates higher levels of deprivation.

This was the first iteration of the Fordham Francis Index¹, and future versions hope to improve on its weaknesses. Primarily, there is need to incorporate more independent measures of gender equity and basic housing. For gender equity, the FFI uses the *youth gender parity index*, which measures the ratio of female youth literacy rates to male youth literacy rates between the ages of 15 and 24. This indicator is too closely related to the measure used for education (*the adult literacy rate*). The FFI uses the measure of *access to improved sanitation facilities* as a suitable proxy for adequate housing. But this proxy measure correlates heavily with the indicator used for clean water (*the percentage of the population using an improved drinking water source*). Both of these indicators will be reevaluated in future research for the FFI. Additionally, a significant number of countries lacked complete data for all seven primary indicators and were therefore excluded from this iteration of the index. Yet even now, its contribution is evident in its simple, broad, and innovative design.

¹ A detailed description of the Fordham Francis Index is available on the “Publications” page of Fordham’s IPED website (http://www.fordham.edu/downloads/file/6681/fordham_francis_index_2016).

3. Propose specific, practical efforts to enable an escape from poverty

What can be done to enable the poor to be “dignified agents of their own destiny” and escape from poverty? We will evaluate specific and practical efforts organized by two themes: inclusive finance and entrepreneurial responses and the relationship between violence and poverty. The organizers of this conference chose to focus on a few specific examples related to these themes, rather than discussing the whole question theoretically. Related topics, such as entrepreneurship in poor environments, have been explored through previous FCAPP conferences².

A.) Inclusive Finance and Entrepreneurial Responses

Pope Francis has acknowledged and shown appreciation for the crucial role of business leaders in creating employment opportunities, thus providing opportunities for the poor (Parolin). In *Laudato Si'*, Francis quotes Pope Benedict XVI regarding how important it is that “we continue to prioritize the goal of access to steady employment for everyone” (*Caritas in Veritate*, 32). Francis goes on, “In order to continue providing employment, it is imperative to promote an economy which favors productive diversity and business creativity” (*Laudato Si'*, 129). Creative corporate initiatives are already at work combating poverty. Traditionally, ethical responsibilities were applied exclusively to the state and to nonprofits, but the reality today is that ethics are now applied to all institutions, including corporations and banks (Annibale). Shareholders have driven much of this shift. Clients are increasingly expecting more than just returns; they take the ethical responsibilities of corporate behavior more seriously, which is having a formative effect (Annibale).

² See: FCAPP’s 2015 Statement and the report from the 2016 International Conference in Vatican City; available on the FCAPP website (<http://www.centessimusannus.org>).

In response to ethical responsibilities, corporations have principally responded with philanthropy projects. These projects play a significant role in supporting non-self-sustaining projects, especially projects that are relatively new and require support to get established, or those projects that, by their very nature, need heavy ongoing subsidies (Annibale). But philanthropic donations are not the only way that corporations are addressing their ethical responsibility to the community. Perhaps more creatively, institutions are using their business models to contribute to poverty reduction as well. Mission-related investing has led to the promotion of entrepreneurship, small business development, the construction of affordable housing, microfinance programs and the support of women's groups (Annibale).

Furthermore, companies can leverage their role in finance to bring change by influencing industry behavior and even the market at large. Currently, most capital sits in big funds and banks, which is partly motivated by the need to manage risk (Annibale). But are there ways to share risk by working together across corporations and banks? Banking institutions, like development banks, are now taking more risks. Development finance is being leveraged on many sources instead of just one as a way to mitigate risks (Almeida). This is a start, although there continues to be room for further development and advancement.

New dialogue between parties can challenge how projects are financed and who can get access to credit (Annibale). Trends in development finance, for example, are pushing the industry beyond traditional banks. Technology in particular is creating significant changes in how funding is being done. There is a movement away from banks towards hundreds of new platforms, including crowdfunding, which could reach populations traditionally overlooked or excluded (Almeida).

While we have witnessed a downward trend on global poverty, this has been accompanied by a worsening of inequality. Growing Gini coefficients indicate a widening of the gap in the distribution of income between the top income groups and the rest. This deterioration of income growth is coinciding with slower productivity growth (Bonnici). The top 1% now has between 15-25% of wealth, which has reversed a post-war trend. The lower 90% have experienced negative growth since 1972 (Bonnici). This is further evidence that the paradigm that “growth is a rising tide that lifts all boats” is not valid in the world today. Increasing income inequality, along with inequality in opportunity, education and access to health and social services, demands a moral response. This cannot be part of God’s plan (Bonnici).

In a wealthy world rife with inequality, the main bottleneck to promote development has not been finance (Almeida). Examples include the \$5 billion poured into Haiti since the 2010 earthquake, and the \$1 billion invested by the United States in the Northern Triangle of Central America to address sources of immigration (Almeida). In these cases, money has been available, but obstacles to development remain. If the problem is not the lack of development finance, what is it? We can identify multiple factors that contribute, including: lack of political will and coordination, ineffective and biased interventions, and the lack of capacity for execution and innovation (Almeida).

In response to growing inequalities and the obstacles to successful development finance, we need to look for new innovations. One such mechanism to combat inequality is a Voluntary Solidarity Fund (VSF), which would be a way to bring together individuals and corporations who embrace the concept of solidarity (Bonnici). A VSF would receive contributions made by wealthy individuals and companies. These funds could then be financed out as interest-free loans, scholarships and training, and seed money for entrepreneurs. The success of VSF’s would

depend on networking at the local level to identify needs. Potential partnerships between small businesses and financial institutions could provide valuable assessment, managerial and mentoring expertise (Bonnici). The mission of a VSF would be to enhance the capacity of individuals to build their own human capital and to participate in society in a dignified way. It would provide an opportunity for financially secure individuals and corporate entities to meet their ethical obligation to help others through a well-governed structure that enhances the impact of the contributions (Bonnici).

In response to obstacles in development finance and in light of the social teaching of the Church, finance needs to be aligned at the service of integral human development. What really makes change is virtue: can we create institutions that are virtuous and make decisions based upon this foundation? This ideal could be accomplished by the development of Virtue-Based Development Finance (VSDF) institutions. A VBDF institution would face the challenges of generating an internal cultural based on virtues, along with generating enough incentives and safeguards in order to insert these virtues in the programs they manage and finance (Almeida). These challenges would need to be addressed through a number of means. Human resource management functions would need to be aligned with virtues, including recruiting people with the right will and skill set. Programs seeking finance would need to be evaluated by these virtues, and their promotion and financial reward would be based on these criteria. This culture of VBDF could also be promoted externally by means of institutional operation, including knowledge sharing, institutional marketing and financed programs' propaganda (Almeida).

Sustainable change requires the participation of a diversity of parties. Businesses need to be agents of change within their business model and through their philanthropic efforts. The development of business models built for initiating change needs to be formed based on ethical

responsibilities. Partnerships, such as ones between corporations and local community organizations, are invaluable for putting resources to their best use in a way that positively impacts the community. Along with corporations and banks, other groups that can use and invest their capital to initiate change include individuals with their personal or family savings, foundations, and university endowments (Annibale).

How can the Church play a role? Given the issues at hand, goodwill brokers are needed to address the problems and initiate change. Key factors for an institution to be a goodwill broker include credibility, proximity to beneficiaries and unbiased interventions (Almeida). The Church's institutional strength, creativity and knowledge lend to its credibility. The "culture of encounter" within the Church, particularly at the parish and community level, gives it close proximity to beneficiaries. Furthermore, the universality of the Church and its presence in nearly every country around the world reduce any suspected biases (Almeida). Thus the Church is suited to lead. Moreover, undertaking the role of goodwill broker to innovate development finance or address issues of inequality will serve as a means of evangelization for the Church. Promoting Virtue-Based Development Finance or creating Voluntary Solidarity Funds would put the Church out front on the global stage as a goodwill broker working for change and helping to empower people to escape from poverty through the inspiration of the Gospel and the guidance of Catholic Social Teaching.

B.) Violence and Poverty

We cannot discuss the escape from poverty without addressing its relationship with violence. Poverty itself can contribute to violence or drive people to act out in violent ways. However it is typically the poor who are on the receiving end of violence (Borja). We witness in the world today a stark image of global violence. Wars and conflict rage across the planet,

accompanied by the violence of everyday life. Such violence includes contemporary forms of slavery, sexual exploitation, domestic violence and the seizure of land. Moreover, billions of people live outside the regular protection of the rule of law and institutions of justice (Carozza). The challenge for humanity and for the Church is uncovering how to address issues of peace and justice. Any attempt to empower the poor to be “dignified agents of their own destiny” will be hampered or altogether prevented in the midst of violence and insecurity. Agency is trampled on by violence; in fact, violence makes agency meaningless (Carozza). There is a constant need for peaceful negotiation, especially in a way that engages people on the ground.

Mediation efforts that seek to resolve conflict situations cannot focus solely on ending hostilities. The world has experienced a recent evolution in conflicts. While conflicts used to be primarily inter-state in nature, the current trend is toward intra-state conflicts. Most victims in the conflicts of the world today are civilians (Michel). In this environment, a broader vision of comprehensive change in the political process must be developed and implemented. This vision must involve a number of components. Certainly, solutions cannot be made without the active participation of many strategic international parties, but people on the ground must be included as well. Space must be provided for affected individuals to become active agents for peace and development (Michel). In fact, it is essential to continually verify the adequacy of assistance with the people on the ground who are being targeted by a particular plan or negotiation. Well-intentioned initiatives might be ineffective or a disservice to the people intended to be helped if caution is not exercised (Michel).

There are various measures that can be employed in negotiation and peace-building efforts that engage people on the ground. We can first look at particular parties that need to be involved. Civil society organizations need to be sought out through sustained contact and

dialogue. In practice, such organizations have exhibited a great interest in discussing issues faced and ideas for how to approach solutions. The inclusion of women and mothers is particularly important in conflict resolution, which can be played out, for example, through the creation of advisory bodies comprised solely of women. From a legal standpoint, parties in negotiation efforts need to be consistently reminded of obligations to international laws and norms. From a business perspective, business organizations and entrepreneurs need to be encouraged and assisted in re-starting economic projects in the transition out of a situation of conflict. Media and journalists play an important role, and they need to cultivate a responsible media environment since truthful information is essential for the exercise of freedom by individuals. Religious communities can be a unifying factor for peace and should be included accordingly (Michel).

Structurally speaking, accountability is essential for negotiation and peace building. This can include the establishment of truth-telling or reconciliation mechanisms in a post-conflict environment, which need to be designed according to the particularities of a given conflict. Victims need to be appropriately recognized as such for the sake of their dignity. Sanctions need to be evaluated more critically. Sanctions that do not impact regimes in power but hurt the people on the ground should be lifted. Negotiators in a conflict need to focus on agreements that protect fundamental human rights. Conflict resolution likewise must address the pressing situation of refugees, including creating the conditions for safe return in a given country (Michel).

Our world today has witnessed a refugee crisis at historic levels. Without other means of protection in violent environments, many of the world's poor are resulting to flight. Displaced by violence, poverty is exacerbated by costs of flight, combined with psychological wounds. In countries with prolonged internal conflicts, many refugees are experiencing repeated

displacements. Physical wounds that often result in the flight from violence are worsened by the limited access to medical resources for refugees (Borja). Lasting physical and/or mental health issues push refugees into perpetual traps that leave them on the bottom of the economic ladder. Many refugees become victims of kidnapping and ransoms, or subjects of human slavery. They typically face xenophobia in transit or at their destinations. Rather than being viewed as victims, refugees are instead perceived as dangerous or threatening (Borja).

There is no single easy solution to address the problems faced by refugees today. Two key methods for improving their life and future prospects are education and hospitality. Education is a vital, life-saving intervention for refugees, especially youth. Education builds peace, empowers communities, jump-starts economic growth, and provides a path to a better future. Each additional year of education brings a 10% increase in expected income (Borja). In the long-term, education forms future community leaders. Yet among refugee children between the ages of 3-18, only 50% are enrolled in primary school, 25% in secondary school, and less than 1% in tertiary education (Borja). Greater efforts need to be undertaken to increase enrollment opportunities for refugee youth.

The hospitality demonstrated to refugees as they are received and integrated into new communities is essential to their integral human development. Faith-based communities can and should play a valuable role in modeling hospitality (Borja). Hospitality requires recognition of the dignity of every refugee in a way that extends beyond material assistance and addresses the physical and emotional isolation of the refugee experience. As Christians, we are called to give a voice to refugees, to advocate on their behalf, and to be a companion following Jesus' example with the poor and outcast (Borja). It was telling that Pope Francis' first trip outside the Vatican

was to visit Mediterranean refugees. His words to the U.S. Congress offer a guide to a true Christian hospitality toward refugees:

“We must not be taken aback by their numbers, but rather view them as persons, seeing their faces and listening to their stories, trying to respond as best we can to their situation. To respond in a way which is always humane, just and fraternal. We need to avoid a common temptation nowadays: to discard whatever proves troublesome. Let us remember the Golden Rule: ‘Do unto other as you would have them do unto you.’”

-Pope Francis, 24 September 2015

We must heed these words in our response to the global refugee crisis. Refugees who flee violence and those who live under its constant threat must be treated with dignity. Their escape from poverty cannot function apart from efforts to bring an end to violence. Only in peace can one truly be free from poverty.

Conclusion

“It will be necessary above all to abandon a mentality in which the poor – as individuals and as peoples – are considered a burden, as irksome intruders trying to consume what others have produced. The poor ask for the right to share in enjoying material goods and to make good use of their capacity to work, thus creating a world that is more just and prosperous for all.”

-John Paul II, *Centesimus Annus*, 28

We are called to participate in bringing an end to global poverty by empowering the poor to be “dignified agents of their own destiny.” According to the *Compendium of the Social Doctrine of the Church*, “development is not only an aspiration but a right that, like every right, implies a duty” (446). In fact, it implies two duties: to accomplish one’s own development and to help others in their own development (Parolin). We are all called to collaborate and cooperate together in solidarity to commit ourselves to the common good of all. To achieve the success desired requires the participation of individuals and organizations. *National governments* have the fundamental role of establishing the necessary conditions for every citizen to fulfill him or herself. Politics, accordingly, needs to regain a sense of vocation, a sense of love and

responsibility in respecting the dignity of all persons (Parolin). *Corporations and business leaders* play a crucial role in creating employment opportunities, building ethical business models, and utilizing capital in a way that facilitates development. *Religious and faith-based organizations* have been intimately involved with lifting people out of material poverty, providing education, and modeling hospitality. The international community has recently become more attuned to the effectiveness of on-the-ground, grassroots movements of faith-based organizations (Auza). *The poor themselves* possess the talent and ability to implement creative alternatives in their efforts to provide labor, housing and land. The poor must continue to be empowered to participate in the process of bringing change on the national, regional, and global levels to the benefit of all peoples but especially those left behind (Parolin).

Moreover, the duty falls on *all people* to give the poor what is theirs by right and to ensure that the goods of creation are available for all. Just as the poor have the duty to work for their own growth and development, so too it falls on us – whether religious leaders, politicians, business people, academics, the Church faithful, or wealthy citizens – to help the poor in their advancement (Parolin). Undertaking this duty fits with the goal of the Fondazione Centesimus Annus Pro Pontifice: to develop a strong, committed group of Catholic lay leaders to explain, develop and implement Catholic Social Teaching in the challenging world of today. Members of FCAPP across the world are called to understand and embrace the twofold duty to accomplish one's own development and to help others in their own development. In this sense, a conversion of our hearts towards the poor is needed (Parolin). “We are called to find Christ in them, to lend our voice to their cause, but also to be their friends, to listen to them, to speak for them and to embrace the mysterious wisdom which God wishes to share with us through them” (Pope Francis, *Evangelii Gaudium*, 198).

This conference was conducted in the spirit of FCAPP and informed by the wisdom of the social teaching of the Church. This conference and the discussion that it initiated are intended as a starting point. Now it must be advanced and further communicated in the public square in order to create a movement of opinion and to initiate change. Let us close by reflecting on a valuable reminder from the papal conclave in 2013. During the final vote, as it was becoming clear that Pope Francis was going to be elected, a friend sitting at his side tugged at his sleeve and offered him a piece of advice. Let us hope and pray that each participant in the conference and every member of FCAPP, like Pope Francis, will feel such a tug on the sleeve and hear the very same words of advice: do not forget the poor.

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