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ALBERTO QUADRIO CURZIO

Solidarity and Sustainable Development

On the 25th anniversary of the Centesimus Annus Pro Pontefice Foundation

1) Foreword

Throughout its 25 years of activities, the CAPP Foundation has contributed more or less intentionally to creating two communities; the community of speakers who, from a background of various international cultures and professionalism has enriched the ethical orientation for concrete action; the community of participants who have now organised themselves into national "*chapters*" to identify which of the general themes discussed at these Conventions are more relevant to their specific situation.

A quarter of a century has passed quickly but the CAPP Foundation has maintained the course outlined by the Encyclical Centesimus Annus (CA) on some points that we will now focus on.

2) Ethics, politics, reality

John Paul II writes in CA

«The Church has no models to present. Models that are real and truly effective can only arise within the framework of different historical situations, through the efforts of all those who responsibly confront concrete problems in all their social, economic, political and cultural factors as these interact with one another. For such a task, the Church offers her social doctrine, as an indispensable and ideal orientation ...»(CA: 43)

The pragmatic paradigm on which I have developed my academic expertise is that of a liberal-social economist convinced of people's capacity for initiative and sociability. The analytical and practical have always been the two-pronged element of my reflection. The analytical component is centered on Solidarity and Development, Subsidiarity and Sustainability while the practical is centered on Institutions, Society and Economy. Interaction between the two components of the "paradigm" can facilitate the transition of the ethical goal to civil programmes.

This previous approach will be used to reflect briefly on some themes that have connotations with the end of the twentieth century and the beginning of the twenty-first century, while however having a longer duration.

3) Institutions, agreements, development

We will refer initially to the UN and then to the EU. We know that the UN is often viewed as "useless" because it (the UN) is powerless and the EU as "harmful" because it is bureaucratic. Nonetheless, contrary to the above, we know how much the Catholic Church and the Pontiffs acknowledged the importance of both the UN and the EU, while recognising their weaknesses.

The first impression is that many of the issues addressed both at the CAPP conferences and in its publications are similar to and anticipate several of the UN's 8 Millennium Development Goals (MDG) and the 17 Sustainable Development Goals (SDG), although this does not mean agreement with all the MDG / SDG or their specific objectives.

The same applies to the EU where many of the viewpoints of the Church's social doctrine are to be found, and showed the way to peaceful construction and agreement between countries that had fought for centuries, while recognising their common culture to which Christianity gave so much.

4) The year 1989 and thirty years later

Let us start from chapter III "the year 1989" of the CA encyclical which begins by talking about "the unexpected and promising significance of events of recent years. Although they certainly reached their climax in 1989 in the countries of Central and Eastern Europe, they embrace a longer period of time and a wider geographical area. In the course of the 80s, certain dictatorial and oppressive regimes fell one by one in some countries of Latin America, but also of Africa and Asia." And it concludes by affirming "From this historical process new forms of democracy have emerged which offer a hope for change in fragile political and social structures, weighed down by a painful series of injustices and resentments as well as by a heavily damaged economy and serious social issues". (cf 22)

And again, "what is called for is a special effort to mobilise resources which are not lacking in the world as a whole for purposes of economic growth and common development, redefining the priorities and hierarchies of values, on the basis of which economic and political choices are made" (cf CA 28)

After thirty years, the overall picture for economic development has been positive but unbalanced because various projected aspirations, also anticipated by the CA (including that between economic development, peace and disarmament) and others, have not materialized. Instead, there have been dramatic events such as terrorism that began with September 11th, 2001, and in almost 20 years has brought wars, conflicts and uncontrolled migratory movements. Furthermore, on a very different level, there have been financial excesses that have overstepped the limits of the same institutions. Then the 2008-2014 economic crisis with unemployment in Europe and now dangerous nationalist and protectionist reactions.

The UN has repeatedly tried to bring the international system back to a path of peace and development but in vain. Instead, it has managed to create consensus for a long-term programme of peaceful sharing of development goals among almost 200 states. Between 1990 and 2015, absolute poverty fell from 2 billion people to 1 billion. This is no small matter. In 2000 and 2015, the General Assembly set 8 and then 17 objectives and action- programmes based on the themes of the person, peace, prosperity and sustainable development. The resources needed to achieve these objectives, articulated in 169 areas of intervention (priority and indivisible),

will need to be mobilized through the partnership system and, in particular, with the involvement of public finance, which has been asked to contribute, under the form of Official Development Assistance (ODA), equal to 0.7% of the Gross National Income for developed countries, and between 0.15% and 0.2% for developing countries¹.

5) The European Union

In 2017, the EU celebrated the 60th anniversary of the Rome Treaties. Throughout his pontificate, Saint John Paul II had always expressed his confidence in the Construction of Europe and in *Centesimus Annus*, he attributes an important institutional and socio-economic role to the EU with reference to the support given to the former communist countries freed from Soviet gamesmanship. (cf CA 28)

This is an historical example showing creative institutional, social and political solidarity of enormous importance even for other situations.

It is well known that following the 2004 enlargement to the East with the entry of the first 8 Communist countries, there was strong commitment from the then President of the European Commission, Romano Prodi. What no one knows is that between 2001 and 2003 Prodi established a Commission (to which I also belonged) entitled "*Reflection Group on the Spiritual and Cultural Dimension of Europe*"² which produced a document to identify and establish the cultural and spiritual values of the European tradition that should have underwritten the integration process.

Euro-democracy is a new form of democracy born from the ethical combination of solidarity and subsidiarity in institutions, society and the economy. Anyone who does not recognize the involvement of the EU and the Euro in the input of solidarity and development to subsidiarity, has no idea of what would have been the Europe of States. The European economic construction has made a major contribution to institutional construction even if both are still incomplete. They must be completed and not damaged. In 60 years, the EU-28 is an economy that with its GDP, competes with the US with around 24% of world GDP; it has 6% of the world population and is characterized by equality and social services more than any other major democracy. EMU, in turn, accounts for 4.5% of the global population and accounts for about 15% of the global GDP. As for the Euro, this accounts for 30% in the global economy, although other players are gaining weight (like the Yuan which, on October 1st, 2016 in the IMF basket of currencies, started from a base of 11%)³. In a globalized world, the EU and the EMU matter while individual countries (except Germany) would have been powerless. Yet these successes are today challenged by euro-disaffection and by the growth of populist and nationalist movements that have many causes.

One is the 2008-2014 economic crisis, which originated mainly from unregulated financial globalization and from the disparity between the financial economy and the real economy.

Another is the influx of migrants due mainly to the bloodstained and dramatic disintegration of countries in the Middle East and in Mediterranean Africa where the EU has been unable to play a mediation role to temper first of all the oppressive regimes and then the wars even

¹ *Transforming our world: the 2030 Agenda for Sustainable Development*, p.11 (43), A / RES / 70/1

² '*Some Thoughts on Solidarity and Subsidiarity*', in *The Spiritual and Cultural Dimension*, Reflection Group, European Commission, 2005, pp . 39-41

³ Eurostat 27; A Statistical Division, 2015; The World Bank, 2015.

through a role of development cooperation to promote Africa's growth ability. Finally, we have Islamic terrorism which, following the events of the past 20 years, has become almost endemic and demonstrates the vulnerability of European civil co-existence.

6) Resumption of armaments

Unfortunately, there is more to be added and therefore one must note that Saint John Paul II's exhortation has not been accepted: "Enormous resources can be made available by disarming the huge military machines which were constructed for the conflict between East and West. They could become even more abundant if reliable procedures for the solution of conflicts could be set up." (CA, 28).

Given that the EU has been our main focus, we must point out that it did not do enough because it was unprepared in the economic crisis but then outweighed by its own strength and because it lacks a common foreign and defence policy without which it will remain weak in the processes of peace promotion for world development. Not only because the two European countries have little influence within the UN Security Council but also because the military spending of the EU as part of the member countries is €240 billion, while common defence would lead to annual savings in an amount ranging between €26 and €130 billion, depending on the scheme adopted. Moreover, such an orientation could free up resources for investments in social infrastructures or for other purposes inside or outside the EU and / or to carry out *peace-keeping action* in the southern border areas.

EU military spending is however limited compared to that of other countries.

In fact, in 2012 the first 4 countries for defence spending were the United States (682 billion dollars), China (251 billion dollars), India (117 billion dollars) and Russia (113 billion dollars). The projections for 2045 see a substantial increase in spending for the same four countries: the United States at 1335 billion dollars, China at \$1270, India at \$654 billion and Russia at \$295 billion. According to these projections, there will be new players who will join the "Top Spenders" like Brazil, which from \$35 billion in 2012 would spend about \$ 93 billion a year in defence in 2045, more than expected for France (\$87 billion, Japan (\$67 billion and Germany (63 billion ⁴. In 2016, the EU and EMU spent € 240 and € 167 billion respectively on defence.

7) Europe, Developing Countries, Africa

While the EU's member countries as a whole and also as a single institution, has shown solidarity towards developing countries, this solidarity has not been effectively coordinated.

In 2016 the EU was the first contributor in development aid on a world scale with 70.5 billion euro, equal to 60% of the total. This is an outstanding amount but small in pro capita terms, because if it all went to the population of Africa it would only amount to 56 euro per person per year. Distributing this contribution among all developing countries would further reduce its effectiveness. We should concentrate everything on Africa and with specific sectorial choices. For us, "export of solidarity" should run on two production lines: economic - from infrastructure to industrialization, to entrepreneurship - and civilian, which goes from school to health, demography, gender equality and security. These routes of economic and civil

⁴ 'White Paper on the Future of Europe', European Commission 2017; SIPRI Yearbook 2017; 'Strategic Trends Program: Global Strategic Trends - Out to 2045', Ministry of Defense of the United Kingdom, 2017.

solidarity should also lead gradually to a path towards democracy in countries that have never experienced it.

Africa should be the EU's priority because this is where the EU's borders to the south lie.

In his 2017 Report on the state of the Union, the President of the European Commission Jean-Claude Juncker, highlighted the role of the EU-Africa Trust Fund, which has a budget of 2.7 billion. This is an inadequate prospect. Germany seems to have understood this to the extent that it supported the "Compact with Africa" (also referred to at the 2017 G-20 in Hamburg), a platform that essentially follows the European External Investment Plan. However, the "Compact with Africa" expresses a preference for German economic interests, just as France maintains a preferential and, in some ways exclusive, attitude towards the 14 African countries that use the so-called CFA Franc. The Europe-Africa problem would appear to clash with the shortsightedness of the national interests of European countries and so it loses its force.

We do not believe that this led to a shared financial-infrastructure strategy for Africa.

8) Solidarity infrastructures

It will be said that there is a lot of utopia in all of this. We do not believe this is so because cases of accelerated development (although chaotic in some instances) have occurred in very populated countries of Asia. Furthermore, in international forums (including the G20), the crucial issue is that of infrastructure investments. For example, the "Spring meeting" of the IMF and the World Bank included a "2016 Global Infrastructural Forum " sponsored by the World Bank and multilateral development banks which have as one of their main goals the reduction of tangible and intangible infrastructural shortages in developing countries. The Addis Abeba agenda was also approved whereby 193 nations agreed to launch multilateral cooperation mechanisms for infrastructural investments with a broad involvement of the private sector. The most important multilateral development banks participated in the IMF-World Bank Forum: African Development Bank; Asian Development Bank; Asian Infrastructure Investment Bank; European Bank for Reconstruction and Development; European Investment Bank; Inter-American Development Bank; Islamic Development Bank; New Development Bank; World Bank Group.

Continuing a European paradigm, we will now refer to some concrete elements that should clarify our focal points. The first is that offered by ELTI ⁵ on the need to implement a plan to mobilize € 150 billion for investments in social infrastructures which are one of the main pillars for the revival of the European economy and for its development according to the sustainability parameters set by the 2030 Agenda. The second is that of the Euro Union bond also proposed by Romano Prodi.

9) Oligopolistic globalization and social deconstruction

We will now end by considering globalization and the new powerful techno-scientific revolution that is changing the world.

⁵ "Boosting investment in social infrastructure in Europe", https://ec.europa.eu/info/sites/info/files/economy-finance/dp074_en.pdf

10 years since Centesimus Annus, Saint John Paul II writes in 2001:

«Since the collapse of the collectivist system in Central and Eastern Europe, with its important consequences for the Third World, humanity has entered a new phase where the market economy seems to have conquered virtually the entire world. [...] One of the Church's concerns about globalization is that it has quickly become a cultural phenomenon. The market as a mechanism of exchange has become the instrument of a new culture. [...] » (John Paul II, Address to the Pontifical Academy of Social Sciences, 27th April 2001, in *Aggiornamenti Sociali*, 6 [2001] p. 525-526)⁶.

I do not believe that Saint John Paul II's affirmation is against globalization and techno-science but instead draws our attention to cultural aspects. I am unable to elaborate on the theme in my brief reflections, and therefore refer to the points made by the CAPP Foundation.

We are convinced that if institutions, society and the economy do not work towards creative solidarity, then some powerful instrumental and cultural drivers will prevail without any control mechanisms whatsoever. In other words, the mega operators of finance and commerce in the digital age and those of the digital media which offer pseudo sociable individualism. The colossal size of the giants of finance, coupled with the management of stock exchange transactions using artificial intelligence that make them at once faster and more mechanical, have contributed to making this environment less and less controllable. Finance has taken over from the real economy. At the same time, the giants of E-Commerce, with their budgets that compete with those of the richest states, pose ever more pressing challenges for those who are called to define the policies and regulatory strategies needed to govern the current changes methodically.

Finally, the system of digital media (including *social media*) changes social interaction by modifying its structure towards the individualistic. The process to demolish the person as a member of a community and acclaim him as a self-sufficient individual, only exacerbates the dysfunctional dynamics at the economic, social and political level we are witnessing today.

10) The person, education and the common good

The Foundation has traditionally devoted great attention to education and the importance of the human person. The Church's social doctrine, pointing to "man and the city of man" as a set of complex relationships within modern society, recognizes his centrality not as an individual, but as a person.

The current problems of human coexistence, as mentioned above, seem to have a common pattern: the lack of awareness of self and one's subjectivity and responsibility as persons who are part of the community. Individualism as well as consumerism, are part of a more general process in the breakdown of social networks, the origin of which is mainly to be found in a refusal to be bound by any type of law or community in a relationship which depends on a higher ethical and civil authority. The failure of the person as a member of a community, and his acclaim as a self-sufficient individual, only exacerbates the dysfunctional dynamics we are now witnessing at the economic, social and political level. We cannot remain passive given that creative solidarity is our ethical-civil mission.

⁶ Sorge B., *The Church and globalization*, Social Updates, n.5, May 2002 pp.357-363

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