La Fondazione di religione e di culto "*Centesimus Annus – Pro Pontifice*" ha sede nello Stato della Città del Vaticano ed è retta dalle leggi canoniche vigenti nella Chiesa e da quelle civili vigenti nello Stato della Città del Vaticano nonché dallo statuto di cui è stata dotata.
L'art. 3 dello statuto, oltre a precisare che la Fondazione si propone specificamente di collaborare allo studio e alla diffusione della dottrina sociale cristiana, come esposto in particolare nell'enciclica *Centesimus Annus*, elenca le seguenti finalità:

- promuove fra persone qualificate per il loro impegno imprenditoriale e professionale nella società la conoscenza della dottrina sociale cristiana e l'informazione circa l'attività della Santa Sede;
- favorisce iniziative per sviluppare la presenza e l'opera della Chiesa Cattolica nei vari ambiti della società;
- promuove la raccolta di fondi per il sostegno dell'attività della Sede Apostolica.

Caratteristica propria della Fondazione è l'animazione spirituale dei soci fondatori e dei membri aderenti da parte degli assistenti spirituali che, segnalati dal Consiglio di Amministrazione, sono designati dalle competenti Conferenze Episcopali. Tale animazione è orientata in particolare al raggiungimento delle finalità sopra elencate ed avviene mediante iniziative particolari ed incontri di aggiornamento, sia periodici che occasionali. Sin dalla sua istituzione la Fondazione ha promosso numerosi incontri, in forma anche di seminari, ed ha annualmente organizzato un incontro in Vaticano per tutti i soci fondatori e i membri aderenti, in occasione del quale si è avuto il privilegio di essere ricevuti in udienza privata dal Sommo Pontefice.

€ 32,00

ISBN 978-88-209-9568-3

10

Solidarity as a "Social Value"
Paradigms for a Good Society

LEV

Fondazione "Centesimus Annus – Pro Pontifice"
Vatican City

Solidarity as a "Social Value"
Paradigms for a Good Society

A cura di

Alberto Quadrio Curzio
Giovanni Marseguerra

LIBRERIA EDITRICE VATICANA

Il volume raccoglie le relazioni e le proposte finali dei Convegni promossi dalla Fondazione *Centesimus Annus – Pro Pontifice* tra il settembre 2013 e l'ottobre 2014. In particolare, seguendo l'ordine cronologico in cui si sono svolti i Convegni, sono qui pubblicate, con minimi aggiustamenti, le relazioni presentate in occasione dei Convegni internazionali "*The Good Society and the Future of Jobs: Can Solidarity and Fraternity be Part of Business Decisions?*", tenutosi nella Città del Vaticano tra l'8 e il 10 maggio 2014, e "*Poverty and Development: A Catholic Perspective*", organizzato dalla *Fondazione Centesimus Annus – Pro Pontifice* statunitense in collaborazione con la *Fordham University* e tenutosi a New York il 26 e il 27 settembre 2014. Sono qui pubblicati anche i report riassuntivi e le proposte finali delle due consultazioni internazionali sul tema "*A Dialogue on Finance and the Common Good*" organizzate nella Città del Vaticano il 27 e 28 settembre 2013 e a Dublino il 24 e 25 ottobre 2014.
Questi Convegni hanno confermato come i principi della dottrina sociale offrano un irrinunciabile orientamento per affrontare le molteplici problematiche di un mondo in continua trasformazione e con crisi ricorrenti. Appare oggi essenziale adottare nelle scelte politiche, economiche e sociali una visione di lungo periodo che abbia come obiettivi prioritari la promozione della persona e delle comunità nella ricerca dello sviluppo e nell'impegno alla solidarietà dinamica e creativa. In via di sintesi, il messaggio complessivo che emerge dall'insieme di questi incontri è che solo la libertà della persona, unita alla responsabilità di essere parte di una comunità, può portare, nel lungo periodo, solidarietà e sviluppo e così condurre alla costruzione di un'identità forte.

FONDAZIONE
«CENTESIMUS ANNUS – PRO PONTIFICE»

— 10 —

© Copyright 2015 – Libreria Editrice Vaticana
00120 Città del Vaticano
Tel. 06 69 88 10 32 - Fax 06 69 88 47 16
www.libreriaeditricevaticana.va
www.vatican.va

ISBN 978-88-209-9568-3

Solidarity as a "Social Value"
Paradigms for a Good Society

A cura di

Alberto Quadrio Curzio
Giovanni Marseguerra

LIBRERIA EDITRICE VATICANA

FONDAZIONE *"CENTESIMUS ANNUS – PRO PONTIFICE"*

Consiglio di Amministrazione

Sugranyes Bickel Sr. D. Domingo (Presidente)
Borghese Khevenhueller Dott.ssa Camilla (Vice Presidente)
Ferrarini Dott.ssa Lisa
Longhi Dott. Gianluigi
Löwenstein Mr. Alois Konstantin
Rossi di Montelera Conte Dott. Lorenzo
Rusche Dz. Dz. Thomas
Sansone Dott. Francesco
Zahra Mr. Joseph F.X.

Collegio dei revisori

Franceschi Dott. Giorgio
Marino Dott. Pasquale
Pizzini Dott. Flavio

Segretario generale

Gattamelata Dott. Massimo

Comtitato scientifico

Quadrio Curzio Prof. Alberto (Presidente)
Marseguerra Prof. Giovanni (Segretario)
Abela Prof. Andrew V.
Bonnici Prof. Josef
Costa Prof. Antonio Maria
D'Adda Prof. Carlo
Dembinski Prof. Paul H.
Estanislao Prof. Jesus
Garonna Prof. Paolo
Garvey Prof. George E.
Pabst Prof. Adrian
Pammolli Prof. Fabio
Pastor Prof. Alfredo
Pezzani Prof. Fabrizio
Toso S.E. Mons. Prof. Mario

Comitato editoriale

Quadrio Curzio Prof. Alberto
Sugranyes Bickel Sr. D. Domingo
Gattamelata Dott. Massimo
Marseguerra Prof. Giovanni

La pubblicazione è stata realizzata grazie al contributo personale dell'Ing. Flavio Valleri, membro dell'Advisory Board della Fondazione

VOLUME'S ABSTRACT

The book puts together the contributions and the final proposal of the conferences organized by Centesimus Annus – Pro Pontifice (CAPP) Foundation from September 2013 to October 2014.

Following the chronological order of the conferences, it first lasts the contributions to the international conference on "*The Good Society and the Future of Jobs: Can Solidarity and Fraternity be Part of Business Decisions?*" held in the Vatican City on May 8th-10th, 2014, and then those presented at the international conference on "*Poverty and Development: A Catholic Perspective*", organized by the FCAPP-USA and Fordham University in New York City on September 26th-27th, 2014.

The reports and the final proposals of the international consultations on "*A Dialogue on Finance and the Common Good*", held in Vatican City on September 27th-28th 2013 and in Dublin on October 24th-25th 2014, are also included in the volume.

The book is introduced by a Preface by Alberto Quadrio Curzio and Giovanni Marseguerra (respectively President and Secretary of the Scientific Committee of the Fondazione Centesimus Annus – Pro Pontifice) and the 2015 Statement of the Foundation.

SOMMARIO DEL VOLUME

Il volume raccoglie le relazioni e le proposte finali dei convegni promossi dalla Fondazione Centesimus Annus – Pro Pontifice (FCAPP) tra settembre 2013 ed ottobre 2014.

Seguendo l'ordine cronologico in cui si sono svolti i convegni, sono qui pubblicate le relazioni presentate al convegno internazionale "*The Good Society and the Future of Jobs: Can Solidarity and Fraternity be Part of Business Decisions?*", tenutosi nella Città del Vaticano tra l'8 e il 10 maggio 2014; seguono, quindi, le relazioni esposte alla conferenza internazionale "*Poverty and Development: A Catholic Perspective*", organizzata dalla Fondazione Centesimus Annus – Pro Pontifice statunitense in collaborazione con la Fordham University e tenutasi a New York il 26 e il 27 settembre 2014.

Infine, sono pubblicati i *report* riassuntivi e le proposte finali delle consultazioni internazionali sul tema "*A Dialogue on Finance and the Common Good*" organizzati dalla Fondazione nella Città del Vaticano il 27-28 settembre 2013 e a Dublino il 24-25 ottobre 2014.

Il volume è introdotto da una prefazione di Alberto Quadrio Curzio e Giovanni Marseguerra (rispettivamente Presidente e Segretario del Comitato Scientifico della Fondazione CAPP) e dalla Dichiarazione della FCAPP 2015.

DISCORSO DEL SANTO PADRE FRANCESCO AI PARTECIPANTI ALL'INCONTRO PROMOSSO DALLA FONDAZIONE CENTESIMUS ANNUS – PRO PONTIFICE

Sala Clementina

Sabato, 10 maggio 2014

Cari amici,

dò il mio benvenuto a tutti voi, membri della Fondazione *Centesimus Annus – Pro Pontifice* e partecipanti al Convegno Internazionale. Ringrazio il Presidente per la sua introduzione a questo incontro, che è una tappa del cammino che state compiendo, cercando di rispondere ad alcune sfide del mondo attuale alla luce della dottrina sociale della Chiesa.

Vi ringrazio perché avete raccolto il suggerimento di lavorare sul valore della solidarietà. In questo modo noi portiamo avanti un tema di riflessione e di impegno che è intrinseco alla dottrina sociale, che lo armonizza sempre con la sussidiarietà. In particolare questo tema è emerso con grande risalto nel magistero di san Giovanni Paolo II e poi è stato declinato e aggiornato da Papa Benedetto XVI nella *Caritas in veritate*.

Nell'attuale sistema economico – e nella mentalità che esso genera – la parola "solidarietà" è diventata scomoda, persino fastidiosa. L'anno scorso vi ho detto che sembrava una parolaccia per questo mondo! La crisi di questi anni, che ha cause profonde di ordine etico, ha aumentato questa "allergia" a parole come solidarietà, equa distribuzione dei beni, priorità del lavoro... E la ragione è che non si riesce – o non si vuole – studiare veramente in che modo questi valori etici possono diventare in concreto valori economici, cioè provocare dinamiche virtuose nella produzione, nel lavoro, nel commercio, nella stessa finanza.

Proprio questo invece è ciò che voi cercate di fare, tenendo insieme l'aspetto teorico e quello pratico, il pensiero e le esperienze sul campo.

La coscienza dell'imprenditore è il luogo esistenziale in cui avviene tale ricerca. In particolare, l'imprenditore cristiano è sollecitato a confrontare sempre il Vangelo con la realtà in cui opera; e il Vangelo gli chiede di mettere al primo posto la persona umana e il bene comune, di fare la sua parte affinché ci siano opportunità di lavoro, di lavoro dignitoso. Naturalmente questa "impresa" non si può compiere isolatamente, ma collaborando con altri che condividono la base etica e cercando di allargare il più possibile la rete.

La comunità cristiana – la parrocchia, la diocesi, le associazioni – è il luogo in cui l'imprenditore, ma anche il politico, il professionista, il sindacalista, attingono la linfa per alimentare il loro impegno e confrontarsi con i fratelli. Questo è indispensabile, perché l'ambiente lavorativo diventa a volte arido, ostile, disumano. La crisi mette a dura prova la speranza degli imprenditori; non bisogna lasciare soli quelli che sono più in difficoltà.

Cari amici della "*Centesimus Annus*", questo è il vostro campo di testimonianza! Il Concilio Vaticano II ha insistito sul fatto che i fedeli laici sono chiamati a compiere la loro missione negli ambiti della vita sociale, economica, politica. Voi, con l'aiuto di Dio e della Chiesa, potete dare una testimonianza efficace nel vostro campo, perché non portate solo parole, discorsi, ma portate l'esperienza di persone e di imprese che cercano di attuare concretamente i principi etici cristiani nell'attuale situazione del mondo del lavoro. Questa testimonianza è importantissima e io vi incoraggio a portarla avanti con fede, dedicando anche il giusto tempo alla preghiera, perché anche il laico, anche l'imprenditore ha bisogno di pregare, e di pregare molto quando le sfide sono più dure! Mercoledì scorso ho tenuto la catechesi sul dono del consiglio, uno dei sette doni dello Spirito Santo. Anche voi avete tanto bisogno di chiedere a Dio questo dono, il dono del consiglio, per agire e fare le vostre scelte secondo il maggior bene. Vi assista la Vergine Maria *Mater boni consilii*, e vi accompagni anche la mia benedizione.

ADDRESS OF POPE FRANCIS
TO PARTICIPANTS IN THE MEETING
PROMOTED BY THE CENTESIMUS ANNUS
PRO PONTIFICE FOUNDATION

Clementine Hall
Saturday, 10 May 2014

Dear Friends,

I welcome all of you, members of the *Centesimus Annus – Pro Pontifice* Foundation and those taking part in the International Conference. I thank the President for his introduction to this encounter, which is a milestone on your path, as you seek to meet some of the current world challenges in light of the social doctrine of the Church.

I thank you for having accepted the suggestion to develop the value of solidarity. We thus carry forward a theme of reflection and commitment which is intrinsic to the social doctrine, which is always in harmony with subsidiarity. In particular this was a salient theme of St John Paul II's Magisterium, that Pope Benedict XVI later clarified and updated in *Caritas in Veritate*.

In the current economic situation – and in the mentality that it generates – the word "solidarity" has become uncomfortable, even bothersome. Last year, I told you it seemed even like a swear word in this context. The cause of the crisis of these current years is of a deep ethical nature that has enhanced this "allergy" to words like solidarity, the equitable distribution of goods, employment as a priority... And the reason is that one has not succeeded – or does not want to succeed – in really studying how these ethical values could promote concrete economic values, like creating virtuous dynamics in the areas of production, labour, the market, and finance itself.

This is precisely what you are trying to do, combining the theoretical and practical aspects, thought and experience in the field.

The conscience of the businessman is the vital area where this research takes place. In particular, the Christian businessman is urged to always compare the Gospel with the reality in which he works; and the Gospel asks him to place the human person and the common good first, to do his part in providing employment and dignified work. Naturally, this "initiative" cannot succeed on its own, but by working with others who share the same ethical foundations and by seeking to cast the net as far out as possible.

The Christian community – the parish, the diocese, the associations – is the place where the businessman, as well as the politician, the professional and the trade unionist, draw life to feed their commitment and relate to their brothers. This is indispensable, because the work environment at times becomes unfeeling, hostile and inhumane. The crisis puts the hopes of businessmen to the test; but we must not leave those in most difficulty alone.

Dear friends of *Centesimus Annus*, this is your field of testimony! The Second Vatican Council insisted on the fact that the lay faithful are called to fulfil their mission in the areas of social, economic and political life. With the help of God and the Church, you can bear effective witness in your field, because you bring not only words and speeches, but also personal and business experience in an attempt to implement the Christian ethical principals in the current situation in the world of labour. This testimony is of the utmost importance and I encourage you to carry it forward with faith, also by dedicating sufficient time to prayer, for the layperson as well as the businessman needs to pray, and to pray all the more, the more difficult are the challenges! Last Wednesday I gave a catechesis on the gift of counsel, one of the seven gifts of the Holy Spirit. You also have great

need to ask God for this gift, the gift of counsel, to act and make decisions for the greater good. May the Virgin Mary, *Mater boni consilii*, help you, and may my blessing also go with you.

DISCURSO DEL SANTO PADRE FRANCISCO A LOS PARTICIPANTES EN EL CONGRESO INTERNACIONAL ANUAL ORGANIZADO POR LA FUNDACIÓN CENTESIMUS ANNUS – PRO PONTIFICE

Sala Clementina

Sábado 10 de mayo de 2014

Queridos amigos:

Doy la bienvenida a todos vosotros, miembros de la Fundación Centesimus annus pro Pontifice y a los participantes en el congreso internacional. Agradezco al presidente sus palabras de introducción a este encuentro, que es una etapa del camino que estáis realizando, tratando de dar respuesta a algunos desafíos del mundo actual a la luz de la doctrina social de la Iglesia.

Os doy las gracias porque habéis acogido la sugerencia de trabajar en el valor de la solidaridad. De este modo llevamos adelante un tema de reflexión y de compromiso que es intrínseco a la doctrina social y que lo armoniza siempre con la subsidiariedad. Este tema en particular, ha sobresalido con gran relieve en el magisterio de san Juan Pablo II y después ha sido cultivado y actualizado por el Papa Benedicto XVI en *Caritas in veritate*.

En el sistema económico actual – y en la mentalidad que ello genera – la palabra «solidaridad» ha llegado a ser molesta, incluso fastidiosa. El año pasado os dije que parecía una mala palabra para este mundo. La crisis de estos años, que tiene profundas causas de carácter ético, ha aumentado esta «alergia» a palabras como solidaridad, justa distribución de los bienes, prioridad del trabajo... Y la razón es que no se logra – o no se quiere – estudiar verdaderamente de qué modo estos valores éticos pueden convertirse concretamente en valores

económicos, es decir, provocar dinámicas virtuosas en la producción, en el trabajo, en el comercio, en la finanza misma.

Esto es precisamente lo que vosotros tratáis de hacer, manteniendo juntos el aspecto teórico y el práctico, las ideas y las experiencias en este campo.

La conciencia del empresario es el lugar existencial donde se lleva a cabo esa búsqueda. En particular, el empresario cristiano está llamado a confrontar siempre el Evangelio con la realidad en la que trabaja; y el Evangelio le pide que ponga en primer lugar a la persona humana y el bien común, que ponga lo que esté de su parte para que existan oportunidades de trabajo, de trabajo digno. Naturalmente esta «empresa» no se puede realizar aisladamente, sino colaborando con otros que comparten la base ética y tratando de ampliar la red lo más posible.

La comunidad cristiana – la parroquia, la diócesis, las asociaciones – es el sitio donde el empresario, pero también el político, el profesional, el sindicalista, extrae la savia para alimentar su compromiso y confrontarse con los hermanos. Esto es indispensable, porque el ambiente laboral llega a ser a veces árido, hostil, inhumano. La crisis pone a dura prueba la esperanza de los empresarios; no hay que dejar solos a los que tienen más dificultad.

Queridos amigos de la «*Centesimus annus*», ¡este es vuestro campo de testimonio! El Concilio Vaticano II ha insistido en el hecho de que los fieles laicos están llamados a realizar su misión en los ámbitos de la vida social, económica y política. Vosotros, con la ayuda de Dios y de la Iglesia, podéis dar un testimonio eficaz en vuestro campo, porque no lleváis sólo palabras, discursos, sino que lleváis la experiencia de personas y empresas que buscan aplicar concretamente los principios éticos cristianos a la situación actual del mundo del trabajo. Este testimonio es importantísimo y os aliento a llevarlo adelante con fe, dedicando también el tiempo necesario a la oración, porque también el laico, incluso el empresario, tiene necesidad de orar, y de orar mucho cuando los desafíos

son más duros. El miércoles pasado tuve la catequesis sobre el don de consejo, uno de los siete dones del Espíritu Santo. También vosotros tenéis mucha necesidad de pedir a Dios este don, el don de consejo, para actuar y realizar vuestras decisiones según el bien mayor. Que os asista la Virgen María, *Mater boni consilii*, y os acompañe también mi bendición.

ANSPRACHE VON PAPST FRANZISKUS AN DIE MITGLIEDER DER STIFTUNG CENTESIMUS ANNUS – PRO PONTIFICE

Clementina-Saal
Samstag, 10. Mai 2014

Liebe Freunde,

ich heiße euch alle herzlich willkommen, liebe Mitglieder der Stiftung *Centesimus Annus – Pro Pontifice* und Teilnehmer an der internationalen Studientagung. Ich danke dem Präsidenten für seine Einführung in diese Begegnung, die eine Etappe ist auf dem Weg, den ihr gerade geht und auf dem ihr versucht, im Licht der Soziallehre der Kirche auf einige Herausforderungen der Welt von heute zu antworten.

Ich danke euch, dass ihr den Vorschlag angenommen habt, euch bei euren Arbeiten mit dem Wert der Solidarität auseinanderzusetzen. Auf diese Weise setzen wir ein Thema der Reflexion und der Aktion fort, das in enger Verbindung mit der Soziallehre steht, die es stets mit der Subsidiarität einhergehen lässt. Besonders deutlich war dieses Thema im Lehramt von Johannes Paul II. erkenntlich, und dann wurde es von Papst Benedikt XVI. in seiner Enzyklika *Caritas in veritate* abgewandelt und auf den neuesten Stand gebracht.

Im derzeitigen Wirtschaftssystem – und in der Mentalität, die dieses hervorbringt – ist das Wort »Solidarität« unbequem, ja fast schon lästig geworden. Im vergangenen Jahr habe ich euch gesagt, dass es fast schon wie ein Schimpfwort in dieser Welt klingt! Die Krise, die wir in diesen Jahren erleben und die tiefe Ursachen ethischer Art hat, hat diese »Allergie« gegen Worte wie Solidarität, gerechte Verteilung der Güter, Priorität der Arbeit noch verstärkt... Und der Grund ist, dass es nicht gelingt – oder dass man vielleicht gar nicht wirklich versucht – herauszufinden, wie diese ethischen

Werte im Konkreten zu wirtschaftlichen Werten werden und somit in der Produktion, in der Arbeit, im Handel, ja auch im Finanzbereich eine tugendhafte Dynamik in Gang setzen können.

Dabei ist es doch gerade das, was ihr zu tun versucht, indem ihr den theoretischen und praktischen Aspekt, den Gedanken und die vor Ort gemachte Erfahrung zusammenhaltet.

Das Gewissen des Unternehmers ist der grundlegende Ort, an dem diese Suche stattfindet. Ganz besonders der christliche Unternehmer ist gerufen, das Evangelium stets der Realität gegenüberzustellen, in der er arbeitet; und das Evangelium drängt ihn, an die erste Stelle die menschliche Person und das Gemeinwohl zu stellen, das Seine zu tun, damit es Arbeit gibt, würdevolle Arbeit. Natürlich kann man dieses »Unterfangen« nicht allein vollbringen; es muss in Zusammenarbeit mit anderen geschehen, die dieselbe ethische Grundlage haben, und indem man versucht, das Netz soweit wie möglich auszuweiten.

Die christliche Gemeinschaft – die Pfarrei, die Diözese, die Vereinigungen – ist der Ort, aus dem die Unternehmer, die Fachleute, die Gewerkschafter, ihre Inspiration ziehen, um sich in ihrem Einsatz anspornen zu lassen und sich mit ihren Brüdern und Schwestern auszutauschen. Das ist unabdingbar, weil das Arbeitsumfeld manchmal steril, feindselig, unmenschlich sein kann. Die Krise stellt die Hoffnungen der Unternehmer auf eine schwere Probe; man darf jene nicht allein lassen, die sich in Schwierigkeiten befinden.

Liebe Freunde der Stiftung *Centesimus Annus:* das ist das Aktionsfeld für euer Zeugnis! Das Zweite Vatikanische Konzil hat betont, dass die Laiengläubigen gerufen sind, ihre Sendung in den Bereichen des sozialen, wirtschaftlichen und politischen Lebens zu erfüllen. Mit der Hilfe Gottes und der Kirche könnt ihr in eurem Bereich ein wirksames Zeugnis ablegen, weil ihr nicht nur Worte und Ansprachen mit einbringt, sondern die Erfahrung von Personen und Unternehmen, die versuchen, die Prinzipien der christlichen Ethik in

der heutigen Arbeitswelt konkret umzusetzen. Dieses Zeugnis ist überaus wichtig, und ich ermutige euch, es voller Glauben weiter voranzutreiben, indem ihr auch dem Gebet genügend Zeit widmet. Denn auch der Laie, auch der Unternehmer braucht das Gebet, weil er viel beten muss, wenn es hart auf hart kommt! Vergangenen Mittwoch habe ich in meiner Katechese über die Gabe des Rates gesprochen, eine der Gaben des Heiligen Geistes. Auch ihr habt es dringend notwendig, Gott um diese Gabe zu bitten – die Gabe des Rates, damit ihr handeln und eure Entscheidungen zum größeren Wohl aller treffen könnt! Unsere Liebe Frau vom guten Rat stehe euch bei, und mein Segen begleite euch.

INDIRIZZO DI SALUTO AL SANTO PADRE DEL PRESIDENTE DELLA FONDAZIONE "CENTESIMUS ANNUS – PRO PONTIFICE" DOMINGO SUGRANYES BICKEL

Santo Padre,

Siamo qui di nuovo e molto grati perché anche quest'anno ha voluto ricevere i partecipanti al convegno internazionale della Fondazione Centesimus Annus – Pro Pontifice, 21 anni dopo la creazione voluta dal Santo Papa Giovanni Paolo II.

Ringrazio anche Sua Eminenza Reverendissima il Cardinale Calcagno e Sua Eminenza Monsignor Celli per il generoso accompagnamento nel nostro lavoro.

Da professionisti della gestione, seguiamo con grande attenzione le riforme amministrative da Lei avviate e mi permetto in primo luogo di esprimerLe ammirazione e sostegno in merito. Da laici impegnati nel mondo dell'economia sappiamo e misuriamo cosa significa l'esigenza di una gestione sobria, trasparente ed efficace e il coraggio che ci vuole per applicare le riforme.

Santo Padre, l'anno scorso ci chiedeva: c'è posto per la solidarietà nella vita economica? Stiamo cercando proprio di rispondere a questa domanda. Come ha fatto la Fondazione anche in passato, il nostro obiettivo è quello di ridurre il divario tra l'affermazione dei principi e delle esigenze etiche e la realtà complessa delle decisioni economiche, perché – citando 'Evangelii Gaudium' – "i grandi principi sociali non rimangano mere indicazioni generali che non interpellano nessuno" (182).

In questo convegno abbiamo preso l'avvio dallo studio delle disuguaglianze e delle gravi incertezze attuali sulla crescita e la creazione di posti di lavoro; poi abbiamo considerato la solidarietà e la fraternità in quanto dimensioni sociali

fondamentali, non solo come principi, ma anche in concreto, per esempio nella lotta contro la criminalità economica o nella gestione efficiente dei programmi di azione sociale. Ci siamo poi chiesti, sulla base di esempi, in che misura la solidarietà fa parte – o non fa parte – della realtà delle imprese e della vita politica.

La risposta alla domanda è sì, tutta la difficoltà sta nel come. Il primo passo è personale ed essenziale, come ci ha ricordato Monsignor Celli questa mattina nella meditazione sulla parabola del Buon Samaritano.

Questo è stato un convegno intensamente partecipativo; si è concluso con l'incarico affidato ad un piccolo gruppo di persone di formulare nelle prossime settimane delle conclusioni e delle proposte che ne raccolgano tutto il contenuto.

Nel programma di quest'anno e su iniziativa dei nostri aderenti degli Stati Uniti, in settembre terremo una riunione a New York, centrata sulla povertà e la responsabilità di proteggere le popolazioni in situazioni estreme.

Entro la fine dell'anno la Fondazione ha convocato anche un gruppo ristretto di specialisti di dottrina sociale, di teologi, di banchieri, di supervisori bancari e di economisti universitari, per continuare il dialogo iniziato lo scorso anno su "Finanza e bene comune". Questa riunione si terrà in ottobre a Dublino.

Da questi tre incontri dovrebbero nascere un insieme di raccomandazioni coraggiose e nel contempo applicabili, che ci permetteremo di presentare a Vostra Santità, per poi farle conoscere il più largamente possibile in tutto il mondo, cercando anche la collaborazione di altre associazioni, come l'Unione internazionale degli imprenditori cristiani UNIAPAC.

Santo Padre, il nostro sforzo giornaliero si svolge proprio nell'arena dell'economia dove le tentazioni non mancano, come la debolezza o la cupidigia, ma dove c'è anche l'entusiasmo di chi porta avanti un'attività che crea ricchezza e nasce dall'operato di tante persone. L'etica è essenziale per noi.

Sappiamo però che il buon comportamento delle singole persone non è sufficiente: il movimento per un'economia al servizio dell'uomo dev'essere più ampio, condiviso da credenti e non credenti; dev'essere sostenuto da correnti d'opinione e con capacità politica. A questo rovesciamento di priorità, a questo allargamento della prospettiva, la parola e l'esempio di Vostra Santità contribuiscono in modo potente; crediamo che si deve far sentire con forza in tutti i centri economici e politici, per esempio anche nel presente dibattito sui nuovi obiettivi di sviluppo delle Nazioni Unite. Per quanto ci riguarda e nella misura delle nostre forze, siamo pronti ad arruolarci con Lei, Santo Padre, in questo sforzo costruttivo.

Domingo Sugranyes Bickel

10 maggio 2014

ADDRESS TO PAPE FRANCIS BY DOMINGO SUGRANYES BICKEL, CHAIRMAN OF "CENTESIMUS ANNUS – PRO PONTIFICE" FOUNDATION

His Holiness

We are deeply grateful to Your Holiness for receiving once again the participants in the annual international conference of the *Centesimus Annus – Pro Pontifice* Foundation, established by Pope John Paul II 21 years ago.

I would like also to thank His Eminence Cardinal Calcagno and Archbishop Celli for the generosity and care with which they follow our work.

As businessmen, we are deeply interested in the administrative reforms you are introducing. Thus, may I take the liberty to express our admiration and support for your efforts. As lay people engaged in business decisions we are well aware of the primary importance of sober, transparent and effective management and of the courage needed to implement reforms.

Your Holiness, last year you asked us: is there room for solidarity in economic life? We are trying to provide an answer to this very question. As ever, our Foundation's goal is to reduce the gap between the affirmation of principles and ethical values and the complex reality of economic decisions "**lest the great social principles remain mere generalities which challenge no one**" (*Evangelii Gaudium*, 182)

We have begun this year's conference by looking at the inequalities and the serious uncertainties concerning growth and job creation; then we looked at solidarity and fraternity as fundamental social dimensions, not merely as principles but also in practice, for example in the fight against organized economic crime or in running efficient social programs.

We then asked ourselves, using real examples, whether solidarity can or cannot be part of business reality and political life.

The answer is yes, the problem is how. The first step is personal and essential, as Archbishop Celli reminded us this morning in his meditation on the parable of the Good Samaritan.

This year's conference was highly interactive; it ended with the appointment of a small panel of people who, in the next few weeks, will draw conclusions and draft proposals that recap the work of the past two days.

Later this year the Foundation will hold a meeting in New York, organized by our United States members, focused on poverty and the responsibility to protect populations in extreme situations.

And in October we have invited a select group of social doctrine experts, theologians, bankers, bank executives and academics, to continue in Dublin the dialogue begun last year on "Finance and common good".

These three events should result in a series of challenging and at the same time realistic recommendations which we will take the liberty of submitting to Your Holiness before circulating them as widely as possible, and for this we plan to join efforts also with other associations, such as UNIAPAC (International Union of Christian Entrepreneurs).

Your Holiness, our daily work is in the field of economic activity, where the temptations of weakness and greed abound, but where there is also the enthusiasm of people whose work creates wealth and jobs. Ethic values are essential for us.

We do know, however, that individual good behavior is not sufficient: the movement towards an economy that truly serve human needs must be wider, shared by believers and non believers; it must be supported by opinion trends and political will. To this change of priorities, to this widening of horizons, the words and example of Your Holiness contribute

powerfully; we are convinced that they should be forcefully brought to the attention of all economic and political power centers, also – for instance – in the present debate on the United Nations' development goals. We are ready to enroll on this campaign with you, Your Holiness, to the best of our abilities.

Domingo Sugranyes Bickel

May 10th, 2014

DISCURSO DEL PRESIDENTE DE LA FUNDACIÓN "CENTESIMUS ANNUS – PRO PONTIFICE" DOMINGO SUGRANYES BICKEL AL SANTO PADRE

Santo Padre,

Estamos aquí de nuevo y muy agradecidos puesto que este año también ha querido recibir a los participantes en el encuentro internacional de la Fundación Centesimus Annus pro Pontifice, veintiun años después de su creación por el Santo Papa Juan Pablo II.

Nuestro agradecimiento también a SER el Cardenal Calcagno y a SE Mons. Celli por acompañarnos generosamente en nuestro trabajo.

Como profesionales de la gestión seguimos con gran atención las reformas administrativas que ha iniciado y me permito ante todo expresarle nuestra admiración y nuestro apoyo al respecto. Como laicos comprometidos en el mundo de la economía sabemos y medimos lo que significa la exigencia de una gestión sobria, transparente y eficaz, y el coraje que requiere la aplicación de las reformas.

Santo Padre, el año pasado Usted nos preguntó: ¿hay lugar para la solidaridad en la vida económica? Estamos intentanto contestar esta pregunta. Como viene haciendo la Fundación desde hace tiempo, nuestro objetivo es el de reducir la distancia entre la afirmación de los principios y las exigencias éticas, y la realidad compleja de las decisiones económicas, de modo que – citando 'Evangelii Gaudium' – "los grandes principios sociales no se queden en meras generalidades que no interpelan a nadie" (182).

En este encuentro hemos tomado como punto de partida el estudio de las desigualdades y de las graves incertidumbres actuales en cuanto al crecimiento y la creación de puestos de trabajo; luego hemos considerado la solidaridad y la frater-

nidad como dimensiones sociales fundamentales, no sólo como principios, sino también en concreto, por ejemplo en la lucha contra la criminalidad económica o en la gestión eficiente de los programas de acción social. A continuación nos hemos preguntado, sobre la base de ejemplos, en qué medida la solidaridad forma parte – o no forma parte – de la realidad de las empresas y de la vida política.

La respuesta a la pregunta es si, toda la dificultad está en el cómo. El primer paso es personal y esencial, como nos ha recordado Monseñor Celli esta mañana en su meditación sobre la parábola del Buen Samaritano.

Este encuentro ha sido intensamente participativo; se ha concluido con el encargo hecho a un pequeño grupo de personas que formularán en las próximas semanas unas conclusiones y unas propuestas que recojan todo su contenido.

En programa para este año y por iniciativa de nuestros adherentes de Estados Unidos tendremos en septiembre una reunión en Nueva York sobre la pobreza y la responsabilidad de proteger a las poblaciones en situaciones extremas.

También en este año la Fundación ha convocado a un grupo restringido de especialistas de doctrina social, teólogos, banqueros, supervisores bancarios y economistas universitarios, para continuar el diálogo comenzado el año pasado sobre "Finanzas y Bien Común". Esta reunión tendrá lugar en Dublin.

De estos tres encuentros debe nacer un conjunto de recomendaciones valientes y al mismo tiempo aplicables, que quisiéramos presentar a Su Santidad antes de darlas a conocer lo más ampliamente posible en todo el mundo, buscando para ello la colaboración de otras asociaciones como la Unión internacional de empresarios cristianos UNIAPAC.

Santo Padre, nuestro esfuerzo diario tiene como escenario justamente la arena de la economía donde no faltan tentaciones, como la debilidad o la codicia, pero dónde también hay el entusiasmo de quien lleva adelante una actividad que crea

riqueza y nace del trabajo de muchas personas. La ética es esencial para nosotros.

Sin embargo sabemos que el buen comportamiento de las personas individuales no es suficiente: el movimiento por una economía al servicio del hombre debe ser más amplio, compartido por creyentes y no creyentes; debe apoyarse en corrientes de opinión y en una capacidad política. A este cambio en las prioridades, a esta ampliación de la prospectiva contribuyen potentemente la palabra y el ejemplo de Su Santidad; creemos que debe hacerse oir con fuerza en todos los centros económicos y políticos, por ejemplo también en el actual debate sobre los nuevos objetivos de desarrollo de las Naciones Unidas. En lo que nos compite y en la medida de nuestra fuerzas, estamos dispuestos a alistarnos con Usted, Santo Padre, en este esfuerzo constructivo.

Domingo Sugranyes Bickel

10 de mayo de 2014

INTRODUCTION: SOLIDARITY AND COMMUNITY

Alberto Quadrio Curzio and Giovanni Marseguerra
(with the collaboration of Ilaria Pasotti)

1. Pope Francis: "Rethink" Solidarity

In his message to the participants at the international conference organized by the Centesimus Annus – Pro Pontifice Foundation in 2013, Pope Francis called for a "rethinking" of solidarity. The undertaking was to bring together the Magisterium and social and economic development – which consistently reveals new aspects in its constant and rapid expansion. This should achieve the potential which values can offer regarding current problems. In the words of the Pope, solidarity "is not something extra; it is not a form of social assistance (welfare). It is a social value. It asks us for citizenship"[1].

The Centesimus Annus Pro-Pontifice Foundation (henceforth CA-PP), responded to the invitation of the Holy Father by making solidarity the central focus of three initiatives undertaken between 2013 and 2014. CA-PP's understanding of this fundamental theme of Catholic social doctrine can be seen from a re-reading of the history of the Foundation which has consistently concerned itself with solidarity, albeit with different approaches. CA-PP 's activity over the last two years can be placed within a set of values and culture rooted as far as possible in practical work, although there are new elements which are described below.

[1] Message of Pope Francis at the Centesimus Annus Pro-Pontifice international conference, "Rethinking Solidarity for Employment: Challenges for the 21st Century", May 23, 2013. Available at: http://www.centesimusannus.org/media/2acap1369759748.pdf, access: March 9, 2015.

2. Three international meetings 2013-2014

These past two years have been extremely demanding as they involved three international initiatives with top-level speakers and very active participants in the discussions of the chosen themes. This has strengthened CA-PP as a community of solidarity where people with different experience and responsibilities meet as equals with shared values.

In September 2013, CA-PP initiated the international consultations in the Vatican. Entitled *A Dialogue on Finance and the Common Good*, they were expanded and finalized in Dublin in October 2014. The participants, from ecclesiastical and academic backgrounds as well as representatives of the financial world, discussed how to build a 'bridge' between the aspiration to economic and financial *governance*, that responds to a global ideal of justice and solidarity and the actual decisions of policy-makers and financial professionals. This led them to outline some concrete proposals so that finance is at the service of the common good, in accordance with Catholic social teaching. The complexity of the theme required a great commitment by the participants also in the effort of mutual understanding between people with different skills and different languages, but as we have stressed, with shared equal values. They always found themselves at one on goals aimed at the common good.

The CA-PP international conference on *The Good Society and the Future of Jobs: Can solidarity and fraternity be part of business decisions?* was held in the Vatican in May 2014. The focus was on how solidarity should be conceived within today's context of new inequalities and social deterioration. Alongside the contributions of academic, ecclesiastical, political and institutional personalities, there was a round table with representatives of the operational economy (often called, rather simplistically the business world). The participants endeavoured to evaluate the significance of solidarity and how to make it a reality.

A conference jointly organized by the US Centesimus Annus – Pro Pontifice and Fordham University was held in New York in September 2014, with the title *Poverty and Development: a Catholic Perspective.* The theme of solidarity was examined with reference to the issue of poverty in its various forms and with reference to the dramatic situation of violence and war that typify some areas of the world.

3. The aim of this collection

The works collected in this volume illustrate the number of papers presented during the international consultations and conferences. The concluding reports, drafted at the end of these meetings, were also published to give an overview of what had emerged from the discussions.

Given the broad range of issues examined, this short introduction does not give a thorough account of the various speeches which are given here with only slight adjustments and revisions. It seeks to shed light on some of the main ideas that emerged alongside a reading and interpretation that highlights the principle of solidarity as part of the overall line of Catholic social teaching. The connecting line of this introduction, which displays a certain independence from the consultations and conferences, is the multidimensional nature of solidarity seen today and, with the passing of time, in each succeeding generation. Therefore solidarity is a community value whose efforts should always be directed towards the future. It cannot be evaluated only on the basis of results seen during our life span but also its lasting effects over time. Furthermore, since solidarity is a community value, it cannot be the work of a single individual no matter how generous.

4. Increase in economic inequality and poverty

The increase in economic inequality and the creation of new form of poverty ensuing from the the globalization and the current economic and financial crisis were at the backdrop to the interventions of the three CA-PP conferences and consultations. One specific question emerged: how was it possible that the emphasis on globalization and its success made us lose sight of the fact that the growing imbalance between the phenomena of the real economy and financial phenomena produced the crisis that is still with us? And also is the crisis a crack in the process of economic and social development, or an indicator that new paradigms of development must be sought? These are queries that emerge from the facts but which Catholic social teaching has raised constantly urging prudence regarding emphatic celebrations of unlimited growth and without imbalances.

There have been some answers to these questions, including one that states that inequalities and the instability of economic systems are enlarged by excessive financialization combined with a focus on the short-term and on profitability tied to fluctuations in the costs of financial products rather than productive, social and civil investments. These are issues which have been dealt with particularly in the international consultations on *A Dialogue on Finance and the Common* Good.

Participants at the conference on *The Good Society and the Future of Jobs: Can solidarity and fraternity be part of business decisions?* examined the issue of inequality bearing in mind the changes that have marked it over the last thirty years.

It was noted that global income inequality continues to be greater than that measured within individual countries. And this despite the sustained economic growth of some densely populated countries in the southern and eastern parts of the world that has led to a decrease in the number of people living below the poverty line. Instead, global inequality has increased in the sense that the differences in income between

countries was higher than that in individual countries. In basic terms: where you are born strongly influences a person's prospects and opportunities for life, work and income.

This observation calls to mind the phenomenon of migration. The reasons behind migration are to be found not only in the conditions of extreme poverty experienced by those who decide to emigrate from their country and from situations of conflict and violence, but also in view of the few prospects or even a lack of them that their native country can offer in the hope of a more dignified life. It may explain, in part, the increasing quota of unaccompanied foreign minors among migrants, whose painful decision to leave their home may be due to the loss of their family or to the desire of parents to save the lives of their sons and daughters. In such cases, migration requires inter-generational solidarity. These painful choices leave their mark on migrants and raise integration problems that are not explained nor resolved by the generic definition that we must get used to living with a multi-ethnic society. Integration does not mean assimilation, since integration is multidimensional, and cannot be described only in economic terms, but also in social, cultural and political ways, where each of these dimensions may show different degrees of success. Multidimensional integration requires an enormous effort of intelligent, patient and educational solidarity which will not be solved through economic integration alone. This does not mean routine inertia but community and personal discernment.

It was found, moreover, that there has been a significant growth in inequalities of income within both developed and emerging countries but also in underdeveloped countries, alongside an increase in the concentration of wealth. The integration of real and financial markets, has, due to the process of globalization, led to a reorganization of the world's productive and economic pattern. This reinforced the process of outsourcing industrial activities from the richest countries to countries with lower labour costs. This phenomenon has had

various aspects. On the one hand it has led to the emergence of a middle class but also of wealthy classes in the more dynamic lower and middle-income countries, while leaving a large majority of the population in poverty. On the other hand, where developed countries have not adapted to this new international division of production and labour, there have been repercussions in terms of unemployment that have led to new insecurities within the middle class. These effects have become more pronounced to the point of acuteness following the financial and economic crisis that started in 2009 in many developed countries and is not yet over. Also in these countries however, there are phenomena of maladjustment among many young people who do not study, do not work and are not seeking work. These are the so-called NEET "Not (engaged) in Education, Employment or Training" who are a matter of concern because they do not seek to fulfil themselves in the community by contributing to the working life.

A final but dramatic theme of the New York conference was extreme poverty. This is a condition that still affects a large portion of the world population who in some cases find itself involved in conflicts and violence. Significant witness was given by some participants who have had first hand experience in emergency situations due to environmental disasters or inhuman violence.

Poverty was therefore considered in its various forms: from violence to exploitation and from discrimination to the restriction of freedoms, highlighting how often the poor and marginalized are dragged into real humanitarian emergencies.

5. Religious freedom and human dignity, development and the common good

In the New York conference on *Poverty and Development: a Catholic Perspective*, a reminder of the growing and violent persecution of Christian minorities especially in Middle East-

ern and African countries led to the question of the violation of religious freedom.

The total commitment of the Catholic Church to the recognition and protection of religious freedom has already been fully stated in *Dignitatis Humanae* promulgated by Pope Paul VI (7 December 1965)[2]. As St. John Paul II pointed out, this Declaration expressed

> "not only the theological concept of the subject, but also dealt with the natural law, namely, the purely human concept in keeping with the principles determined by man from his own experiences, his reason and his sense of human dignity"[3].

In line with this, *Caritas in Veritate* (2007) affirms the link between respect for religious freedom as dictated by the recognition of human dignity and the promotion of human development and the common good. In the words of the Encyclical:

> "[§29]. Denial of the right to religious freedom is another aspect of life today that is very closely linked to development. I am not only referring to the struggles and conflicts that continue to be fought in the world for religious motives, even if at times the religious motivation is merely a cover for other reasons such as the thirst for domination and wealth […]. Violence curbs authentic development and impedes the evolution of peoples towards greater socio-economic and spiritual well-being. This applies particularly to terrorism motivated by fundamentalism which generates grief, destruction and death, obstructs dialogue between nations and diverts extensive resources from their peaceful and civil uses".

[2] Already in the Encyclical *Pacem in Terris* Pope John XXIII (1963) asserted the right to believe in God, according to "the conscience of each individual" (cf. *Pacem in Terris* [§14]).

[3] John Paul II, *The Right to Religious Freedom is at the Base of all the Others.* A speech to scholars jurists – Vatican City, March 10, 1984.

6. Social exclusion, poverty, violence

The reflections of the conferences over the past two years emphasize two aspects closely related to the problem of inequality which has been a constant and central concern of Catholic social doctrine.

The first aspect is that of the erosion of social cohesion. In *Caritas in Veritate* (§32), Pope Benedict XVI stated:

> "The systemic increase of social inequality, both within a single country and between the populations of different countries, the massive increase in relative poverty not only tends to erode social cohesion, and in this way undermines democracy, but also has a negative impact at the economic level, through the progressive erosion of 'social capital': the network of relationships of trust, reliability and playing by the rules, which are essential to any civil co-existence".

In the Vatican meeting, CA-PP focused on the changes in the world of work which have been noted over the years. These have had strong social implications, as already stated in a previous passage of the encyclical to the one just cited (*Caritas in Veritate*, §25), on the mobility and flexibility of labour. Pope Benedict XVI, while recognizing that these are important steps towards achieving the number one objective which is access to work for everyone (or being able to hold on to work), stressed that it was essential that these trends do not become situations of permanent insecurity, and therefore, a source of hardship for workers and their families[4].

This last warning links us to social exclusion, a phenomenon connected to the erosion of social cohesion which CA-PP also considered in its conferences. Pope Francis speaks of

[4] See also C.M. Martini - W. Magnoni - A. Quadrio Curzio, *Affrontare la tempesta con serenità e con forza. L'attenzione al sociale e al lavoro nel magistero di Carlo Maria Martini* (*Facing the Storm Calmly and Firmly. Attention to the Social and Work in the Teaching of Carlo Maria Martini*), Centro Ambrosiano, Milan 2014.

"economic exclusion" to describe the current economic growth model and the distortions created by it. As he states in the Apostolic Exhortation *Evangelii Gaudium* (2013) (§53):

> "It is no longer simply the phenomenon of exploitation and oppression, but of something entirely new: exclusion strikes at the very root of belonging to the society in which you live, because in it you are not on the undersides, its fringes or disenfranchised, but you are out. The excluded are not 'exploited' they are outcasts, 'leftovers' ".

The second aspect, examined mainly by the New York conference, is the correlation between iniquity and violence. Already Pope Paul VI in *Populorum Progressio* (1967), the first encyclical where the social question was raised as a global issue, devoted part of it to the theme "development is the condition for peace". It states:

> "[§76] economic, social and cultural inequalities between peoples that are too wide cause tension and discord and endanger peace".

This idea was then taken up in other papal documents including the most recent *Evangelii Gaudium (*§59):

> "Today, many sides claim greater security. But until exclusion and inequality in society and among different peoples are removed, it will be impossible to eradicate violence. The poor and the poorest are accused of violence, but without equality of opportunity different forms of aggression and war will find fertile ground that sooner or later will lead to an explosion".

To recapitulate: the issue of social justice (or serious and widespread social injustice) should certainly be among the challenging priorities raised by the current crisis. Justice and social doctrine are closely linked. On the one hand the basis of law and therefore of justice, is represented by human nature – a person – the bearer of inalienable rights; while on the other, social doctrine offers a comprehensive organisational plan for a new society which keeps in mind the dignity and

absolute primacy of the human being. As John Paul II said in *Sollecitudo Rei Socialis* (§ 41):

> "it is a doctrine [the social doctrine of the Church, ed.] aimed at guiding people's behaviour, it consequently gives rise to a 'commitment to justice' according to each individual's role, vocation and circumstances".

With this vision, the mission of justice is to regulate man's relationships with others, so that right will be recognized and respected. On the other hand, justice is achieved in practice in a life of relationships: hence the need to ask oneself whether social relations are (or are not) in justice[5].

7. Solidarity and its various forms

The reports show, although with different emphasis, that several of the difficulties, iniquities and suffering that affect many states, societies and economies are either due to the deficiency of solidarity or the lack of adequate encouragement for people to show solidarity in promoting the human person and the common good. We are not discussing here the merits of the various concrete proposals that have been advanced. We limit ourselves to describing the solidarity that underpins them and is in line with Catholic social teaching. We also consider solidarity in its inseparable link to development which is another structural principle of Catholic teaching.

Starting from this connection, we note two forms of solidarity. One is a static concept, which refers to the distribution of goods and resources that already exist. It is a form of solidarity that can be described as redistributive. The other is connected to a dynamic concept which is expressed not only

[5] See A. Quadrio Curzio - G. Marseguerra, *Democracy, Institutions and Social Justice*, Centesimus Annus – Pro Pontifice, Libri Scheiwiller, Milan 2008.

as distribution of existing resources but as the creation of resources and production of goods.

During its Vatican conference, CA-PP underlined that solidarity in its redistributive form, might create the conditions for welfare in a state that is against the principles promoting the person and the common good. In fact, the centrality of work for man would lose the meaning which St. John Paul II developed in his encyclical, *Laborem Exercens* (1981) (see §6 and §16); as it would perpetuate social exclusion, as we can read in *Caritas in Veritate* (§25):

> "Being out of work or being dependent on public or private assistance for a prolonged period, undermines the freedom and creativity of the person and his family and social relationships, causing great psychological and spiritual suffering".

"But one must not ignore the role and the sustainability of the political community" conceived as a means for pursuing justice through redistribution (*Caritas in Veritate*, §36).

In its dynamic form, solidarity is an anthropological concept where the person is considered autonomous and responsible and part of a complex relational reality which strives for the common good[6]. Because of this anthropological framework (of reference), solidarity is also expressed through development: economic development promoted by institutions, society and business; the development of society which promotes community cohesion, and intergenerational development, which is based on sustainable social security systems that boost the value of the family.

Solidarity is a multidimensional principle which the community must continuously pursue both now and over time.

[6] On the issue of the relationship between freedom and responsibility, see, among others, G. Marseguerra, "The Promotion of Responsible Freedom in the Globalization Process: The Structure of Welfare and Enterprise Systems", in *Globalization Processes – Opportunities for Italian Catholics*, prepared by the National Service for the Italian Episcopal Conference's Cultural Project, Dehoniane, Bologna 2013, pp. 301-306.

With this attribute, it integrates with development and where community activity is exemplary, then solidarity and development will be inseparable.

8. Development and its forms

Paul VI in *Populorum Progressio* stated that authentic development is 'human', that it "concerns the whole of the person in all his dimensions" (§7).

In *Caritas in Veritate*, Benedict XVI continues this teaching by reminding all men (cf. §9) that development, "if it is to be authentically human", needs "to make room for the principle of gratuitousness as an expression of fraternity" (§34). Civil society is the most natural setting for an "economy of gratuitousness and fraternity" because "solidarity is first and foremost a sense of responsibility on the part of everyone" (§38). Benedict XVI, continuing St. John Paul II's indication of the three-pronged system – the market, the state and civil society –, emphasizes that the principle of gratuitousness also needs to be revived. Indeed, "the economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends" (§36).

In its Vatican conference, CA-PP studied the role solidarity could play in the business world: these reflections seem to mirror what St. John Paul II recommended in *Centesimus Annus* (1991) for the management of a business firm:

> "(§35) The purpose of the business firm is not merely to make a profit, but it is to be found in its very existence as a community of persons who in various ways are endeavouring to satisfy their basic needs, and who form a particular group at the service of the whole society"[7].

[7] Dealing with the objective of profit for a company, Quadrio Curzio introduced the distinction between 'real profit' (generated by efficiency and innovation, aimed at growth and employment) and 'phoney profit' (generated by inequality in the distribution of income from almost

During the international consultations on "Dialogue on finance and the common good" we once more discerned the validity of what *Caritas in Veritate* expressed in response to the first signs of the financial crisis:

> "(§65) Finance, therefore – through renewed structures and operating methods that have to be designed after its misuse, which wrecked such havoc on the real economy – now needs to go back to being an instrument directed towards improved wealth creation and development. The entire economy and finance, and not just certain sectors, must be used in an ethical way so as to create suitable conditions for human development and for the development of peoples"[8].

Among the more urgent priorities linked to the development of peoples, reiterated during the US CA-PP meeting, we find a pressing appeal for the role of international institutions. These institutions could involve, through organised and responsible efforts, all peoples in development. As well as they can be an effective tool for the international community to use in emergency situations when human dignity is offended.

9. A final thought

The CA-PP conferences over the past two years have not led to any specific indications to design successful paradigms which would bring together solidarity and development. Nor indeed could they do so. But they confirmed that the basic principles of social doctrine provide valuable guidance in ad-

monopolistic positions and by financial cunning). The concept of 'real profit' comes close to the meaning that the social doctrine of the Church assigns to the role of business associates (A. Quadrio Curzio, *Per una riflessione sul profitto* (*For a Reflection on Profit*), in "Aggiornamenti sociali", a. XXXVI, n. 11 [1985], pp. 675-686).

[8] See also the book published by the Catholic Sacred Heart University Centre for the Social Doctrine of the Church, *Finance for Development. What the Crisis has Taught us*, Vita e Pensiero, Milan 2014.

dressing the multiple challenges of an ever-changing world facing recurring crises. One must overcome a reductive economic vision and view matters within the broader context of relations between institutions (which set the rules and enforce them), society (that operates on a principle of cohesion and conviction) and the market (which operates according to economic criteria of expediency and efficiency which should not be in conflict with that tension towards the common good laid down by the rules and within more sensitive business circles, which are shared by conviction and not by compulsion)[9]. It is equally important in political, economic and social choices to adopt a long-term view whose main objective is the promotion of the person and communities in the pursuit of development and commitment to dynamic and creative solidarity.

These reflections corroborate others that the Centesimus Annus – Pro Pontifice Foundation expanded in the past with reference to globalization and the 2008-2009 crisis[10], where it has always asserted the need to rethink the growth model which underpins the global economic system. We take for granted that freedom in democracy is the best conceivable social organization, yet we cannot on this basis assume that the market is a perfect mechanism always ready to self-regulate and, as a result, emphasising individualism. Only the

[9] See in this respect A. Quadrio Curzio, *Sussidiarietà e sviluppo. Paradigmi per l'Europa e l'Italia* (*Subsidiarity and Development. Paradigms for Europe and Italy*), Vita e Pensiero, Milan 2002.

[10] A. Quadrio Curzio - C. D'Adda - S. Beretta - G. Marseguerra, *op. cit.*; A. Quadrio Curzio, *Globalization, Solidarity, Subsidiarity: A European Perspective*, Centesimus Annus - Pro Pontifice, Vatican City 2001; G. Marseguerra (ed.), *Confronting Globalization: Global Governance and the Politics of Development*, Libri Scheiwiller, Milan 2005; A. Quadrio Curzio - G. Marseguerra (eds.), *Democracy, Institutions and Social Justice*, Centesimus Annus - Pro Pontifice, Libri Scheiwiller, Milan 2008; A. Quadrio Curzio - G. Marseguerra (eds.), *Values and Rules for a New Model of Development*, Centesimus Annus, Libri Scheiwiller, Milan 2010; A. Quadrio Curzio - G. Marseguerra (eds.), *Institutions, Markets and Society: Towards a New International Balance?*, LEV, Vatican City 2013.

freedom of the person linked to the responsibility of being part of a community can lead to long-term solidarity and development. These principles which are inscribed in Catholic social teaching, guide the way to the development of a strong identity, which Catholics should perhaps understand more fully and consequently should commit themselves to making them more specific in their economic and social choices.

INTRODUZIONE: SOLIDARIETÀ E COMUNITÀ

Alberto Quadrio Curzio e Giovanni Marseguerra
(con la collaborazione di Ilaria Pasotti)

1. Papa Francesco: "Ripensare" la Solidarietà

Nel messaggio rivolto ai partecipanti alla conferenza internazionale organizzata dalla Fondazione Centesimus Annus – Pro Pontifice nel 2013, Papa Francesco invitava a "ripensare" la solidarietà. L'impegno doveva essere posto nel combinare il Magistero con lo sviluppo sociale ed economico – che sempre rivela nuovi aspetti nel suo costante e rapido processo – per trarre il potenziale che l'insieme di valori offre rispetto alle problematiche attuali. Nelle Sue parole, la solidarietà "non è un atteggiamento in più, non è una forma di assistenza sociale, ma è un valore sociale. E ci chiede la sua cittadinanza"[1].

La Fondazione Centesimus Annus – Pro Pontifice (di seguito CA-PP) ha aderito all'invito del Santo Padre ponendo il tema della solidarietà al centro delle tre iniziative complementari promosse tra il 2013 e il 2014. La consapevolezza della CA-PP rispetto a questo tema fondamentale della dottrina sociale cattolica emerge dalla rilettura della storia della stessa Fondazione che, sia pure in modi variegati, si è sempre interessata ad esso. Le iniziative realizzate dalla CA-PP nell'ultimo biennio dunque si collocano in continuità, pur con

[1] Messaggio di Papa Francesco alla conferenza internazionale della Fondazione Centesimus Annus Pro-Pontifice, "Ripensare la solidarietà per l'occupazione: le sfide per il 21esimo secolo", 23 maggio 2013. Disponibile in: http://www.centesimusannus.org/media/2acap1369759748.pdf, accesso: 9 marzo 2015.

elementi nuovi che vengono di seguito evidenziati, all'interno di un progetto di valori e di cultura tradotti, nei limiti del possibile, nella concretezza delle opere.

2. Tre incontri internazionali 2013-2014

Sono stati due anni intensi, con tre iniziative internazionali che hanno avuto relatori molto qualificati e partecipanti molto attivi nelle discussioni dei temi proposti, così rafforzando la CA-PP come una comunità di solidarietà nella quale persone con diverse competenze e responsabilità si ritrovano come eguali nella comune condivisione di valori.

A settembre 2013 la Fondazione CA-PP ha avviato consultazioni internazionali intitolate *Un dialogo sulla finanza e il bene comune* presso la Città del Vaticano, che sono state poi riprese e concluse a Dublino ad ottobre 2014. Con la partecipazione di ecclesiastici, accademici ed esponenti del mondo finanziario si è posto l'interrogativo di come si possa costruire 'un ponte' tra l'aspirazione ad una *governance* economica e finanziaria che risponda ad un ideale di giustizia e di solidarietà a livello globale e le effettive decisioni dei *policy-makers* e dei professionisti finanziari. Si è giunti così alla definizione di alcune proposte concrete affinché la finanza sia posta al servizio del bene comune secondo l'orientamento della dottrina sociale cattolica. La complessità del tema ha richiesto un grande impegno a tutti i partecipanti anche nello sforzo di reciproca comprensione tra persone con diverse competenze e con diversi linguaggi che, tuttavia, avendo eguali valori, si sono sempre ritrovate sulle finalità rivolte al bene comune.

A maggio 2014 si è tenuto il convegno internazionale della CA-PP in Città del Vaticano sul tema *Società giusta e futuro del lavoro: possono la solidarietà e la fraternità far parte delle decisioni riguardanti il mondo degli affari?* Il focus è stato su come debba essere concepita la solidarietà nell'attuale contesto di nuove diseguaglianze e di deterioramento sociale. Accanto ai contributi di personalità accademiche, ecclesiastiche e politi-

co-istituzionali si è poi tenuta una tavola rotonda con la partecipazione di esponenti dell'economia operativa (spesso denominata, piuttosto semplicisticamente, come quella del mondo degli affari) con riferimento alla quale si è tentato di valutare cosa significhi e come possa declinarsi in concreto la solidarietà.

A settembre 2014 si è tenuto il convegno organizzato congiuntamente dalla US Centesimus Annus – Pro Pontifice e dalla Fordham University, intitolato *Poverty and Development: a Catholic Perspective* e svoltosi a New York. Il tema della solidarietà è stato esaminato con riferimento alla questione della povertà, considerata nelle sue varie forme e con richiami alle situazioni drammatiche di violenza e guerra che caratterizzano alcune zone del mondo.

3. Lo scopo di questa raccolta

I lavori raccolti in questo volume fanno riferimento alla pluralità di contributi presentati nel corso delle consultazioni internazionali e dei convegni. Sono inoltre pubblicati i report che sono stati redatti alla loro conclusione al fine di dare una visione di quanto emerso anche dalle discussioni avvenute su sollecitazione delle relazioni presentate.

Data la vastità delle tematiche esaminate, questa nostra (breve) introduzione non si propone di dar conto puntualmente delle varie relazioni, che sono qui riportate con minimi aggiustamenti e revisioni rispetto a quando sono state presentate nei convegni. Ma essa intende porre in luce alcune delle principali riflessioni emerse durante i lavori affiancandole a una lettura ed interpretazione che evidenzi il principio di solidarietà all'interno dell'impostazione complessiva della dottrina sociale cattolica. La linea connettiva di questa introduzione, che presenta anche una certa autonomia rispetto alle consultazioni e ai convegni, è la natura multidimensionale della solidarietà che si manifesta sia al momento presente che col passare del tempo nel susseguirsi delle generazioni. Per-

tanto la solidarietà è un valore comunitario che nelle sue opere deve sempre tenere un orientamento anche al futuro. Essa dunque non può essere valutata solo sulla base di un risultato nell'arco temporale della nostra vita ma anche per la sua durata nel tempo. Inoltre, essendo comunitaria, la solidarietà non può essere solo merito di una singola persona per quanto generosa.

4. L'accentuarsi delle diseguaglianze economiche e le povertà

Un tema che ha fatto da sfondo agli interventi è stato quello della diseguaglianza economica e delle nuove forme di povertà sviluppatesi nel contesto del processo di globalizzazione e di crisi economico-finanziaria degli ultimi anni. Un quesito emerge su tutti gli altri: com'è stato possibile che l'enfasi posta sulla globalizzazione e i suoi successi abbia fatto perdere di vista che lo squilibrio crescente tra fenomeni di economia reale e fenomeni finanziari avrebbe prodotto la crisi che tuttora non è superata? Ed ancora: La crisi è una pausa nel processo di sviluppo economico e sociale o è l'indicatore che vanno cercati nuovi paradigmi di sviluppo? Questi sono quesiti che emergono dai fatti, ma che la dottrina sociale cattolica si è posta di continuo invitando alla prudenza rispetto alle enfatiche celebrazioni di una crescita senza limiti e senza squilibri.

A queste domande sono state date alcune risposte tra cui quella che le diseguaglianze e l'instabilità dei sistemi economici risultano amplificate da un'eccessiva finanziarizzazione unita ad una enfasi sul breve termine e sulla profittabilità legata alle oscillazioni dei prezzi dei prodotti finanziari piuttosto che agli investimenti produttivi, sociali e civili. Sono temi ai quali hanno prestato attenzione soprattutto le consultazioni internazionali *Un dialogo sulla finanza e il bene comune.*

Nel convegno su *Società giusta e futuro del lavoro*, il problema della diseguaglianza è stata esaminato considerando i

cambiamenti che l'hanno caratterizzato negli ultimi trent'anni.

Si è osservato, innanzitutto, come la diseguaglianza misurata a livello globale continui ad essere più ampia rispetto a quella misurata all'interno dei singoli Paesi. E ciò nonostante la crescita economica sostenuta di alcuni Paesi popolosi del Sud e dell'Est del mondo abbia diminuito il numero delle persone che vivono al di sotto della soglia di povertà. La diseguaglianza globale è invece cresciuta, nel senso che le differenze di reddito tra i Paesi è risultata maggiore di quelle interne ai singoli Paesi. In termini semplificati: il luogo di nascita influenza fortemente le prospettive e le opportunità di vita, di lavoro e di reddito di una persona.

Tale osservazione richiama il fenomeno della migrazione. Quest'ultimo infatti ha le sue ragioni non solo nelle condizioni di estrema povertà vissute da chi decide di emigrare dal proprio paese e dalle situazioni di conflitti e violenze, ma anche nelle scarse o assenti prospettive che il paese natio può offrire nella speranza di una vita dignitosa. Si può spiegare così, in parte, anche la crescente quota di minori stranieri non accompagnati tra i migranti, la cui dolorosa scelta di lasciare la propria dimora domestica può essere dovuta alla perdita della famiglia o al desiderio dei genitori di salvare la vita dei propri figli e figlie. La migrazione assume in questi casi il significato di una solidarietà intergenerazionale. Queste scelte dolorose lasciano un segno nei migranti e pongono problemi di integrazione che non vengono spiegati e risolti dalla generica definizione che dobbiamo abituarci a vivere in una società multietnica. Integrazione non significa assimilazione, in quanto l'integrazione è multidimensionale, da declinare non solo in termini economici, ma anche sociali, culturali e politici, con ciascuna di queste dimensioni che può presentare gradi diversi di realizzazione. L'integrazione multidimensionale richiede un enorme sforzo di solidarietà intelligente, paziente, educativa che non si risolve solo con una integrazio-

ne economica. La stessa non è abitudine inerziale ma discernimento comunitario e personale.

Si è rilevato, inoltre, che le diseguaglianze nei redditi all'interno dei singoli paesi, sia sviluppati, che emergenti, che non sviluppati, sono cresciute in modo significativo, parallelamente ad un incremento nella concentrazione della ricchezza. L'integrazione dei mercati reali e di quelli finanziari, avvenuta con il processo di globalizzazione, ha indotto una riorganizzazione del sistema produttivo ed economico mondiale, rafforzando il processo di delocalizzazione delle attività industriali dai paesi più ricchi ai paesi con costi del lavoro più bassi. Questo fenomeno ha avuto aspetti vari. Da una parte ha determinato l'emergere di una classe media ma anche di ceti opulenti nei paesi a reddito basso-medio più dinamici lasciando tuttavia una larga maggioranza in condizioni di povertà. Dall'altra parte, nei paesi sviluppati che non si sono adattati a questa nuova divisione internazionale delle produzioni e del lavoro, ci sono stati contraccolpi in termini di disoccupazione che hanno creato nuove precarietà all'interno della classe media. Questi effetti sono stati accentuati fino a diventare gravi a causa della crisi finanziaria ed economica iniziata nel 2009 e, in vari paesi sviluppati, non ancora conclusa. Anche in questi paesi ci sono però fenomeni di disadattamento espressi da molti giovani che non studiano, non lavorano e non cercano lavoro. Sono i cosiddetti NEET (secondo l'acronimo in inglese "Not [engaged] in Education, Employment or Training") che suscitano preoccupazioni proprio perché non cercano la realizzazione di se stessi nella comunità, dando un contributo alla vita lavorativa.

Un ultimo ma drammatico tema è stato al centro del convegno tenutosi a New York: quello delle estreme povertà. Si tratta di condizioni che tuttora interessano una vasta parte della popolazione mondiale e che in alcuni casi si trova anche coinvolta in conflitti e in violenze. Significative testimonianze sono state riportate da alcuni partecipanti che hanno vissuto

esperienze in situazioni di emergenza per disastri ambientali o per violenze disumane.

La povertà è stata dunque considerata nelle diverse forme in cui si manifesta, dalla violenza allo sfruttamento, dalla discriminazione alla restrizione delle libertà, mettendo in luce come spesso i poveri e gli emarginati sono trascinati in vere e proprie emergenze umanitarie.

5. Libertà religiosa e dignità umana, sviluppo e bene comune

Nel convegno di New York, *Poverty and Development: a Catholic Perspective*, il richiamo alle crescenti e violente persecuzioni verso le minoranze dei cristiani, soprattutto nei Paesi medio-orientali ed africani, ha condotto alla questione della violazione della libertà religiosa.

Il totale impegno della Chiesa cattolica al riconoscimento e alla salvaguardia della libertà religiosa è stato compiutamente affermato nella *Dignitatis Humanae* promulgata da Papa Paolo VI (7 dicembre 1965)[2]. In essa, come ha affermato San Giovanni Paolo II, si esprime

> "la concezione non solo teologica del problema, ma anche quella dal punto di vista del diritto naturale, cioè della posizione puramente umana, in base a quelle premesse dettate dall'esperienza stessa dell'uomo, dalla sua ragione e dal senso della sua dignità"[3].

Su questa linea, nella *Caritas in Veritate* si afferma il legame tra il rispetto della libertà religiosa, in quanto proprio del riconoscimento della dignità umana, e la promozione dello

[2] Già nell'Enciclica *Pacem in Terris* di Papa Giovanni XXIII (1963) si asseriva il diritto di credere in Dio, secondo la coscienza di ciascuno" (cf. *Pacem in Terris* [14]).

[3] Giovanni Paolo II, *Il diritto alla libertà religiosa alla base di tutti gli altri.* Discorso a studiosi giuristi – Città del Vaticano, 10 marzo 1984.

sviluppo umano e del bene comune. Nelle parole dell'Enciclica:

> "[29]. C'è un altro aspetto della vita di oggi, collegato in modo molto stretto con lo sviluppo: la negazione del diritto alla libertà religiosa. Non mi riferisco solo alle lotte e ai conflitti che nel mondo ancora si combattono per motivazioni religiose, anche se talvolta quella religiosa è solo la copertura di ragioni di altro genere, quali la sete di dominio e di ricchezza […]. Le violenze frenano lo sviluppo autentico e impediscono l'evoluzione dei popoli verso un maggiore benessere socio-economico e spirituale. Ciò si applica specialmente al terrorismo a sfondo fondamentalista, che genera dolore, devastazione e morte, blocca il dialogo tra le Nazioni e distoglie grandi risorse dal loro impiego pacifico e civile".

6. Esclusione sociale, povertà, violenza

Le riflessioni dei convegni di quest'ultimo biennio enfatizzano altri due aspetti strettamente legati al problema dell'ineguaglianza ed ai quali la dottrina sociale cattolica ha sempre posto attenzione.

Il primo aspetto è quello dell'erosione della coesione sociale. Già nella *Caritas in Veritate* (§32), Papa Benedetto XVI affermava:

> "L'aumento sistemico delle ineguaglianze tra gruppi sociali all'interno di un medesimo Paese e tra le popolazioni dei vari Paesi, ossia l'aumento massiccio della povertà in senso relativo, non solo tende a erodere la coesione sociale, e per questa via mette a rischio la democrazia, ma ha anche un impatto negativo sul piano economico, attraverso la progressiva erosione del 'capitale sociale', ossia di quell'insieme di relazioni di fiducia, di affidabilità, di rispetto delle regole, indispensabili ad ogni convivenza civile".

Nel convegno della CA-PP nella Città del Vaticano, ci si è soffermati sui cambiamenti in atto ormai da alcuni anni nel mondo del lavoro e che hanno forti implicazioni sociali, come

già era stato segnalato anche in un passaggio dell'Enciclica precedente a quello appena citato (*Caritas in Veritate*, §25): la mobilità e la flessibilità del lavoro. Papa Benedetto XVI, pur riconoscendo che rappresentano passi importanti per perseguire la priorità dell'obiettivo dell'accesso al lavoro (o del suo mantenimento) per tutti, richiamava alla necessità che tali tendenze non si trasformino in situazioni di insicurezza permanente, e dunque in fonte di disagio per i lavoratori e le loro famiglie[4].

Quest'ultimo monito permette inoltre di collegarci ad un fenomeno legato all'erosione della coesione sociale, che è stato altrettanto oggetto di considerazione nei convegni CA-PP: l'esclusione sociale. Papa Francesco parla di "economia dell'esclusione" per descrivere l'attuale modello di crescita ed esprimere le distorsioni create da esso. Si legge nell'esortazione apostolica, *Evangelii Gaudium* (2013):

> "[53] Non si tratta più semplicemente del fenomeno dello sfruttamento e dell'oppressione, ma di qualcosa di nuovo: con l'esclusione resta colpita, nella sua stessa radice, l'appartenenza alla società in cui si vive, dal momento che in essa non si sta nei bassifondi, nella periferia, o senza potere, bensì si sta fuori. Gli esclusi non sono 'sfruttati' ma rifiuti, 'avanzi' ".

Il secondo aspetto è la correlazione tra iniquità e violenza, esaminato soprattutto al convegno di New York. Già Papa Paolo VI nella *Popolorum Progressio* (1967), ovvero nella prima enciclica in cui la questione sociale è stata posta come questione mondiale, dedicava una parte della stessa al tema "lo sviluppo è condizione della pace", affermando che:

> "[76] [l]e diseguaglianze economiche, sociali e culturali troppo grandi tra popolo e popolo provocano tensioni e discordie, e mettono in pericolo la pace".

[4] Si veda anche C.M. Martini - W. Magnoni - A. Quadrio Curzio, *Affrontare la tempesta con serenità e con forza. L'attenzione al sociale e al lavoro nel magistero di Carlo Maria Martini*, Centro Ambrosiano, Milano 2014.

Questa idea è stata poi ripresa in altri documenti papali, fino alla più recente *Evangelii Gaudium*, in cui si legge:

> "[59] Oggi da molte parti si reclama maggiore sicurezza. Ma fino a quando non si eliminano l'esclusione e l'iniquità nella società e tra i diversi popoli, sarà impossibile sradicare la violenza. Si accusano della violenza i poveri e le popolazioni più povere, ma, senza uguaglianza di opportunità le diverse forme di aggressione e di guerra troveranno un terreno fertile che prima o poi provocherà l'esplosione".

In via di sintesi, dunque, il tema della giustizia sociale (ovvero della grave e diffusa ingiustizia sociale) va probabilmente collocato tra le priorità nelle sfide che la crisi attuale pone. Giustizia e dottrina sociale sono poi intimamente legate. Da un lato il fondamento del diritto, e quindi della giustizia, è rappresentato dalla natura umana, portatrice di diritti irrinunciabili in quanto persona; dall'altro, come è noto, la dottrina sociale propone un progetto complessivo di edificazione della società articolato sulla dignità e sul primato assoluto della persona umana. Infatti, San Giovanni Paolo II affermava nella *Sollecitudo Rei Socialis* (§ 41):

> "trattandosi di una dottrina [la dottrina sociale della Chiesa, ndr] indirizzata a guidare la condotta delle persone, ne deriva di conseguenza l''impegno per la giustizia' secondo il ruolo, la vocazione, le condizioni di ciascuno".

In questa visione, compito della giustizia è quello di regolare le relazioni dell'uomo con gli altri, di modo che il diritto venga riconosciuto e rispettato. D'altra parte la giustizia si realizza concretamente nella vita di relazione: di qui la necessità di chiedersi quando i rapporti sociali sono (o non sono) secondo giustizia[5].

[5] Si veda a questo proposito, A. Quadrio Curzio - G. Marseguerra, *Democracy, Institutions and Social Justice*, Fondazione Centesimus Annus – Pro Pontifice, Libri Scheiwiller, Milano 2008.

7. La solidarietà e le sue espressioni

Dalle relazioni, pur con diversi accenti, emerge come molte delle difficoltà, delle iniquità e delle sofferenze che al presente riguardano molti stati, società ed economie sono dovute alla mancanza o alla carenza di un'adeguata ispirazione solidaristica per la promozione della persona umana e il bene comune. Non entriamo qui nel merito delle diverse proposte concrete che sono state avanzate. Ci limitiamo a descrivere l'intendimento di solidarietà che è alla base di essi, e che è in linea con il magistero sociale cattolico. Lo consideriamo inoltre nella sua inscindibile connessione con un altro principio strutturale del Magistero cattolico: lo sviluppo.

Partendo da questo nesso rileviamo che esistono due forme di solidarietà. Una è la concezione statica, che fa riferimento alla distribuzione dei beni e risorse già esistenti e prodotte. Essa è una forma di solidarietà che si può definire redistributiva. L'altra è connessa ad una concezione dinamica in quanto si esprime non solo come distribuzione delle risorse esistenti ma anche come creazione di risorse e produzione di beni.

Nel convegno CA-PP nella Città del Vaticano si è sottolineato che, nella sua forma redistributiva, la solidarietà potrebbe creare le condizioni per un assistenzialismo da parte dello stato che è contrario ai principi della promozione della persona e del bene comune. Infatti, verrebbe a perdere di significato la centralità del lavoro per l'uomo, che era stata approfondita nell'enciclica del San Giovanni Paolo II, *Laborem Exercens* (1981) (in particolare, si veda §6 e §16); così come si perpetuerebbero situazioni di esclusione sociale, perché, come si legge nella *Caritas in Veritate* (§25):

> "L'estromissione dal lavoro per lungo tempo, oppure per la dipendenza prolungata dall'assistenza pubblica o privata, minano la libertà e la creatività della persona e i suoi rapporti famigliari e sociali con forti sofferenze sul piano psicologico e spirituale".

Bisogna tuttavia non disattendere il ruolo e la sostenibilità dell'azione delle istituzioni politiche "a cui spetterebbe di perseguire la giustizia mediante la ridistribuzione" (*Caritas in Veritate*, §36).

Nella sua forma dinamica, la solidarietà rimanda ad una concezione antropologica in cui la persona è considerata sia nella sua autonomia e responsabilità sia come parte di una realtà relazionale complessa nella quale si adopera per il bene comune.[6] Essa, inoltre, ed in ragione di questo quadro antropologico di riferimento, si esplica attraverso lo sviluppo: lo sviluppo economico promosso dalle istituzioni, la società e le imprese; lo sviluppo della società, che promuove la coesione comunitaria; lo sviluppo intergenerazionale, che si basa su sistemi previdenziali sostenibili e che conduce alla valorizzazione della famiglia.

La solidarietà è dunque un principio multidimensionale che nelle opere richiede di continuo una azione comunitaria nel presente e nel tempo e che, proprio per questa sua caratteristica, si integra con lo sviluppo, tanto che nelle manifestazioni esemplari solidarietà e sviluppo difficilmente sono scindibili.

8. Lo sviluppo e le sue espressioni

Paolo VI nella *Popolorum Progressio* affermava che l'autentico sviluppo è quello 'umano' ovvero che "riguarda unitariamente la totalità della persona in ogni sua dimensione" (§7).

Nella *Caritas in Veritate* Benedetto XVI riprende tale insegnamento chiamando all'appello ogni uomo (cf. §9) ed afferma

[6] Sul tema del rapporto tra libertà e responsabilità si veda, tra gli altri, G. Marseguerra, "La promozione della libertà responsabile nel processo di globalizzazione: assetti di welfare e sistemi d'impresa", in *Processi di mondializzazione – Opportunità per i cattolici italiani*, a cura del Servizio nazionale per il Progetto culturale della CEI, Edizione Dehoniane, Bologna 2013, pp. 301-306.

che lo sviluppo, "se vuole essere autenticamente umano", deve "fare spazio al principio di gratuità come espressione di fraternità" (§34). Sebbene la società civile sia l'ambito più proprio dove si realizza "un'economia della gratuità e della fraternità" poiché "la solidarietà è anzitutto sentirsi tutti responsabili di tutti" (§38), Benedetto XVI, riprendendo il sistema a tre soggetti indicato da San Giovanni Paolo II – il mercato, lo Stato e la società civile –, sottolinea che il principio della gratuità deve essere riscoperto anche nel mercato. Infatti, "l'economia e la finanza, in quanto strumenti, possono essere mal utilizzati quando chi li gestisce ha solo riferimenti egoistici" (§36).

Così, nel convegno CA-PP nella Città del Vaticano le riflessioni su quale possa essere il ruolo della solidarietà nel mondo degli affari possono essere sinteticamente ricondotte a quanto già San Giovanni Paolo II nella *Centesimus Annus* (1991) suggeriva per la gestione dell'impresa:

> "[s]copo dell'impresa, infatti, non è semplicemente la produzione del profitto, bensì l'esistenza stessa dell'impresa come comunità di uomini che, in diverso modo perseguono il soddisfacimento dei loro fondamentali bisogni e costituiscono un particolare gruppo al servizio dell'intera società" (§35)[7].

Altrettanto, nelle consultazioni internazionali "Dialogo sulla finanza e il bene comune" noi abbiamo ritrovato la validità di quanto nella *Caritas in Veritate* si esprimeva, anche in risposta alle prime manifestazioni della crisi finanziaria:

> "Bisogna, poi, che la finanza in quanto tale, nelle necessariamente rinnovate strutture e modalità di funzionamento dopo il

[7] Sull'obiettivo del profitto per un'impresa, Quadrio Curzio ha introdotto la distinzione tra 'profitto reale' (generato da efficienza e da innovazione, orientato alla crescita e all'occupazione) e 'profitto spurio' (generato dalla sperequazione nella distribuzione del reddito, da posizioni monopolistiche o quasi e da artifici finanziari). Il concetto di 'profitto reale' si avvicina al significato che la dottrina sociale della Chiesa associa al ruolo dell'impresa (A. Quadrio Curzio, *Per una riflessione sul profitto*, in "Aggiornamenti sociali", a. XXXVI, n. 11 [1985], pp. 675-686).

suo cattivo utilizzo che ha danneggiato l'economia reale, ritorni ad essere uno strumento finalizzato alla miglior produzione di ricchezza ed allo sviluppo. Tutta l'economia e tutta la finanza, non solo alcuni loro segmenti, devono, in quanto strumenti, essere utilizzati in modo etico così da poter creare le condizioni adeguate per lo sviluppo dell'uomo e dei popoli" (§65)[8].

E tra le più avvertite esigenze che riguardano lo sviluppo dei popoli, nel convegno US CA-PP rileviamo l'insistito appello al ruolo delle istituzioni internazionali. Queste infatti possono concretamente realizzare, attraverso sforzi programmati e responsabili, la partecipazione di tutti i popoli allo sviluppo. Così come esse possono essere strumento efficace attraverso il quale la comunità internazionale deve intervenire in situazioni emergenziali in cui la dignità della persona è offesa.

9. Una riflessione conclusiva

I convegni CA-PP dell'ultimo biennio non hanno portato, né potevano portare, a indicazioni conclusive su quali siano i paradigmi operativi per coniugare solidarietà e sviluppo, ma hanno confermato come i principi fondamentali della dottrina sociale offrano un valido orientamento per affrontare le molteplici problematiche di un mondo in continua trasformazione e con crisi ricorrenti. È necessario superare una visione riduttivamente economicistica e collocarsi nel contesto più ampio dei rapporti tra istituzioni (che fissano le regole e le fanno rispettare), società (che opera su un principio di coesione e di convinzione) e mercato (che opera secondo criteri economici di convenienza ed efficienza che non devono configgere con il bene comune fissato dalle regole ma anche, nei ceti imprenditoriali più sensibili, da quella tensione al bene

[8] Si veda anche il volume pubblicato dal Centro di Ateneo per la Dottrina Sociale della Chiesa dell'Università Cattolica del Sacro Cuore, *Una finanza per lo sviluppo. Quello che la crisi ci ha insegnato*, Vita e Pensiero, Milano 2014.

comune condiviso per convinzione e non per costrizione)[9]. Così come è necessario adottare nelle scelte politiche, economiche e sociali una visione di lungo periodo che abbia come obiettivi prioritari la promozione della persona e delle comunità nella ricerca dello sviluppo e nell'impegno alla solidarietà dinamica e creativa.

Queste riflessioni avvalorano altre che la Fondazione Centesimus Annus ha sviluppato in passato anche con riferimento alla globalizzazione e alla crisi del 2008-2009[10] e nelle quali si è sempre sostenuta la necessità di ripensare il modello di crescita sul quale si fonda il sistema economico mondiale. Fermo restando che la libertà nella democrazia è la migliore organizzazione sociale concepibile, non bisogna su tale presupposto considerare il mercato come un meccanismo perfetto sempre in grado di auto-regolarsi di conseguenza enfatizzando l'individualismo. Solo la libertà della persona unita alla responsabilità di essere parte di una comunità possono portare nel lungo periodo solidarietà e sviluppo. Questi principi, inscritti nella dottrina sociale cattolica, conducono alla costruzione di un'identità forte, di cui i cattolici dovrebbero forse avere più consapevolezza e, coerentemente, dovrebbero impegnarsi a tradurli nella concretezza delle loro scelte economiche e sociali.

[9] Si veda in proposito A. Quadrio Curzio, *Sussidiarietà e sviluppo. Paradigmi per l'Europa e l'Italia*, Vita e Pensiero, Milano 2002.

[10] A. Quadrio Curzio - C. D'Adda - S. Beretta - G. Marseguerra, *op. cit.*; A. Quadrio Curzio, *Globalizzazione, solidarietà, sussidiarietà: una prospettiva europea*, Fondazione Centesimus Annus - Pro Pontefice, Città del Vaticano 2001; G. Marseguerra (a cura di), *Confronting Globalization: Global Governance and the Politics of Development*, Libri Scheiwiller, Milano 2005; A. Quadrio Curzio - G. Marseguerra (a cura di), *Democracy, Institutions and Social Justice*, Fondazione Centesimus Annus – Pro Pontifice, Libri Scheiwiller, Milano 2008; A. Quadrio Curzio - G. Marseguerra (a cura di), *Values and Rules for a New Model of Development*, Fondazione Centesimus Annus, Libri Scheiwiller, Milano 2010; A. Quadrio Curzio - G. Marseguerra (a cura di), *Institutions, Society and Markets: Towards a New International Balance?*, LEV, Città del Vaticano 2013.

2015 STATEMENT

A REFORMED MARKET ECONOMY: ENTREPRENEURSHIP FOR HUMAN DEVELOPMENT

When Pope Francis says "*thou shalt not* to an economy of exclusion and inequality – such an economy kills", all those who are professionally involved in economic life may feel directly concerned; in good faith many will probably accept to put their active life under review and try to understand what concrete steps it takes, not only to say "No to an economy of exclusion, to the new idolatry of money, to a financial system which rules rather than serves, to the inequality which spawns violence..." (*Evangelii Gaudium*, chapter two), but to effectively promote reforms which support inclusion and dynamic solidarity. This is what members and friends of the Fondazione Centesimus Annus have done during 2014; the present document is a brief summary of their findings[1].

A. GENERAL FRAMEWORK

The world-wide **demand for transparency** constantly brings cases of bad practice and wrongdoings in economic life and finance to the knowledge of the public; although this can be considered a positive trend, it contributes however to increase a gap in trust between economic actors and public opinion, where the whole is often taken for the part and a general negative judgment is made on the market economy.

[1] Summary of meetings held from September 2013 to October 2014. Full presentations and reports can be found on the Foundations website (www.centesimusannus.org).

In the meantime, **ambitious regulatory reforms** are being promoted in the Western economies, partly through supranational governance bodies, especially in the financial sector; simultaneously, a wide-ranging movement towards **responsible economic behaviour and sustainable use of resources** is transforming many areas of business.

These too are positive trends, but they require a stronger human and ethical direction: the vision of Catholic Social Teaching can contribute to make the new frameworks creative and positive for all.

Wherever the rule of law is not respected and, even more, wherever the economy lacks an essential ethical reference, it is almost always the poorer part of populations who pay the highest price. Those who are less protected pay the price of corruption; they often pay the price of protectionism and egoistic defensive strategies; they pay the price of inefficiency in public administration and they suffer the consequences of economic mismanagement and crime. There is no simple definition of poverty, there are many ways of being poor and Christians have tried to understand poverty and be close to the poor for centuries. Now the emphasis changes: **reforming the market economy against some of its ills is an urgent task, also from the point of view of the Christian *preferential choice for the poor*.**

Experience shows that economic development, driven by entrepreneurship and practical innovation at all levels, is the key driving force to reduce poverty. Economic growth may generate winners and losers and this requires specific action to *help the poor help themselves.* But **development and the market with sound economic policies are the only contexts in which poverty has been effectively reduced in large numbers.**

The economy of abundant consumption and extensive services creates new needs and produces new tensions within the traditional ethical frameworks. The commitment to family life, the responsibility to act for the purpose of the common

good, the learning process to seek the true good life are permanent **demands of human development which economic growth does not solve by itself**. The role of Christians here is to rethink and develop new answers and proposals, so as to translate the permanent principles of the primacy of the human person, subsidiarity and solidarity and the common good into actions which may be effective in the world of today.

The role of the public institutions (Supranational, State, Regions…) is essential to set the framework for sound economic policies, and the market economy can prosper in different institutional environments. **The essential condition is that entrepreneurial initiative is free to develop and can apply itself to human development**. This is true for business and jobs, but also for social and civic projects: both sectors need systematic management expertise, transparency and good governance.

In poor countries, as a complement to general economic policies introduced from the top, there is immense potential for applying entrepreneurial management systems to the construction of **development projects starting from the bottom of local communities**. Good governance practice, transparency rules, the latest communication technologies, well-managed microfinance, the integration of supply chains are elements which can transform life for whole communities. A participative approach will allow the people involved to freely control their own economic future as families and groups.

In rich countries, where welfare systems proved generally resilient during the recent crisis years, the competition from new and efficient productions in low-middle income countries has contributed to wage stagnation, a pressure to reduce labor cost and the increase of unemployment, precariousness and poverty in the midst of abundance. In this context it is essential to rediscover that work and job satisfaction are basic needs. **The wrong education policies and inflexible labour**

rules generate casual, short-term jobs as well as inadequate qualification for available jobs, and they **can lead to persistent unemployment**. Relying only on centralized and impersonal public programs may induce a "welfare trap" which can lead to social exclusion. A sustainable answer to these ills requires a **renewed understanding of labor and virtue**, in contrast to the two extremes of market individualism and state interventionism, where economic effort and civil courage are prized, and where both responsibility and power are devolved to the most appropriate level consistent with human flourishing.

B. A ROLE FOR SOLIDARITY IN BUSINESS DECISIONS

Every economic decision involves a degree of solidarity, the same way as any human act: human persons are a totality, inserted in a network of relations, where gift and fraternity in fact co-exist with the natural yearning for individual satisfaction. And business decisions are made by real humans.

Entrepreneurial initiative never relies only on personal greed. Against many cases of mismanagement, corruption and lack of accountability – which are permanent temptations of economic life – it is also possible to build areas of the market economy which serve directly the common good, based on a positive moral culture centered on the dignity of the person and the value of labor.

1. *Develop a corporate culture of service to society*

Putting business enterprise to the service of common good is not primarily a question of legal ownership structures, but rather **a cultural fact which permeates all corporate policies** from investment to product design, from the use of resources to sales policies, from personnel management to

financial plans. This requires investing in a corporate culture of solidarity balanced by subsidiarity, with management taking the lead and giving example.

2. *Promote intermediate bodies*

To foster these ideas, all those who have the capacity should promote or participate in intermediate bodies which autonomously sustain solidarity and contribute in practical terms to harmonize concepts and interests that would otherwise be in conflict. There actually are a growing number of foundations and charitable associations, some of them initiated by business; this positive trend in turn creates a need for transparency and independent evaluation systems so as to avoid abuse and inefficiency, and to encourage the good use of charitable initiative.

3. *Connect entitlements with duties*

Losers in economic growth need special protection and added opportunities, but it is crucial to connect rights and entitlements with obligations and duties. To be sustainable, welfare systems must link work and apprenticeship with receiving a benefit.

4. *Decentralize mutual help*

Both in low income countries and in developed economies, redistribution through income tax and social insurance schemes are essential. But there is a danger of nurturing a passive attitude and excessive dependence on the public sector. A real alternative can be found in many existing or in new **decentralized mutually helpful schemes which combine universal entitlement with personalized provisions**; these should be actively supported by business and accompanied by suitable legal and tax arrangements.

5. *Build on co-responsibility at corporate level*

In the present crisis co-responsibility has materialized often through solidarity contracts which allow a company to avoid failure or catastrophe restructuring. This can be developed in the form of inclusion of all people working in and around a company; it requires transparency to allow risk sharing and establish proportionate rewards among employers and employees, but also among investors and owners, shareholders and managers, lenders and borrowers, producers and consumers, in a free and flexible legal context.

6. *Promote apprenticeship and transitional monitoring*

Following best practice in some European countries where unemployment remains low, a wider effort is needed, also through dedicated tax breaks and lower contribution to social security, to diffuse programs of apprenticeship and transitional mentoring for the youth where young employees are hired at lower salaries and paired up with elder employees who can provide mentoring and training to the next generation.

7. *Develop inter-generational solidarity systems*

The dangerously over-sized volume of private and public debt in rich countries is growing more than investment. Thus the debt passed on to the next generations, at least partly used for present consumption, may become a net burden without the compensation of lasting equipments. There is need for reintroducing the long term perspective through new initiatives bringing the young in contact with the old, thus fostering full participation of different generations in a new social ethos open to solidarity.

C. FINANCE WITH THE PURPOSE OF THE COMMON GOOD

In the last few years, financial global development as a fact has been accompanied by amplified economic volatility. On the background of the resilience shown by some banks and the heavy public cost of the bail-out processes of others, **the financial sector is undergoing profound change**, both through added regulation and through internally promoted reform. The call to **give this reform a human and ethical perspective** can be translated into practical ways which, in addition to the acknowledged ethical approach to finance, also involve the idea of "**inclusive finance**", i.e. "finance that helps fight exclusion". The Foundation's special group on finance has formulated this in "The Dublin Proposals on Finance and the Common Good" which principally include the following ideas:

1. **Change in managerial culture and behaviour:** there is a human being at the beginning and end of each and every transaction. This may go against the demands of technology and regulation.
2. **Helping job creation through decentralized lending:** the greatest possibilities of job creation lie at the level of small enterprise and in a more flexible redistribution of employment among adaptable and creative companies, and this requires decentralized lending from banks and from non-regulated credit intermediation.
3. **Fighting fraud, corruption and abuses:** effectively implement zero tolerance of unethical practice, including "regulatory arbitrage" practices; make unethical behaviour punitively expensive.
4. **Promote stability and clarity of legislation** to mitigate the cost of bureaucracy and the difficulties of interpreting regulation, which is one of the roots of corruption.

5. **Make consumer protection more effective** through transparency and simplification. Explore fair and equitable deleveraging for over-indebted households through risk sharing by creditors and debtors. Promote family financial education.
6. **Promote and support long term investment** especially through institutions capable of "patient" financing which involve public and private funds and require adequate legal and tax arrangements.
7. **Mobilize financial technology for inclusive finance** through the use of mobile devices and the digitization of government disbursements, of health services and of supply chains.
8. **Enrich financial education** to avoid transmitting future finance managers a "value-free" framework, by cultivating ethical reflexion, the ability to understand history and the capacity to exercize critical analysis.
9. **Redefine the financial business model** with moderate profit objectives and long term incentives and bonus policies.

To start these processes and give them enough strength, it will be necessary to **reformulate the mission statement of finance** in terms of service to the entire economy and society, without which no young people will feel motivated to work in financial institutions.

D. POVERTY AND THE "RESPONSIBILITY TO PROTECT"

Whatever the past merits of the market economy in overcoming poverty in parts of the world, a Christian inspired approach necessarily has to envisage the present state and the permanence in many places of the wicked problems of poverty and under-development. While a mounting euphoria of the Western world trivialized the wisdom enshrined in

traditional precautionary principles and let hubris proliferate – with the ensuing crisis and depression –, others remained trapped in the negative circles of poverty. **The drama of insufficient emergency response to catastrophe – natural or man-made – and immigration** are two aspects by which the disquieting truths of inequality are brought again and again to the fore.

In cases of natural disasters, the duty is not only to act quickly, but also intelligently. Contacts between groups within the Church in donor countries and in the receiving countries can be essential to increase the donors' generosity and also to direct external help towards longer term development needs, of which the immediate emergency may be just an indicator. **Man-made humanitarian crises tend to disappear from the priorities in front of natural disasters** (as was evident for example in the coincident tsunami in Southeast Asia and the Darfur genocide in 2004). There is reluctance to intervene in man-made crises, even when the latter are responsible of unlimited numbers of human victims. The drama of child soldiers in many conflicts tests international policies of non-intervention, as does the suffering of Christians and other ethnic groups in the Middle East. The Church's teaching clearly affirms that the "**responsibility to protect**" – or the obligation to intervene – has shifted away from individual countries and has been entrusted to the **international community**.

In the issues of development there are positive trends that make significant contributions to the impact of policies and alleviation of poverty, mainly through better quantitative analysis, better scientific data on "behavioural economics" and through private-public collaboration in financing and monitoring development projects. But institutional structures will never be enough: the human person is integral and human beings are beyond measure. As many examples suggest, the key to development requires the **mobilization of people**, **from the bottom up**, and with a fully human dimen-

sion, including freedom, moral agency, goodness, virtue and vocation.

Migration is an example of the need for greater focus on the vocation of the human person. To begin with one should see not only the abuses, the tragedies of refugees and the lack of coordinated policies – all of which need to be addressed - but also the positive aspects of migration, the gifts it brings. Economic migration does not proceed from extreme poverty. It involves an investment, an economic calculation and, very often, a family-oriented plan. The question of unaccompanied minors is especially acute and requires a priority treatment based on the human person, as does the whole issue of migration.

Promote a world-wide solidarity effort

Both when discussing the **new dimensions of inequality** and the role of finance, the idea of an international tax based on financial turnover or on capital is often mentioned. These proposals would require international unanimity, unlikely to be forthcoming at the global level, and their effect could be confiscatory. Instead of a tax, the Catholic Church could support and promote the idea of voluntary contributions, not part of public finance, **to endow new independent solidarity national funds** aimed at supporting meritorious causes at the service of the poor. These funds should come together in a **supranational network under guarantees of transparency and good governance.**

DICHIARAZIONE 2015

UN'ECONOMIA DI MERCATO RIFORMATA: UN'IMPRENDITORIALITÀ PER LO SVILUPPO UMANO

Quando Papa Francesco dice: "No a un'economia dell'esclusione e della iniquità – questa economia uccide", tutti coloro che operano professionalmente nella vita economica si possono sentire direttamente coinvolti. Probabilmente molti, in buona fede, sono disposti a mettere sotto esame la propria vita lavorativa e a cercare di capire quali siano in concreto i passi da fare. Affinché le affermazioni che seguono non siano solo parole: "*No a un'economia dell'esclusione*, *No alla nuova idolatria del denaro, No a un denaro che governa invece di servire, No all'inequità che genera violenza*..." (*Evangelii Gaudium*, capitolo secondo), è necessario operare per promuovere efficacemente le riforme che sostengono l'integrazione e la solidarietà dinamica. Questo è ciò che i membri e gli amici della Fondazione Centesimus Annus – Pro Pontifice hanno fatto nel corso del 2014; il presente documento è una breve sintesi del loro lavoro[2].

A. QUADRO GENERALE

La **domanda mondiale di trasparenza** porta costantemente a conoscenza del largo pubblico casi di cattive pratiche e di malaffare nella vita economica e della finanza; sebbene ciò presenti alcuni aspetti positivi, è innegabile che contribuisce anche ad aumentare il divario in termini di fiducia tra gli at-

[2] Riassunto degli incontri tenuti da Settembre 2013 ad Ottobre 2014. Le presentazioni e le relazioni integrali sono disponibili sul sito della Fondazione www.centesimusannus.org.

tori economici e l'opinione pubblica, nella quale spesso si fa di tutt'erba un fascio e il giudizio negativo finisce per investire l'intera economia di mercato.

Nel frattempo, le economie occidentali promuovono **ambiziose riforme nel campo normativo**, anche attraverso organi sovranazionali, in particolare nel settore finanziario; nello stesso tempo, un ampio movimento a favore di un **comportamento economico responsabile e dell'uso sostenibile delle risorse** sta trasformando molte aree del business. Anche queste sono tendenze positive, ma richiedono una direzione umana e un'etica forte. La prospettiva della Dottrina sociale della Chiesa può contribuire a rendere positivi e fertili i nuovi scenari che si stanno aprendo.

Ovunque il *rule of law* non è rispettato e, ancor più, lì dove l'economia manca di un riferimento etico fondamentale, è quasi sempre la parte più povera della popolazione che paga il prezzo più alto. Sono i meno protetti a pagare il prezzo della corruzione; essi spesso corrispondono il prezzo del protezionismo e di egoistiche barriere difensive; essi pagano il prezzo dell'inefficienza della pubblica amministrazione e soffrono le conseguenze della cattiva gestione economica e della criminalità. Non esiste una univoca definizione di povertà, sono tante le forme di povertà e da secoli i cristiani cercano di capire che cosa essa sia e di essere vicino ai più poveri. Ora l'accento cambia: **bisogna con urgenza riformare l'economia di mercato, agendo direttamente su alcuni suoi mali, anche dal punto di vista della scelta preferenziale per i poveri che è tipicamente cristiana.**

L'esperienza dimostra come lo sviluppo economico, guidato dallo spirito d'imprenditorialità e dalla innovazione tecnologica a tutti i livelli, sia la forza chiave e trainante per ridurre la povertà. La crescita economica può generare vincitori e vinti e ciò richiede un'azione specifica per aiutare i poveri ad essere di aiuto a loro stessi; resta il fatto che **lo sviluppo e il mercato, accompagnati da politiche economi-**

che sane, sono gli unici strumenti attraverso i quali la povertà è stata effettivamente notevolmente ridotta.

L'economia, basata sul consumo abbondante e servizi sempre più ampi, crea nuove esigenze e produce nuove tensioni all'interno dei sistemi etici tradizionali. L'impegno per la vita familiare, la responsabilità di agire per il bene comune, il processo di apprendimento per ricercare la natura positiva e autentica della vita sono **esigenze permanenti dello sviluppo umano che la crescita economica non risolve da sé**; il ruolo dei cristiani è quello di ripensare e di sviluppare nuove risposte e inedite proposte, al fine di tradurre i principi permanenti del primato della persona umana, la sussidiarietà, la solidarietà e il bene comune, in azioni concrete che possano essere efficaci nel mondo contemporaneo.

Il ruolo dello Stato è essenziale per definire il quadro delle sane politiche economiche e l'economia di mercato può prosperare in diversi ambienti istituzionali. **La condizione essenziale è che l'iniziativa imprenditoriale sia libera di esprimersi e di servire lo sviluppo umano**; ciò è vero per le imprese e per l'occupazione, ma anche per i progetti sociali e civili; entrambi i settori hanno bisogno di un approccio manageriale sistematico che faccia ricorso alla competenza, di trasparenza e di una sana *governance.*

Nei paesi poveri, a complemento delle politiche economiche generali introdotte dall'alto, esiste un immenso potenziale per l'applicazione di sistemi di gestione imprenditoriale, finalizzati alla realizzazione di **progetti di sviluppo realizzati dal basso, al livello delle comunità locali.** Buone pratiche di *governance*, regole di trasparenza, le più recenti tecnologie di comunicazione, micro-finanza ben gestita e l'integrazione delle catene dell'offerta sono tutti elementi che possono trasformare la vita di intere comunità; un approccio partecipativo permetterà alle persone coinvolte di controllare liberamente il proprio futuro economico, come famiglie e come gruppi.

Nei paesi ricchi dove i sistemi di welfare si sono dimostrati generalmente più inattaccabili durante i recenti anni di crisi, la concorrenza da parte di nuove e più efficienti produzioni provenienti da paesi a basso o medio reddito, ha contribuito alla stagnazione dei salari, ad una pressione per ridurre i costi del lavoro e ad un aumento della disoccupazione, della precarietà e della povertà pur in presenza di aree di benessere. In questo contesto, è fondamentale riscoprire che il lavoro e le soddisfazioni che procura il lavorare sono bisogni fondamentali. **Le politiche educative sbagliate e le regole del lavoro rigide** generano posti di lavoro informali, a breve termine, così come una inadeguata specializzazione **può portare ad una disoccupazione persistente**. Programmi pubblici centralizzati ed astratti possono condurre alla "trappola del benessere", che può provocare esclusione sociale. Una risposta sostenibile a questi mali richiede una **rivisitazione di cosa sia il lavoro ed il modo virtuoso di realizzarlo**, in contrasto con i due estremi dell'individualismo spinto di mercato e dell'interventismo statale, dove lo sforzo economico ed il coraggio civile siano valorizzati, e dove la responsabilità ed il potere si manifestano al più appropriato livello coerente con lo sviluppo dell'ideale umano.

B. IL RUOLO DELLA SOLIDARIETÀ NELLE DECISIONI DI BUSINESS

Ogni decisione economica comporta un certo grado di solidarietà, allo stesso modo di qualsiasi atto umano; gli esseri umani costituiscono una totalità, inserita in una rete di relazioni, dove il dono e la fraternità coesistono nella realtà con il desiderio naturale della propria soddisfazione individuale. E le decisioni di business sono prese sempre da esseri umani reali.

L'iniziativa imprenditoriale non si basa solo sulla ricerca dell'utile personale. A dispetto di molti casi di cattiva gestione, di corruzione e di mancanza di responsabilità – che sono

tentazioni permanenti nella vita economica – è possibile individuare anche aree dell'economia di mercato che servono il bene comune, basate su una cultura positiva che metta al centro la dignità della persona e il valore del lavoro.

1. *Sviluppare una cultura d'impresa al servizio della società*

Mettere l'impresa al servizio del bene comune non è una questione che riguarda *in primis* l'assetto proprietario, quanto piuttosto **un elemento culturale che permea tutte le politiche aziendali**, dall'investimento alla progettazione del prodotto, dall'utilizzo delle risorse alle politiche commerciali, dalla gestione del personale ai piani finanziari. È necessario quindi investire su una cultura d'impresa aperta alla solidarietà, bilanciata dalla sussidiarietà, con il management che se ne faccia carico, fornendone l'esempio.

2. *La promozione dei corpi intermedi*

Per far valere tali idee, tutti coloro che hanno la possibilità dovrebbero promuovere o partecipare a corpi intermedi che autonomamente sostengono la solidarietà e contribuiscono in termini pratici ad armonizzare concetti ed interessi che altrimenti sarebbero in conflitto. In realtà, abbiamo un numero sempre maggiore di fondazioni e di associazioni di solidarietà, alcune delle quali avviate dalle stesse imprese; questo trend positivo crea, a sua volta, un bisogno di trasparenza e di sistemi di valutazione indipendenti, per evitare abusi ed inefficienze e per incoraggiare il miglior uso possibile delle iniziative benefiche.

3. Collegare diritti e doveri

Coloro che in una fase di crescita economica si impoveriscono necessitano di una speciale protezione e di un surplus di opportunità, ma è fondamentale collegare tra loro diritti e

doveri. Affinché siano sostenibili, i sistemi di welfare devono collegare il lavoro e l'apprendistato all'ottenimento di un beneficio.

4. *Decentrare gli interventi di aiuto*

Sia nei paesi a basso reddito sia nelle economie sviluppate, la redistribuzione attraverso la fiscalità sul reddito e la previdenza sociale sono essenziali. Resta il pericolo che in tal modo si coltivi un atteggiamento passivo e di eccessiva dipendenza dal settore pubblico. Un'alternativa appropriata potrebbe consistere **in una molteplicità di piani esistenti o nuovi basati sul concetto della decentralizzazione e combinino forme di assistenza universali con forme personalizzate integrative**. Tali sistemi dovrebbero essere attivamente sostenuti dalle imprese e accompagnati da disposizioni giuridiche e fiscali adeguate.

5. *Costruire sulla corresponsabilità a livello societario*

Nella crisi attuale, la corresponsabilità è spesso realizzata mediante contratti di solidarietà che consentono ad un'impresa di evitare il fallimento o una ristrutturazione catastrofica. Su questa base si può costruire e sviluppare una forma di inclusione che investa tutte le persone che lavorano o che ruotano intorno ad una società. Ciò richiede trasparenza, dal momento che si condividono i rischi e si stabiliscono le quote di rimunerazioni tra datori di lavoro e dipendenti, ma anche tra investitori e proprietari, azionisti e manager, creditori e debitori, produttori e consumatori, in un contesto legale libero e flessibile.

6. *Promuovere l'apprendistato e monitorare la transizione*

Bisognerebbe seguire i migliori esempi di quei paesi europei dove la disoccupazione è rimasta bassa; è necessario uno sforzo maggiore, anche attraverso agevolazioni fiscali *ad hoc*

ed un contributo meno oneroso destinato alla sicurezza sociale, andrebbero diffusi programmi di apprendistato per i giovani ed il monitoraggio della transizione, dove i giovani dipendenti possano essere assunti a stipendi più bassi ed in coppia con i dipendenti più anziani che, in tal modo, fornirebbero il monitoraggio e la formazione necessari per la prossima generazione.

7. *Sviluppare sistemi di solidarietà intergenerazionale*

Il volume pericolosamente sovradimensionato del debito pubblico e privato nei paesi ricchi sta crescendo più degli investimenti. Così il debito trasmesso alle generazioni future, in parte destinato alla spesa corrente, rischia di diventare un peso netto, senza la compensazione di investimenti in conto capitale. C'è la necessità di reintrodurre la prospettiva a lungo termine mediante nuove iniziative e aiutando i giovani ad entrare in relazione con i più anziani, favorendo in tal modo la piena partecipazione di diverse generazioni ad un nuova etica sociale aperta alla solidarietà.

C. UNA FINANZA FINALIZZATA AL BENE COMUNE

È un dato di fatto che, negli ultimi anni, lo sviluppo finanziario globale è stato accompagnato da un'alta volatilità economica. Sulla base della resilienza mostrata da alcune banche e del pesante costo pubblico dei processi di salvataggio di altre, **il settore finanziario sta conoscendo profondi cambiamenti**, sia per la regolamentazione che si è aggiunta a quella esistente sia per le proposte di riforma avanzate al suo interno. L'esigenza di **dare a tale riforma un volto umano ed etico** può essere tradotta concretamente in questo modo: oltre al tradizionale approccio etico alle questioni finanziarie, bisognerebbe prestare attenzione anche alla nozione di "finanza inclusiva"; vale a dire, di una "finanza che aiuta a combattere l'esclusione". Un gruppo di esperti del settore finanziario,

vicino alle posizioni della Fondazione, ha formulato nel documento "Proposte di Dublino su Finanza a Bene Comune" le seguenti idee:

1. **Mutamento della cultura e del comportamento manageriale:** c'è sempre un essere umano all'inizio e alla fine di ogni transazione. Tale realtà potrebbe scontrarsi con le esigenze della tecnologia e della regolamentazione.
2. **Favorire la creazione di posti di lavoro attraverso il prestito decentrato:** le migliori opportunità per la creazione di nuova occupazione sono al livello di piccola impresa e in una redistribuzione più flessibile del lavoro tra imprese flessibili e creative. Ciò richiede il prestito decentrato da parte delle banche e dell'intermediazione creditizia non regolamentata.
3. **Lottare contro la frode, la corruzione e gli abusi**: attuare efficacemente politiche di tolleranza zero nei confronti della pratica immorale, tra cui le pratiche di "*regulatory arbitrage*" e punire il comportamento non etico anche rendendolo costoso.
4. **Promuovere la certezza e la chiarezza della legislazione** per ridurre i costi della burocrazia e quelli derivanti dalle difficoltà di interpretazione normativa, che è una delle cause della corruzione.
5. **Rendere la tutela dei consumatori più efficace** attraverso la trasparenza e la semplificazione. Individuare forme di *deleveraging* corrette ed eque per famiglie eccessivamente indebitate attraverso la condivisione del rischio da parte di creditori e di debitori. Promuovere l'educazione finanziaria delle famiglie.
6. **Promuovere e sostenere gli investimenti a lungo termine,** soprattutto attraverso le istituzioni capaci di agire finanziariamente in modo "paziente", che coinvolgano fondi pubblici e privati e che richiedano adeguate disposizioni giuridiche e fiscali.

7. **Ricorrere alla tecnologia finanziaria per la finanza inclusiva** attraverso l'utilizzo di dispositivi mobili e la digitalizzazione degli esborsi pubblici, dei servizi sanitari e delle catene dell'offerta.
8. **Arricchire l'educazione finanziaria** per evitare di trasmettere ai futuri manager finanziari dei contenuti "indipendenti dai valori", coltivando invece la riflessione etica, la disponibilità a comprendere la storia e la capacità di esercitare la facoltà di analisi critica.
9. **Ridefinire il modello di business finanziario** con obiettivi di profitto moderati, incentivazione a lungo termine e politiche di bonus.

Per avviare questi processi e dare loro la giusta forza, sarà necessario **riformulare la missione della finanza** in termini di servizio per l'intera economia e la società; contrariamente, i giovani responsabili non si sentiranno motivati a lavorare nelle istituzioni finanziarie.

D. LA POVERTÀ E LA "RESPONSABILITÀ DI PROTEGGERE"

Quali che siano i meriti passati dell'economia di mercato, per superare la povertà in alcune parti del mondo, un approccio ispirato al cristianesimo deve necessariamente preoccuparsi dell'attuale situazione e della permanenza in molti luoghi di enormi problemi di povertà e di sottosviluppo. Mentre una crescente euforia proveniente dal mondo occidentale ha banalizzato la saggezza insita nel tradizionale principio di precauzione e ha lasciato che la tracotanza proliferasse – con la conseguente crisi e la depressione –, altri sono rimasti intrappolati nel circolo vizioso della povertà. **Il dramma dell'inadeguatezza delle risposte alle emergenze ed alle catastrofi – naturali o provocate dall'uomo – e l'immigrazione** sono due aspetti per cui la realtà inquietante della disuguaglianza è sempre attuale.

In caso di catastrofi naturali, abbiamo il dovere non solo di agire rapidamente, ma anche in modo intelligente. Le relazioni che interessano i gruppi all'interno della Chiesa tra paesi donatori e paesi che ricevono sono fondamentali, tanto per aumentare la generosità dei donatori quanto per indirizzare gli aiuti esterni verso le esigenze di lungo periodo e di sviluppo, per le quali l'emergenza immediata potrebbe essere solo un indicatore. **Le crisi umanitarie causate dall'uomo tendono a scomparire dalla gerarchia delle priorità di fronte alle calamità naturali** (come è evidente per esempio nel caso dello tsunami nel Sud-Est asiatico che è coinciso con il genocidio nel Darfur nel 2004); c'è ritrosia ad intervenire nelle crisi provocate dall'uomo, anche quando gli stessi uomini sono responsabili di un numero elevatissimo di vittime. Il dramma dei bambini soldato in molti conflitti fotografa le politiche internazionali di non-intervento, così come la sofferenza dei cristiani e di altri gruppi etnici nel Medio Oriente. L'insegnamento della Chiesa afferma con chiarezza che la "**responsabilità di proteggere**" – o l'obbligo di intervenire – non è più rintracciabile in capo ai singoli paesi, dal momento che è stata affidata alla **comunità internazionale**.

Nel campo dello sviluppo, assistiamo ad alcuni trend positivi che impattano in modo significativo sulle politiche di riduzione della povertà: tra questi una migliore analisi quantitativa, dei dati scientifici più accurati sulla cosiddetta "economia comportamentale", la collaborazione tra settore pubblico e privato nell'ambito del finanziamento e del monitoraggio dei progetti di sviluppo. Tuttavia, le strutture istituzionali non saranno mai sufficienti: la persona umana è unitaria e gli esseri umani sono al di là di ogni possibilità di misurazione. Come molti esempi suggeriscono, la chiave dello sviluppo richiede la **mobilitazione delle persone, dal basso verso l'alto**, e una dimensione pienamente umana, compresi la libertà, il libero arbitrio, la bontà, la virtù e la vocazione.

Il **fenomeno migratorio** è un esempio che mostra quanto sia necessaria una maggiore attenzione alla vocazione della persona umana. Innanzitutto, bisognerebbero osservare non solo gli abusi, le tragedie dei rifugiati e la mancanza di politiche coordinate – che devono essere affrontate – ma anche gli aspetti positivi del fenomeno migratorio, i doni che esso porta con sé. La migrazione economica non procede dall'estrema povertà; si tratta di un investimento, di un calcolo economico e, molto spesso, di un piano familiare. La questione dei minori non accompagnati è particolarmente delicata e richiede un trattamento radicale basato sulla persona, così come l'intera questione migratoria.

Promuovere una campagna mondiale di solidarietà

Quando si parla delle **nuove dimensioni della disuguaglianza** e del ruolo della finanza è spesso riportata la proposta di una tassa internazionale basata sul fatturato finanziario o sul capitale. Queste proposte richiedono l'unanimità internazionale, improbabile che sia prossima a livello globale, e il loro effetto potrebbe essere confiscatorio. Invece di una tassa, la Chiesa cattolica potrebbe sostenere e promuovere l'idea di contributi volontari, al di fuori della finanza pubblica, per dotare nuovi fondi di solidarietà nazionali indipendenti che sostengano cause meritevoli, al servizio dei poveri; questi fondi dovrebbero riunirsi in una rete sovranazionale ed essere soggetti a regole di trasparenza e di buon governo.

THE GOOD SOCIETY AND THE FUTURE OF JOBS: CAN SOLIDARITY AND FELLOWSHIP BE PART OF BUSINESS DECISIONS?

Convegno Internazionale

Città del Vaticano, 8-10 maggio 2014

FOREWORD INTERNATIONAL CONFERENCE

May 8-10, 2014

Alberto Quadrio Curzio and Giovanni Marseguerra

Since its inception over twenty years ago, the *Centesimus Annus – Pro Pontifice Foundation* has worked to spread and endorse Catholic social teaching on themes of specific relevance connected to the new Millennium. These include globalization, governance and global cooperation, relations between institutions, society, the economy and markets, employment and unemployment, industry and work. A reputable international scientific committee assisted the Foundation to achieve these goals which were based on its work of reflection and political-institutional and economic-social implementation.

The global socio-economic scene today – deriving from changes during the past decades in relations between countries with different levels of development plus the recent serious six-year crisis particularly in developed countries – must confirm Christians in their renewed commitment to the common good. This obligation originates in the vision of Catholic social teaching, which from *Centesimus Annus* onwards has systematically warned that world socio-economic problems have not been resolved by the prospect of globalization. Furthermore, gaps in levels of development and an inadequate understanding of the ethics of Christian, human and civil development have led to new risks.

Hence the reason why the Scientific Committee has constantly endeavoured to firmly uphold principles and interpret events in the light of these principles in order to advance new effective operational suggestions.

While conforming to principles, we have nevertheless always maintained that the common good does not coincide with material wellbeing and materialistic opulence. Instead we have emphasised consideration of persons and communities, freedom and responsibility, fairness and efficiency.

The common good seeks steady but on-going constructive harmony between all sides. On this point, Christians find themselves at one with many other people of good will aware that all of us should be committed to mankind's wellbeing. This is why many people of good will, who do not belong to the Christian community but are attentive to Christianity's ethical and civil values, have taken part in conferences and conventions organized by the Centesimus Annus Foundation.

Catholic social teaching offers these principles to help build a better society while the Foundation has at all times addressed itself to three of these key principles – subsidiarity, solidarity and development.

Subsidiarity is a foremost principle of liberty and responsibility. It allocates "sovereign" institutional power vertically between different levels of Government while horizontally it allocates this function to the "production of goods" between Institutions, Society and the Economy. In more specific terms but with a clear-cut and tangible importance, subsidiarity is part of a plan aimed at re-awakening and giving a fresh start to people's creativeness. It will achieve this by stimulating the participation of intermediary social bodies, by involving communities in the production of goods and services and thus managing not only to build solidarity but to share in it.

Solidarity is the pursuit of the common good. In keeping with the above recommended concept, this must be achieved in a more dynamic and creative form and not merely or predominantly a form of redistribution which often comes down to hand-outs. Enterprise and industry are the indispensable underpinnings of solidarity. This is also demanded of intergenerational solidarity, which too often is undervalued or underestimated.

Development is far more important than growth. It combines subsidiarity and solidarity for the promotion of people and communities in order to lead to a true civilization and to higher income levels leading to humanism in its entirety.

Today's crisis demands a profound re-thinking of international economic relations and a revival of dynamic solidarity which, besides the distribution of existing resources, is also concerned with production and a new breakthrough in North-South and East-West relations. This solidarity is expressed through different types of development: economic development sponsored by institutions, society and industry made up of employers and workers; inter-generational development based on sustainable social security systems which lead to the enhancement of the family: and social development which promotes the unity of society and territories. Furthermore, development is necessary for authentic solidarity.

An essential starting point for any development process wishing to combine subsidiarity and sustainability, innovation and solidarity, must be the wealth and variety of available human and social resources. In other words, competence and knowledge but also dependable relationships and affiliations. These have recently become the key elements in guaranteeing equitable, balanced and sustainable growth thus generating a process of real development.

Dynamic solidarity based on the principle of subsidiarity and set within a dimension of social and economic development will result in a model of cooperative liberalism between spheres of independence. This will be very different to state handouts and individualistic / (laissez faire) liberalism when individual responsibilities and community independence little by little achieve an organized and flexible vision of society. In such a society one can clearly identify those features of a development truly sustainable for territories and communities which lead at one and the same time to the good of each person and the common good.

PUBLICATIONS

A. Quadrio Curzio - G. Marseguerra (edited by), *Rethinking Solidarity for Employment: The Challenges of the Twenty-First Cwentury*, Collana Fondazione Centesimus Annus, Vol. IX, LEV, 2014.

A. Quadrio Curzio - G. Marseguerra (edited by), *Institutions, Society and Markets: Towards a New International balance?*, Collana Fondazione Centesimus Annus, Vol. VIII, LEV, 2013.

A. Quadrio Curzio - G. Marseguerra (edited by), *Common Good, Family, Business – New Forms of Solidarity,* Collana Fondazione Centesimus Annus, Vol. VII, LEV, 2012.

A. Quadrio Curzio - G. Marseguerra (edited by), *Values and Rules for a New Model of Development,* Collana Fondazione Centesimus Annus, Vol. VI, Edizioni Scheiwiller, 2010.

A. Quadrio Curzio - G. Marseguerra (edited by), *Social Capital and Human Development*, Collana Fondazione Centesimus Annus, Vol. V, Edizioni Scheiwiller, 2009.

A. Quadrio Curzio - G. Marseguerra (edited by), *Democracy, Institutions and Social Justice*, Collana Fondazione Centesimus Annus, Vol. IV, Edizioni Scheiwiller, 2008.

A. Quadrio Curzio - G. Marseguerra (edited by), *Intrapresa, Sussidiarietà, Sviluppo,* Collana Fondazione Centesimus Annus, Vol. III, Edizioni Scheiwiller, 2007.

A. Quadrio Curzio - G. Marseguerra (edited by), *The World System in the 21st Century: Subsidiarity and Cooperation for Development*, Collana Fondazione Centesimus Annus, Vol. II, Edizioni Scheiwiller, 2006.

G. Marseguerra (edited by), *Confronting Globalization: Global Governance and the Politics of Development*, Collana Fondazione Centesimus Annus, Vol. I, Edizioni Scheiwiller, 2005.

A. Quadrio Curzio - C. D'Adda - G. Marseguerra - S. Beretta, *Economia e Finanza globale: problemi e prospettive per il 2000*, Fondazione Centesimus Annus, 2000 (**poi riprodotto su** *Global & Local Economic Review*, vol. II, 2000, pp. 35-64).

PREFAZIONE CONVEGNO INTERNAZIONALE
8-10 maggio 2014

Alberto Quadrio Curzio e Giovanni Marseguerra

La Fondazione *Centesimus Annus – Pro Pontifice*, nel corso della sua ormai più che ventennale attività di riflessione ed elaborazione politico-istituzionale ed economico-sociale, svolta con l'ausilio di un autorevole Comitato scientifico internazionale, ha costantemente perseguito l'obiettivo di diffondere e valorizzare il messaggio della dottrina sociale cattolica in riferimento alle tematiche di grande rilevanza nel passaggio dal XX al XXI secolo quali la globalizzazione, la *governance* e la cooperazione globale, le relazioni tra istituzioni, società, economia e mercati, l'occupazione e la disoccupazione, l'impresa e il lavoro.

Uno **scenario socio-economico mondiale** come quello della epoca che viviamo – che deriva anche dal cambiamento intervenuto nel corso degli ultimi decenni nelle relazioni tra i Paesi a diversi gradi di sviluppo al quale negli ultimi sei anni si è aggiunta una crisi grave soprattutto nei Paesi sviluppati – costituisce per i Cristiani la conferma che a loro si chiede un rinnovato impegno per il bene comune. La conferma muove dalla visione della dottrina sociale cattolica che, proprio a partire dalla **Centesimus Annus**, ha sistematicamente messo sull'avviso che i problemi socio- economici mondiali non erano risolti dalla prospettiva della globalizzazione e che i divari nei gradi di sviluppo e la scarsa consapevolezza di un'etica cristiana, umana e civile dello sviluppo prefiguravano nuovi rischi.

Per questo nel Comitato Scientifico abbiamo sempre cercato di tenere saldi i principi e, alla loro luce, di leggere gli eventi per dare suggerimenti di azione.

Per quanto attiene ai principi, abbiamo sempre ritenuto che il bene comune non coincida con il benessere e con l'opulenza materializzati in quanto lo stesso unisce la valorizzazione delle persone e delle comunità, della libertà e della responsabilità, della equità e dell'efficienza.

Il bene comune cerca l'armonia costruttiva tra le parti perseguita con gradualità ma anche con continuità. Su questo i Cristiani si trovano in concordanza di intenti con molte altre persone di buona volontà consapevoli che tutti dobbiamo essere impegnati per il bene dell'Umanità. Su questo terreno alle conferenze e a convegni della Fondazione Centesimus Annus hanno partecipato anche tante persone di buona volontà non appartenenti alla comunità cristiana ma attenti ai valori etico-civili del Cristianesimo.

La dottrina sociale cattolica offre questi principi per costruire una società migliore e nella Fondazione Centesimus Annus abbiamo sempre collocato la nostra riflessione all'interno di tre di questi grandi principi: sussidiarietà, solidarietà e sviluppo.

La **sussidiarietà** è un grande principio di libertà e responsabilità che in verticale distribuisce il potere istituzionale "sovrano" tra i diversi livelli di Governo e in orizzontale distribuisce la funzione nella "produzione dei beni" tra Istituzioni, Società ed Economia. In termini più specifici ma con una precisa valenza di concretezza operativa, la sussidiarietà si colloca in un disegno che si propone di riuscire a risvegliare e a mettere in moto la creatività delle persone, stimolando la partecipazione dei corpi sociali intermedi, coinvolgendo le comunità nella produzione di beni e servizi e riuscendo a costruire e ad aggregare nella solidarietà.

La **solidarietà** è il perseguimento del bene comune ma, nella concezione qui proposta, ciò deve avvenire sempre più in forma dinamica e creativa, non in forma meramente o prevalentemente redistributiva, che spesso declina nell'assistenzialismo. L'intrapresa e l'impresa sono fondamenti irri-

nunciabili delle solidarietà. Ciò è quanto chiede anche la solidarietà intergenerazionale troppo spesso sottovalutata.

Lo **sviluppo**, che è ben più importante della crescita, combina sussidiarietà e solidarietà per la promozione delle persone e delle comunità pe portare ad un vero incivilimento ed oltre, a livelli più alti, verso un umanesimo integrale.

La crisi che oggi viviamo impone un profondo ripensamento dei rapporti economici internazionali e la riscoperta della **solidarietà dinamica** che, oltre alla distribuzione delle risorse esistenti, si preoccupa anche della produzione e riguarda i rapporti Nord-Sud e Est-Ovest. Questa solidarietà si esplica attraverso le varie componenti dello sviluppo: lo sviluppo economico promosso dalle istituzioni, dalla società e dalle imprese, costituite da imprenditori e lavoratori; lo sviluppo intergenerazionale, che si basa su sistemi previdenziali sostenibili e che porta alla valorizzazione della famiglia: e lo sviluppo sociale, che promuove la coesione della società e dei territorio. A sua volta, poi, lo sviluppo è funzionale alla solidarietà concreta.

Ogni processo di sviluppo che voglia coniugare sussidiarietà e sostenibilità, innovazione e solidarietà, deve avere come necessario ed essenziale punto di partenza la ricchezza e la varietà delle risorse umane e sociali disponibili, ovvero competenze e conoscenze ma anche relazioni e legami fiduciari. Da tempo ormai sono questi gli elementi chiave per garantire una crescita equa, bilanciata e sostenibile, e generare così un processo di vero sviluppo.

Con la solidarietà dinamica, che si basa sul principio di sussidiarietà e si colloca in una dimensione di sviluppo sociale ed economico, si delinea allora un modello di liberalismo cooperativo tra sfere di autonomia. Lo stesso si distingue nettamente sia dall'assistenzialismo e dallo statalismo sia dal liberismo individualista in quanto le libertà e le responsabilità individuali e le autonomie delle comunità via via maggiori si collocano in una visione organizzata e flessibile della società. In una società siffatta si possono davvero delineare quei

profili di uno sviluppo realmente sostenibile per i territori e le comunità di riferimento che conducano simultaneamente al bene di ogni persona e al bene comune.

PUBBLICAZIONI

A. Quadrio Curzio - G. Marseguerra (a cura di), *Rethinking Solidarity for Employment: The Challenges of the Twenty-First Cwentury*, Collana Fondazione Centesimus Annus, Vol. IX, LEV, 2014.

A. Quadrio Curzio - G. Marseguerra (a cura di), *Institutions, Society and Markets: Towards a New International balance?*, Collana Fondazione Centesimus Annus, Vol. VIII, LEV, 2013.

A. Quadrio Curzio - G. Marseguerra (a cura di), *Common Good, Family, Business – New Forms of Solidarity,* Collana Fondazione Centesimus Annus, Vol. VII, LEV, 2012.

A. Quadrio Curzio - G. Marseguerra (a cura di), *Values and Rules for a New Model of Development,* Collana Fondazione Centesimus Annus, Vol. VI, Edizioni Scheiwiller, 2010.

A. Quadrio Curzio - G. Marseguerra (a cura di), *Social Capital and Human Development*, Collana Fondazione Centesimus Annus, Vol. V, Edizioni Scheiwiller, 2009.

A. Quadrio Curzio - G. Marseguerra (a cura di), *Democracy, Institutions and Social Justice*, Collana Fondazione Centesimus Annus, Vol. IV, Edizioni Scheiwiller, 2008.

A. Quadrio Curzio - G. Marseguerra (a cura di), *Intrapresa, Sussidiarietà, Sviluppo,* Collana Fondazione Centesimus Annus, Vol. III, Edizioni Scheiwiller, 2007.

A. Quadrio Curzio - G. Marseguerra (a cura di), *The World System in the 21st Century: Subsidiarity and Cooperation for Development*, Collana Fondazione Centesimus Annus, Vol. II, Edizioni Scheiwiller, 2006.

G. Marseguerra (a cura di), *Confronting Globalization: Global Governance and the Politics of Development*, Collana Fondazione Centesimus Annus, Vol. I, Edizioni Scheiwiller, 2005.

A. Quadrio Curzio - C. D'Adda - G. Marseguerra - S. Beretta, *Economia e Finanza globale: problemi e prospettive per il 2000*, Fondazione Centesimus Annus, 2000 (poi riprodotto su *Global & Local Economic Review*, vol. II, 2000, pp. 35-64).

At a time of 'jobless recoveries', with large numbers of unemployed people, jobs and wages seem to be rising at both ends of the skills spectrum and diminishing at the middle. This suggests a breakdown of the 'social elevator', where education, the conventional answer, is no longer seen as the universal remedy. At world level, within globalization and free trade, will wages tend to converge towards the high or the low end of today's scale?

In this context of new inequalities and social deterioration for many, is there anything we can do to work in the direction indicated to us by Pope Francis in his speech on May 25th 2013: "Hence the need to rethink solidarity no longer as simply assistance for the poorest, but as a global rethinking of the whole system, as a quest for ways to reform it... Solidarity is not an additional attitude, it is not a form of social almsgiving but, rather, a social value; and it asks us for its citizenship"?

Solidarity may be understood as redistribution or compensation of the mechanism of market-generated inequalities. But redistribution seems to have reached its limits. There is a need to construct on essential human relations, perhaps using "fraternity" as a more dynamic concept where economic creativity is not incompatible with a better living for all.

And does all that mean anything practical for business? "Corporate Social Responsibility" is probably not a sufficient answer; the question goes much deeper into business decisions and relationships, where a substantial enlargement of aims and vision is possible. There is need for new thinking and courageous experiments.

The Conference will address these questions thanks to a small number of key-note speakers and discussants from

academia and professional practice, who will deliver short and structured introductions. One of the sessions will be devoted to interviews of business leaders. Participants will be able to exchange views in two group sessions of 90 minutes each; their views will be summarized in the final session, from which participants may derive conclusions and practical recommendations.

Thursday, 8 May 2014

14:30 Members' General Meeting (as per art. 17 of our By-laws)

15:45 Welcome and introduction
His Eminence Cardinal Calcagno, President of APSA
Domingo Sugranyes Bickel, President, Centesimus Annus – Pro Pontifice Foundation

16:00 Session 1: A geo-economic view of the world on growth, inequalities and jobs
Session chaired by Prof. Alberto Quadrio-Curzio with a foreword of Prof. Giovanni Marseguerra

First key-note speech:
Dr. Branko Milanovic, The Graduate Center, City University of New York (USA)

Two discussants:
Prof. Alfredo Pastor, IESE (Barcelona)
Prof. Francis T. Lui, Hong Kong University of Science and Technology (Hong Kong)

17:00 Group work 1st session

Group A (English, Italian, Spanish simultaneous translation)
Chairman: Thomas Rusche
Rapporteur: Attilio Tranquilli

Group B (English)
Chairman: Robert A. Nalewajek
Rapporteur: Eleonora Bonacossa

18:30 End of session

20.30 Prayer in Basilica Santa Maria in Trastevere

21:00 Dinner at the premises of Comunità Sant'Egidio

Friday, 9 May 2014

09:00 Session 2: Solidarity and fraternity: Utopia or fundamental social dimensions?
Session chaired by Joseph F.X. Zahra

Second key-note speech:
Dr. Adrian Pabst, University of Kent (UK)

Two Discussants:
Prof. Antonio Maria Costa, past Executive Director, United Nations Office on Drugs and Crime – UNODC (Italy)
P. Alvarez de los Mozos sj, Social Justice and Ecology Secretary, Society of Jesus (Italy)

10:00 Coffee-break

10:30 Session 3: Solidarity and Gift in Business Decisions
Session chaired by Prof. Andrew Abela (CUA, Washington)

Interviews of five business and organization executives:
Renate Pilz (D), Robert Leblanc (F), José Vicente Roca (E), Stephen Young and Sean Fieler (USA)

12:00 Group work 2nd session

13:00 Light lunch

14:30 Group work 3rd session

16:00 Final session: Moving towards a Good Society
Session chaired by Domingo Sugranyes Bickel

Group reports:
Thomas Rusche, Attilio Tranquilli, Robert A. Nalewajek, Eleonora Bonacossa

Framework for follow-up:
Prof. Fabio Pammolli, IMT Lucca (Italy)
Final speech by Dr. Lawrence Gonzi, past Prime Minister of Malta

18:00 End of session

Saturday, 10 May 2014

09:00 Reading from the Holy Scripture and Meditation led by H.E. Archbishop Claudio Maria Celli, President of Pontifical Council for Social Communication, International Assistant to the Centesimus Annus – Pro Pontifice Foundation

10:00 Holy Mass presided by His Eminence Domenico Cardinal Calcagno

12:00 Audience with His Holiness Pope Francis

"GLOBAL INEGUALITY IN NUMBERS: THE HISTORY AND TODAY"

Branko Milanovic

Thank you very much, Professor Curzio. I will stand up so that you would be able to see the PowerPoint. I would like to thank you for the invitation. I am obviously delighted to be here, and I would also like to thank my commentators, Professors Lui and Professor Pastor, who will speak afterwards.

I would also like to ask the Chair to let me know when I am three minutes off my beeping time, because I would like to wrap up with something which is relevant, I believe, for the session and the conference that we are attending today.

And now let me go over a review of the facts that many of you do know, but which, I think, are useful to see perhaps once more. First, over the last twenty five years, in most countries in the world, there has been an **increase in inequality**.

In Figure 1 here I am showing the changes in the Gini coefficient, which is a measure of inequality, such that when it goes up it means that there is greater inequality. In two-thirds of the countries, most notably in the United States, the United Kingdom, China and Russia, there was a large increase in inequality.

The exception – and I will not have time to speak about that today – is Latin America, in particular Brazil; which is very unusual because these countries are countries with a very high level of inequality. That high level is finally going somewhat down, whereas in many countries as, for example Sweden which is a country with a low level of inequality, in-

Figure 1. Ginis in the late 1980s and around now

	1985-90	After 2008	Change
Average Gini	36.3	38.8	+2.5
Pop-weighted Gini	33.9	37.3	+3.4
GDP-weighted Gini	32.2	36.4	+4.2
Countries with higher Ginis	32.0	36.2	+4.5
Countries with lower Ginis	42.8	39.5	-3.3

Branko Milanovic

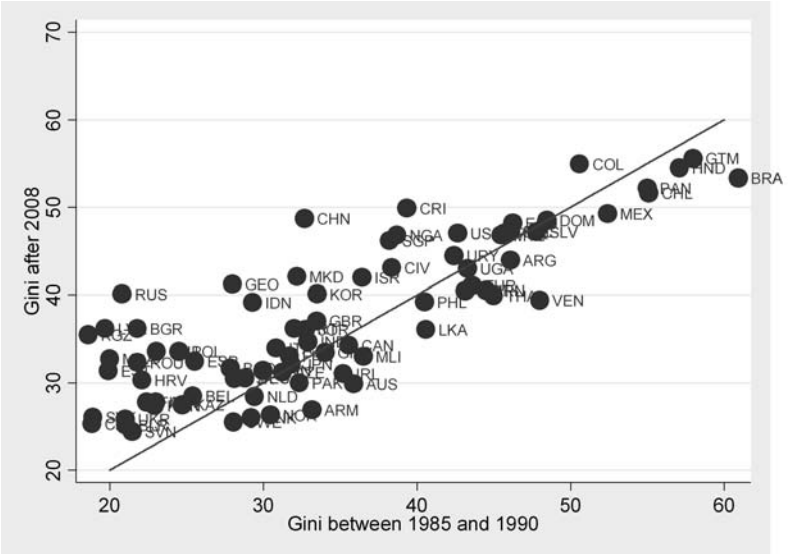
equality has gone up. There is thus a certain amount of convergence in within-countries' inequalities.

That is maybe better shown if you look at this comparison in Figure 2 between the late 1980s and today. Countries are represented by the dots. All the dots that are above the 45-degree line are the cases where you had an increase in inequality. And when we make the dot size reflect the population size of the country, then it is even more striking because really big countries like China and India and the United States, and Nigeria and Russia, all registered an increase in inequality.

This, of course, raises many issues which are well known, so some of them, in order to save on time, I will just read off from the slides.

I would like to mention one issue, namely interaction between **perception of inequality** and actual measurement of inequality. It seems to me that at some point when society starts seriously discussing the topic and when measurements

Figure 2. Ginis in the late 1980s and around now



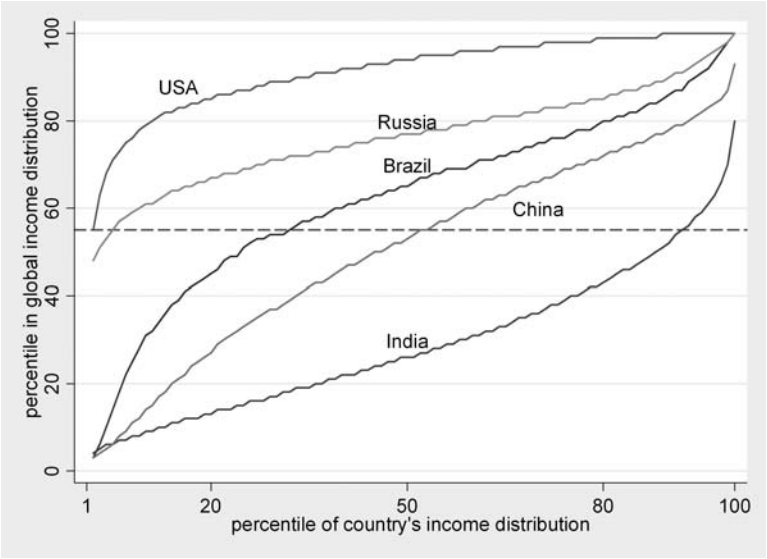
of inequality are done and published, people suddenly realize that there is really more of it than they thought before. I think a good example of that is the Arab Revolutions, where we really could not find in measurable terms, increases of inequality in Egypt or Tunisia, but where the perception of inequity and inequality had certainly gone up in the past 20 years.

Another issue is **social separatism of the rich**. I will not explain it as I think the term itself is very clear. And then of course another issue is tax evasion and hidden wealth of the rich, whose magnitudes we are only really trying to guess now.

Now, in a sort of contradictory movement, we have had at the same time the fact that **between country inequality**, although very high by historical standards, has been on the decline. And the reason for this is very high growth rate of China in particular, but also of India, Indonesia, Vietnam.

Essentially China was the force that was driving the decline in between-country inequality and thus in global

Figure 3. Different countries and income classes
in global income distribution in 2008



inequality. However, inequalities between countries are still huge. Just how huge they are I hope to show you in one minute although it is a bit complex graph. The graph (Figure 3) shows the following: on the horizontal axis, you take everybody in a given country divided into 100 groups (called "percentiles") from the poorest group, number 1, to the richest, which is group 100.

And then you ask, "Okay, this is really the poorest people in such and such country. How do they stack up within the global income distribution? Where are they?" Now, this is shown on the vertical axis: you put there everybody in the world, in similar one hundred groups, from the poorest to the richest.

I will show the situation for only a few countries, but obviously this can be done for all countries that I have in my sample, that is more than 120. Take the United States, which is a rich country. And then start with the poorest people in the

United States who are on the far left on the horizontal axis. They are very poor in the United States, but when you put them in the global income distribution, they come to something like 54th percentile. So they are richer than one half of the world! And then of course, as you go with the next poorest group in the US and further on, they of course are all richer and richer, higher placed globally, and finally the 12% of the richest Americans are all part of the global top 1%.

This is not very different for countries like Italy or Germany or France. I think in Italy too there would be something like 3% of richest Italians who will be part of the global top 1 percent. But compare that – and I could have taken many countries here, for example from Africa – with poor countries and then you get a very striking figure. We knew of course that people who are poorest in India are also among the poorest in the world, but we may not have been aware that the richest 1% of people in India (it is 12 million people though) are really, in terms of their average per capita income, coming just at the level of what may be called the lower middle class in the rich, advanced countries. This illustrates the immense income gaps that still exist between the nations.

Even what is considered the middle classes in those poorer countries are by Western terms relatively poor. It is important to keep this in mind.

I have several other countries in the Figure here. I will skip them for the sake of time. Of course, the interesting case is that of Brazil because Brazil combines the poorest people in the world at the very bottom, and the richest people, those who belong to the global top 1%. And just to clarify, I am not really talking here about billionaires and oligarchs, because oligarchs don't participate in household surveys. So we are talking here about large groups of very well-off people, fairly comfortable and living well.

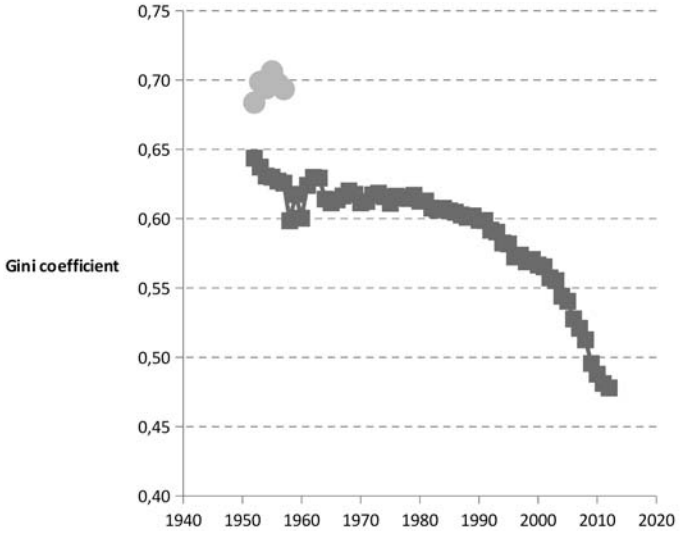
So what happened to the **global inequality**? It is the product of these two things that I have just shown, of within-country and between-country inequalities. As a short cut in

order to have an intuitive feeling about how global inequality changed, I think it is useful to focus on the three elements or forces that determine what happens to the global inequality.

First, I would like to emphasize the enormous **role played by China.** Until about the year 2000 China alone was the force that reduced global inequality. The other two forces that explain movements in global inequality are within-country inequalities, which as we have seen, mostly increased in the past 25 years, and convergence or divergence of mean country incomes. Here many poor countries, in particular those in Africa, have not been catching up with the rich world until 2000. After that date, the situation changed and we currently experience convergence of mean country incomes: poor countries' growth rates tend to be higher than the growth rates of the rich countries.

So how does it look on the global level, when we look at global inequality only? This is shown by the green dots (Figure 4). Please have a look at them now. The horizontal

Figure 4. Three concepts of international inequality, 1952-2013



axis is time: the vertical axis is a measure of inequality. We focus on the green dots because they give us the estimates of global inequality among all people in the world where calculations are done as if they were all part of one country.

We adjust for the differences in price levels because in poorer countries the price level is lower; poor countries' incomes thus get a boost compared to the situation where we would just convert their local currency incomes into dollars at the current exchange rates. Let me also note that in these 120 household surveys which follow broadly the same, well-established UN methodology of data collection, we are including between 10 and 11 million of individual observations of incomes.

The level of global inequality is very high: Gini is 70, which is much higher than Gini of any individual country. It is a higher Gini than South Africa's which is, as you know, probably the most unequal major country in the world.

But there is one more element that you can see there: at the very end of this period, and now I have some other preliminary results for 2011 which I did not put on this graph, the green dot (Gini) is lower than it was some ten years ago. We hope to see there the beginning of a **decline in the global level of inequality**.

Now I would like to say this: this is a historical moment, because although for the past we do not have household survey data we do have some rough estimates of what was global inequality around 1820 or 1850 and all the way to 1970-1980 when we begin to have household surveys from most countries in the world. I will not go now into how we made these guesses for the past, but they are educated "guesstimates", not made by one person.

We know that there was a steady increase in global inequality from 1820 to around the middle of the 20th century. The increase was at first driven by the Industrial revolution; but it was also driven by the simultaneous stagnation of incomes in China and India and Africa. The gaps continued to

widen in the first half of the 20th century, when many of the future Third World countries were colonies and did not experience economic growth.

Now, for the first time since the Industrial revolution we have a slight reduction in global inequality, perhaps evn the beginning of a stronger and steadier decline. I don't think that we need to over-exaggerate the importance of this change. It is indeed a welcome change and it is extremely hopeful. I think we should be gratified that it has happened, but we should not only focus on what may be called the "Delta Economics", that is looking only at the changes and forgetting about the levels. Because we should not forget that the level of global inequality is extraordinarily high by any measure you use.

A slight technical issue which a bearing on what I just said about the possible beginning of a decline of global inequality. In our data we are including most of the world, but our nummbers are still underestimates of the real level of inequality because many poor countries that are in civil wars or where the data cannot be gathered (essentially those in Africa) are not well represented. As you can see in Figure 5, the population coverage in the data for global inequality, which

Figure 5. Population coverage by household surveys

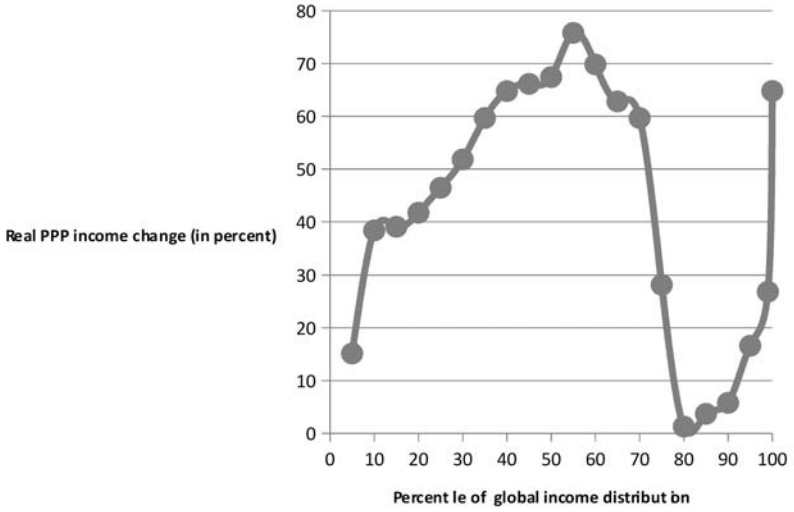
	1988	1993	1998	2002	2005	2008	2011
Africa	48	76	67	77	78	78	70
Asia	93	95	94	96	94	98	96
E.Europe	99	95	100	97	93	92	87
LAC	87	92	93	96	96	97	97
WENAO	92	95	97	99	99	97	96
World	87	92	92	94	93	94	92

I have just discussed, is 78% in Africa in 2008 and 70% in 2011. And you can be sure that these 22% or 30% of the missing people in Africa are really mostly very poor people in very poor countries. Thus if we could include them, there is little doubt that global inequality would go up.

Now, I want just to show one more graph which is I think is an important one because it shows the **change between 1988 and 2008**, at different points of the global income distribution. And then I would like to go into three political or moral issues which I believe can be derived from I have been saying sofar.

So here is the graph (Figure 6). I am sorry that I have too many graphs, but that is the reality of the world for somebody who works with numbers. Here, on the horizontal axis, you have again the percentiles of the global income distribution, from the poorest on the left of the axis to the richest on the right. On the vertical axis I show the real increase in income between 1988 and 2008.

Figure 6. Real income growth at various percentiles of global income distribution, 1988-2008



Now the interesting part is that at income levels around about 3 to 7 international dollars per day, you have large percentile gains between 1988 and 2008. And that is essentially among the people whom one can call, broadly, the Asian or Chinese middle class. These are fairly poor people by Western standards, but they have had large increases in their incomes over the past 20 or 25 years.

The interesting part of the graph are also people who are at a fairly high position by world standards, around 80th global percentile, but who have not seen much of the increase in their incomes. These are essentially the middle classes of the rich world.

If you look at the data that we have for Japan, Germany, the United States, there was a clear stagnation of median incomes in those countries. So the question then becomes – and I will not go into it today – are these two developments related? Is the stagnation of the incomes of the middle class in rich countries somehow related to the emergence of the **new global middle class**? This is obviously a very important question, perhaps one of the most important for today's world.

What you can also see in this graph is, at the very top, large income increases, in percentage terms and even much more in absolute terms, of the global top one percent.

This is essentially what we now see in the global income distribution. First, we have the emergence of what is called by some the Global Middle Class. I don't like the term verty much because I believe that by saying 'middle' we give a misleading impression of people who live with relative ease, of what may be Western middle class income, but these are people who are just above the global poverty line, people living with incomes of 4, or 6, or 10 international dollars per day. They are significantly better off than they were 20 years ago, but they also slip back into poverty.

So let me go now into the three issues that I mentioned before. I discussed them in my writings individually but I put

them together for this conference: the issues of justice and politics. The first one is what I call the "citizenship rent"; the second is the issue of migration, and the third is the hollowing out of the middle classes in rich countries. Let me start with the discussion of what I call the citizenship rent.

Given the fact that most of income inequality in the world can be explained by income gaps between countries, and that if I were to take incomes of all the people in the world I would be able to explain perhaps about one-half of the variability in these incomes with only one variable – the country where one lives, you directly come to the issue of the **citizenship rent**.

In other words, people who live or are born in rich countries, do receive in some sense an income, a life-long income which is derived from an accidental fact of the place where they were born. The key issue is then, should we start talking about global inequality of opportunity? Of course we talk about inequality of opportunity all the time within individual countries, because we don't think that people, who are of different gender or race or were born in one part of the country rather than another, should be treated differently. But we forget the issue of global inequality of opportunity. Not all of us, but sometimes I think most of us do forget. Does quest for equality of opportunity end at nations' borders?

Now of course there are arguments against caring about **global equality of opportunity**, and again I will not have the time to talk about that, but Rawls, no less, has taken a position which can be interpreted largely to be against the concern with global inequality or even global inequality of opportunity, because it goes against the right of national self-determination.

I think we should be aware that there are there two goods, and like many times in life, there may be a trade-off. We cannot get both goods, global equality of opportunity and national self-determination, but we should be at least aware that there is such a trade-off, and that our decision, one way or another, implies a trade-off.

If we were to care only about inequalities within nations, as Rawls would like us to do, then a global optimum would be simply a summum of individual country optima: that is, of countries' own optimum inequality levels.

The problem with that is that it would leave untouched the main cause of today's global inequality: gaps between countries' mean incomes. If you reduce national inequalities but mean differences between US and Mexico, Spain and Morocco, Italy and Libya remain as they are now, you will not have reduced by much the global inequality. That is the key issue.

Let us see it in terms of numbers (Figure 7). If total current inequalities are equal to 98 Theil points (this is just another measure of inequality, similar to Gini) and you imagine, just for the sake of the argument, a totally unrealistic situation where all individual countries have reduced within-country inequalities to zero, the global inequality number will go down to only 68. So you will have reduced global inequality

Figure 7. Global inequality in Real World, Rawlsian World, Convergence World... and Shangri-La World (year 2008)

Mean country incomes / Individual incomes within country	All equal	Different (as now)
All equal	0	68 (all country Ginis=0)
Different (as now)	30 (all mean incomes same; all country Ginis as now)	98

Branko Milanovic

by one-third. This is not much. To really make a dent in the reduction of global inequality you have to have poor countries grow faster than the rich or poor people from those countries move to the rich world.

And that is my second issue, over which I will go very quickly because of lack of time. We should see where the issue of **migration** comes from. It does not come out of the blue. It is a derivative of large between country gaps that exist today. As we have seen, a key thing for the reduction of global inequality is poor countries catching up, in terms of income levels, with rich countries. But if it is not feasible, or is not sufficient alone, then migration comes in. Because from the point of view of human development writ large, it is the same whether a poor individual becomes richer in his or her country, or he/she moves to another country. Consequently the issue of migration, I think, has to be put on the table, not only because there is more migration now than before, as we know in Italy every day, but because it is an issue which is derived logically from our concern with global inequality.

Finally, I would put on the table an issue which was already implied in what I said before: it is the question of **political decision-making**. Increasingly, our income and employment are determined by global forces. At the same time, we have stagnation of middle-class incomes in the rich countries.

This would not be a problem if the world had one political authority. Actually the developments over the past 20 or 25 years are relatively good because lots of poor people have become better off and those who lost are a group which is relatively well off. But the question is, in a political world composed of nation-states, entirely different. It is the following: these whom globalization failed are within their own constituencies, their own nation states, important and they may not like the outcome of a globalization that keeps their incomes stagnant. So there I see two dangers at the national level: one is populism and the other one is plutocracy.

With the first one you mimic democracy and roll back globalization. You probably also lower the growth rate of the poor people in emerging economies. With the second one (plutocracy), you continue with globalization at the cost of making national democracies largely meaningless. Well, we have here another trade-off!

I want to finish my talk by reiterating what I have basically said before. First, to reduce global inequality you need fast growth of poor countries, particularly in Africa but also in poor parts of Asia and in poor parts of Central and South America. This is absolutely crucial. Second, we have to see how to have greater migration, preserve good aspects of globalization, and not make national democracies meaningless. Third, we need to make those who are not benefiting from globalization in rich countries, those whose incomes have been stagnant, better off through within-national redistributions. These are the three key political issues in the future years.

Thank you very much.

ABSTRACT

INEGUAGLIANZA GLOBALE IN NUMERI: NELLA STORIA E OGGI

Branko Milanovic

Milanovic sofferma la propria attenzione sul problema della diseguaglianza negli anni della globalizzazione (1988-2008) inserendola in un'analisi di lungo periodo a partire dalla Rivoluzione Industriale della fine del XIX secolo, utilizzando una serie di indici di diseguaglianza del reddito.

Adottando l'indice di Gini, il relatore osserva che negli anni in cui si è affermata: 1. la diseguaglianza globale di reddito, indipendentemente dal paese in cui ciascun soggetto vive, è stata più rapida della dinamica di crescita delle disuguaglianze interne di ciascun paese; spesso, infatti, risulta che le persone povere nei paesi ricchi siano più abbienti delle persone ricche nei paesi poveri; 2. la diseguaglianza di reddito globale fra paesi si è ridotta nel tempo, subendo un inversione del suo trend originario; tale inversione di trend della diseguaglianza di reddito globale è stata causata dal rapido aumento nel reddito reale di alcuni paesi popolosi come la Cina e l'India. Milanovic mostra poi i vincitori ed i vinti del processo di globalizzazione: tra i primi vanno considerati coloro che già appartenevano al 1% della popolazione più ricca a livello globale e poche nazioni, precedentemente povere (tra cui Cina e India), che stanno raggiungendo i livelli di reddito dei paesi ricchi; tra i vinti ci sono le persone che in assoluto rappresentano i più poveri del mondo pari al 5% della popolazione mondiale ma anche coloro che appartengono nei paesi sviluppati alla cosiddetta classe medio alta, i cui redditi hanno subito una stagnazione nel corso della crisi finanziaria.

Milanovic considera poi l'indice di Theil che consente di rilevare l'incidenza di due componenti che determinano la diseguaglianza globale di reddito, ovvero la componente cosiddetta di classe – che risulta dalle differenze di reddito all'interno dei paesi – e la componente cosiddetta di luogo – che risulta dalle differenze tra i redditi medi di tutti i paesi del mondo. Considerando due anni base, 1870 e il 2000, egli rileva che nel XIX secolo la diseguaglianza era attribuibile essenzialmente a fattori di classe, mentre successivamente, la componente di luogo è cresciuta sino ad incidere per due terzi mentre quella di classe è scesa ad un terzo.

Da queste osservazioni, Milanovic trae due conclusioni. La prima è che la cittadinanza determina una rendita/premio o viceversa una punizione (in termini di reddito). Se, la localizzazione è dunque la principale determinante del reddito di una persona, i più svantaggiati (dal punto di vista del reddito) sono coloro che vivono nei paesi poveri. La seconda riguarda i modi attraverso i quali la diseguaglianza globale può essere ridotta, quando si assume come valida la precedente conclusione. Egli ne indica tre: l'aumento della crescita economica dei paesi poveri; l'adozione di schemi di redistribuzione della ricchezza a livello globale (ovvero assistenza allo sviluppo dei paesi ricchi); la migrazione delle persone dai paesi poveri verso i paesi ricchi.

REMARKS ON BRANKO MILANOVIC'S REPORT

Alfredo Pastor

It is a pleasure for one who has learnt all he knows about income distribution from Dr. Milanivic's work to be allowed to comment on a paper that synthesizes some of his previous findings and presents them in a succint but understandable manner. Income distribution is a topic that has been out of fashion for the general public until recently. There are good reasons for its current popularity, the main one being the perception of a disturbing level of inequality both within and across countries. If it behoves ordinary citizens to form their own judgments about how much inequality they consider acceptable, it is the task of economists to present the available facts in a clear and rigorous fashion: this is one of Dr. Milanovic's contributions to the debate, some of whose results are presented in the paper. Current debates would benefit from reading it.

Given a set of income data for several countries (something that is never a gift from Nature) one must decide on the kind of inequality one wishes to discuss, then on the appropriate measures of inequality, finally on the sort of questions one wants to ask from the data. For the first step, the distinction between the three types of inequality is indispensable: inequality of Type I is appropriate to ask questions about the relative performance of countries, convergence being the question most often asked. Type II is a modified version of I which is of use in relating the relative performance given by Type I to the number of people affected by it. The most interesting questions need Type III inequality, the one obtained

from a world distribution of income. Type III has become increasingly relevant as the world has become more interconnected, but the data are still few and cover only the last twenty-five years. For the second step, there is a large number of measures of inequality, adequate for different data and for different questions: Gini and Theil coefficients are the best-known, but perhaps less intuitive than others, and Dr. Milanovic does not make too much use of them in this paper; rather he employs graphical representations which are easier to apprehend. Lastly, one thing is to describe how income distributions have changed and another, quite different, to try to unveil the laws which may govern such changes. Dr. Milanovic does not address the second question: in his previous work, Worlds Apart, (pp. 144-148) after a careful analysis of "grand theories" about the laws of motion of income distributions, he concludes that most of these theories have lacked the support of fact, which is another way of saying that income distribution is subject to so many forces that it is not possible to describe the resultant in any meaningful way. One can, however, answer less ambitious questions.

Of the three main questions addressed in the paper: how inequality has evolved in modern times, who are the winners and losers since the heyday of capitalism and how the components of inequality have changed since the Industrial Revolution started, I would like to comment the last two (there are, of course, many other interesting ones):

1. Winners and losers, 1988-2008 (Section 2)

The question is addressed to the world income distribution. It does not have a simple answer: looking at the changes in income over the period (fig. 4) one sees neither across-the-board convergence, which would imply decreasing gains as one went from the lower to the higher end of the distribution, nor divergence. Rather, gains are concentrated at the very top (highest 1 percent 60% increase in real income) but even more

so at the 60th percentile, the emerging global middle class; those at the 80th percentile, on the other hand, have experienced stagnant incomes. (Sizeable gains in the lower third and stagnant income at the level of extreme poverty belong in their entirety to poor countries). Looking at rich economies one observes the so-called polarization of the labour market. One of the forces for such polarization is off-shoring to poorer economies; is it possible that the gains at the 60 th percentile reflect in part the losses at the 80th, or are the individual income distributions too far apart for that to be the case?

2. Class and location (Section 3)

One of the most interesting findings derived from the world income distribution is the decomposition of total inequality between within- and between- country elements. Dr. Milanovic has improved on Bourguignon and Morrison's work with a richer set of data. The result, however, is similar: up to the start of the Industrial Revolution, the position of an individual in the world income distribution was influenced mostly by his occupation, or class; today it is location, or citizenship, that explains most if it. On the other hand, it seems as though globalization is returning us back to normal, as it were, by making cheap labour available in great numbers to the advanced economies. Is this convergence to continue and, if, so, at which end of the income distribution?

29.4.2014

ABSTRACT

COMMENTO ALL'INTERVENTO DI BRANKO MILANOVIC

Alfredo Pastor

Pastor commenta due questioni affrontate nella relazione da Milanovic.

La prima concerne i vincitori ed i vinti della globalizzazione nella distribuzione globale del reddito. Pastor rileva che un fenomeno che caratterizza le economie dei paesi ricchi è la crescente polarizzazione del mercato del lavoro e che una delle cause che l'hanno determinata è la crescente delocalizzazione del lavoro nelle regioni più povere del mondo. A partire da questa osservazione, egli si chiede se l'aumento del reddito reale di chi si colloca nel 60º percentile della distribuzione globale del reddito (la cosiddetta classe media delle economie emergenti) sia dovuto in parte alla stagnazione di crescita del reddito reale di chi si colloca nell'80º percentile della distribuzione globale del reddito (la cosiddetta classe medio alta), concludendo che i vantaggi acquisiti dal 60º percentile siano in parte dovuti all'arretramento dell'80º percentile.

La seconda questione riguarda le osservazioni di Milanovic tratte dall'applicazione dell'indice di Theil. I dati dimostrano che, fino alla Rivoluzione Industriale, il fattore determinante nella posizione di una persona nella distribuzione globale del reddito era la sua occupazione o appartenenza ad una determinata classe sociale, mentre nel contesto della globalizzazione, è la località dove svolge la propria attività, o cittadinanza. Dall'altra parte, Pastor osserva che la globalizzazione è un processo che rende il lavoro a costi bassi disponibile in abbondanza alle economie avanzate. Egli domanda se la convergenza nel trend dei costi del lavoro continuerà e, se sarà così, sarà importante valutarne gli effetti sulla distribuzione globale del reddito.

REMARKS ON BRANKO MILANOVIC'S REPORT

Francis T. Lui

Branko Milanovic' research in recent years has generated important findings on the empirical patterns of global income inequalities that academics and policy makers must reckon with. By using newly available household survey data of many countries from 1988 to 2008, he is able to construct a better measure of global inequality. The concept behind this measure is to mix people from different countries together as if they all live in the same global village. This avoids the problems of treating every country as having the same population or everybody in the same country as having the same income. Some of the findings that emerge with this new measure are:

(1) Global inequality is much bigger than inequality within any individual country. The poor people in the rich countries are often richer than the rich people in the poor countries.

(2) Inequalities in income distribution within many countries, as measured by Gini coefficients or other methods, have increased. (The Gini estimates in the developed countries may be biased upwards due to the ageing of their populations. Those who have retired may report little or no income in the household surveys, and yet they are not necessarily poor.) However, probably for the first time since the Industrial Revolution, contrary to the popular view, global inequality had declined in recent years. From 2002 to 2008, the global Gini had gone down by 1.4 points.

(3) There were winners and losers. This reversing trend in the Gini was mainly caused by the rapid rise in real income

in some populous but previously poor countries, notably China and India. For example, in 1988, the median income in China was only higher than the 10 percentile income of the global population, but in 2008, it had exceeded the global median. The winners also included those who belonged to the richest 1% of the global population. Those who belonged to the 75 to 95 percentile of the richest global populations were the losers. They gained very little during the sample period of 1988 to 2008. This implies that there was polarization among the richest 25% of the global population, some being much richer and some experiencing stagnation. The poorest 5% of the global population were also losers. They had very little increase in income.

(4) Location now matters a lot in income distribution. Global inequality today is higher than that in the 19th century. However, two-thirds of this inequality can be attributed to the differences in income across countries (location), while one-third is due to inequalities within individual countries (class). This was not true in the 19th century world as depicted by Marx. At that time, two-thirds were due to class and one-third to location.

These are remarkable results that raise a lot of questions about how we should proceed to reduce income inequality of humanity. In principle, there are several approaches to do this.

The **first** focuses on pursuing policies aims at reducing inequalities *within* countries. While these policies could be beneficial, there are limitations on what they can achieve. As said before, the increases in income in some less developed countries were the main reasons responsible for reducing global inequality in recent years. Thus, income redistribution within a country may not help too much. It may even be possible that egalitarian policies, if taken to the extreme, can slow down economic growth in the less developed countries.

The **second** involves redistributing income from the rich to the poor countries. This could be in the form of international development assistance or foreign aids. From the humanitarian point of view, this approach seems well justified. However, past history indicates that foreign aids were not very effective in helping the poor countries to raise their income levels.

Since much of global inequality is due to the fact that even the rich people in poor countries generally have income levels lower than the poor people in rich countries, immigration of people from the poor to the rich countries could be an effective way of raising the income levels of those from the poor countries. This can be regarded as the **third** approach. The problem is that large scale migrations may not be politically feasible. People in the rich countries may fear that the new immigrants may force the wage rates to go down and they may consume a lot of welfare benefits.

The **fourth** approach relies on international trade. When free trade occurs, the so-called "factor price equalization" could come into effect. Labor wages of the same trading partners have the tendency to converge to the same level even when migration does not take place. In fact, there have been numerous examples, such as Hong Kong, Singapore, Taiwan, South Korea, indicating that economies intensively engaging in trade can grow very fast from being poor to being rich.

The **fifth** approach is a generalization of the fourth one. If we can improve the rates of economic growth of the poor countries, global inequality can be vastly reduced. This requires us to understand the driving forces of economic growth. Replicating the success stories of the fast-growing economies in poor countries can be an effective means to reduce inequality.

The last 30 years has seen the emergence of a vast literature on identifying the factors that can serve as the engines of economic growth. Some important ones are: engagement in trade (as discussed above), sound institutions, investments in

human capital and technology, improvement in health and life expectancy, inducing people to save more for investing in the future, and so on. Some of these factors could be more fundamental than the others.

Examining critically the experiences of the success stories is a simple way for us to find out what should be done and what should not be done.

Use China as an example. The real per capita GDP of China had increased by 1700 percent from 1978 to 2013. This would put it as one of the greatest success stories in the history of economic development. Paradoxically, one of the factors contributing to this outcome was China's willingness to accept a higher level of income inequality. In the late 1970s, any attempt to make one's material well-being better than others would be regarded as capitalistic and therefore discouraged. Deng Xiao Ping at that time had to make a fundamental strategic move of abandoning egalitarianism. He pronounced, "Let some people become rich first."

China also pursued an open-door policy and engaged extensively in international trade. Global competition forced domestic enterprises to be more efficient, lest that they be driven out of the market. To improve efficiency, these enterprises had to exploit their comparative advantage, i.e., to make use of the abundant labor available and specialize in producing labor-intensive goods. The emergence of private enterprises also took place. Investment in human capital was taken more seriously, though probably not enough. Students admitted to higher education had gone up by 600 percent in the last 17 years.

There were unique features of China's economic policy. Without sufficient theory to guide its progress, it adopted the policy of *crossing the river by feeling the stones*. In particular, it first tested the consequences of various policies by confining their implementations only to some *Special Economic Zones*, before the successful ones were replicated in the entire nation. Hong Kong had also served as the role model of modern in-

stitutions for these *Special Economic Zones*, and as the supplier of capital and management skills in the initial phase.

The role that Hong Kong had played and the policy of establishing *Special Economic Zones* indicate that the concept of *Charter Cities* as advocated by economist Paul Romer may be important. It means that a city in a poor country is allowed to adopt a set of laws and modern institutions that are conducive to economic growth but are different from those in that country. The usefulness of these new laws and institutions can be tested before they are extended to other parts of the country. The successful experience in China of such an approach indicates that this could be a very effective means to raise the economic growth rates in poor countries and thereby reduce global inequality.

Economist Angus Deaton of Princeton University has pointed out that economic growth had been the driving force of international income inequality. The Industrial Revolution, in particular, had led some countries to achieving high levels of income sooner than others and thereby created inequality. The proper way to address the issue of inequality is to ensure that those countries and individuals that have been left behind are given the opportunities and means to catch up. This is not an easy process. The rise in productive capabilities of the previously poor people or nations could transform themselves into competitors of those in the developed countries. The stagnation of income among many of those in these countries may be partly caused by this competition. Yet we have no justifiable reason to prevent others from catching up.

ABSTRACT

COMMENTO ALL'INTERVENTO DI BRANKO MILANOVIC

Francis T. Lui

A partire dalla relazione di Milanovic, Lui valuta criticamente alcuni approcci che possono essere adottati per ridurre la diseguaglianza globale di reddito. Il primo si focalizza sull'adozione di politiche volte a ridurre la disuguaglianza all'interno dei paesi. Tuttavia, egli osserva che se tali politiche possono essere di beneficio, gli incrementi di reddito in alcuni paesi meno sviluppati potrebbero aumentare il livello della diseguaglianza globale di reddito, come Milanovic ha dimostrato; oppure, se portate al loro estremo, possono rallentare la crescita economica nei paesi meno sviluppati. Il secondo approccio implica la redistribuzione del reddito dai paesi ricchi a quelli poveri per aumentare i loro livelli di reddito; per quanto importante, l'esperienza passata ha mostrato come l'aiuto straniero non è sempre effettivo e sostenibile nel tempo. Il terzo approccio è quello basato sulla migrazione, anche se le sue implicazioni politiche non sono trascurabili. Il quarto approccio considera il commercio internazionale come forza trainante per la crescita economica di un paese; l'esperienza di paesi poveri divenuti poi ricchi, come Taiwan, Singapore, Sud Corea e Hong Kong, ha dimostrato la validità dell'"effetto di equalizzazione dei prezzi dei fattori di produzione" quando un paese sviluppa rapporti di libero scambio con i suoi partner commerciali. Infine, il quinto approccio è una generalizzazione del precedente: la diseguaglianza globale di reddito può ridursi migliorando i tassi di crescita economica dei paesi poveri. Rispetto a questo, Lui rileva l'importanza di individuare le forze trainanti della crescita econo-

mica su cui fare leva in questi paesi e di guardare alle 'esperienze' di successo di alcuni paesi che prima erano poveri. Egli si sofferma in particolare sulla Cina, elencando le principali politiche che hanno contribuito agli alti tassi di crescita economica dalla fine degli anni '70 e sulla peculiare politica dell'"attraversare il fiume sentendo le pietre", ovvero dell'adottare e applicare politiche prima nell'ambito ristretto di poche zone (come nelle zone economiche speciali o a Hong Kong) valutando successivamente il loro contributo per poi replicarle a livello nazionale.

PROSPERITY AND JUSTICE FOR ALL: WHY SOLIDARITY AND FRATERNITY ARE KEY TO AN EFFICIENT, ETHICAL ECONOMY

Adrian Pabst[1]

Introduction

Across the globe we are seeing two parallel developments that undermine solidarity and fraternity both within and across the nations of the world. First of all, a growing concentration of wealth and a centralisation of power which divide societies along old and new lines. Second, an increasing precariousness of the poor and of the 'fragile middle' – all those who struggle to make ends meet and risk sliding (back) into poverty.

It is true that over the last twenty to thirty years the number of people living on less than US$2 per day has fallen by over 700 million and that sustained economic growth in the global south and east has made the world less unequal.[2] However, in the wake of the 2008-2009 global financial crisis growth rates have significantly fallen and insecurity has

[1] Paper to be delivered at the conference of the Fondazione Centesimus Annus Pro Pontifice on 'The Good Society and the Future of Jobs: Can solidarity and fraternity be part of business decisions?', on 8-10 May 2014 in the Vatican City. This essay draws in part on the book that I am currently co-writing with John Milbank, *The Politics of Virtue: Britain and the post-liberal future.* Senior Lecturer in Politics, School of Politics and International Relations, University of Kent, Canterbury, UK.

[2] Branko Milanovic, *The Haves and the Have-Nots. A Brief and Idiosyncratic History of Global Inequality* (New York: Basic Books, 2011).

greatly increased: nearly 3 billion people have to survive on incomes between $2 and $10 per day, and extreme destitution has become more entrenched as levels of socio-economic mobility are stagnating or even falling.

Even though social security is improving in emerging markets, the large holes in existing safety nets won't prevent the return of poverty – a tendency that in a different context also applies to advanced economies. What is missing is a fair share in total prosperity. Around the world the disconnection of the super-rich from the 'fragile middle' and the new 'precariat' (or underclass) seems to suggest that solidarity is an increasingly remote utopia.

Moreover, many countries have joined a global 'race to the bottom' in terms of wages, employment conditions and low taxes on the top 1 per cent that reinforces the ever-widening income and asset inequality which characterises capitalism, as the French economist Thomas Piketty has shown.[3] While the wealthy now split between the super-rich and the super-super-rich (as corporate executives compete with billionaires to drive up the wealth spiral), the middle classes struggle to make ends meet and the poor are seen as surplus to requirements.

Beyond exploitation and oppression, we now live in an 'economy of exclusion' that treats economically unproductive people as 'outcasts' and 'leftovers', as Pope Francis rightly warned in his Apostolic Exhortation *Evangelii Gaudium*.[4] The dominant system does not even pretend to aim for high-

[3] Thomas Piketty, *Le capital au XXI^e siècle* (Paris: Ed. Seuil 2013), trans. *Capital in the Twenty-First Century*, tr. Arthur Goldhammer (Cambridge, MA: Harvard University Press, 2014). Piketty's analysis is key, if incomplete in crucial ways, and his proposed solutions are neither realistic nor desirable.

[4] Pope Francis, *Evangelii Gaudium*, Rome, 24th November 2013, integral text in English available online at http://www.vatican.va/holy_father/francesco/apost_exhortations/documents/papa-francesco_esortazione-ap_20131124_evangelii-gaudium_en.html

er purposes. It combines the nakedly honest pursuit of power and prosperity for the few with a legal license for semi-criminal behaviour. Examples abound: first, selling subprime mortgages to vulnerable customers; secondly, rigging interbank lending rates; thirdly, charging usurious interest rates on payday loans and credit cards, etc. If 'greed is good', then we already face a 'dictatorship of relativism' (Pope Emeritus Benedict XVI) that simply dismisses solidarity and fraternity as an oppressive restriction on personal desire and subjective choice.

Crucially, as long as current trends persist, the post-1945 promise that the next generation will be better off won't apply for those who are now aged 18-25 and their children's generation. It may not be true even for those retiring now in advanced economies because the financial precariousness that was exposed by the 2008-2009 Great Recession combines with long-standing feelings of social dislocation and cultural disorientation to produce a dread of abandonment. Just at present we seem to be entering a long period of stagnation or much lower economic growth, which cannot create sufficient employment or deal with the debt burden. Meanwhile, the demand for healthcare, pensions, social security and education grows exponentially and in ways that neither the state nor the market can adequately meet. For all these reasons, both inter- and intra-generational solidarity faces new threats and requires fresh responses.

Faced with the 'economy of exclusion' that brackets fraternity out of the picture, the only genuine alternative is to bind higher purposes such as individual virtue and public honour to institutions and practices that can provide prosperity and flourishing for the many. In this essay, I argue that solidarity is key to an economy that is both more ethical and more productive. Both solidarity and fraternity rest on the idea of social reciprocity: for example, balancing individual rights with mutual obligations; brokering collaboration out of conflicts of interest by appealing to the common good that serves both

personal interest and social benefit. In this manner, fraternity and solidarity can foster the interpersonal trust and cooperation on which a vibrant economy and flourishing society depend.

The prevailing system is based upon a double impersonalism of commercial contract between strangers, and individual entitlement in relation to the bureaucratic machine. By making social reciprocity the ultimate principle that governs both the economic and the political realm, solidarity can avoid the two extremes characterising contemporary capitalism: contract without gift, plus the unilateral and poisoned gift from nowhere that is rationalised state welfare. The alternative, which this essay defends, seeks to fuse contract with gift. In theory and practice, binding contract to gift means mutualising the market, pluralising the state and re-embedding both in the relations that constitute society. Far from being utopian, solidarity so defined is indispensable to an economy that promotes greater innovation, higher productivity and more stable growth, which in turn can sustain rising employment and superior pay.

Section one explores how the meaning of solidarity and fraternity has evolved since the French Revolution elevated 'fraternity' alongside 'liberty' and 'equality' into a foundational value of modern politics. Section two focuses on Catholic social teaching and the ways in which it renews and extends the ancient and Christian tradition of 'solidarism'. Section three turns to the application of solidarity to the market, while section four examines how it can transform the state. Both sections 3 and 4 try to combine concepts with novel policy ideas. The conclusion briefly summarises my argument and the key policy recommendations.

1. The revolutionary tradition of fraternity and solidarity

How the French Revolution redefined fraternity and solidarity

The terms 'fraternity' and 'solidarity' were first used with political import during the French Revolution.[5] Even though it was nominally on the same par as liberty and equality, fraternity in its revolutionary meaning was in reality subordinate to both, providing the glue for the supposedly free, equal pact between the people and their new, ruling representatives. In this manner, it became closely associated with the idea of a social contract that governs relations between a controlling state and controlled individuals.

Linked to this was the 18th-century claim that the natural workings of the market enable citizens to blend their enlightened self-interest with mutual benefit. By connecting individuals to collective goals and compensating for both state and market failure, fraternity came to be at the service of the abstract values of liberty and equality. As part of the revolutionary *tabula rasa*, these values were abstracted from concrete roles and relationships as well as disembedded from traditions of thought and practice that forged them over centuries.

To fulfil this function, the meaning of fraternity was redefined: whereas previously it denoted inter-personal relationships and shared membership of an association based on differentiated roles, it came to designate a set of impersonal ties to an abstract community grounded in an uniform identity such as nationhood or citizenship. In this process, the institutions of fraternities lost much of their autonomy and were increasingly subsumed under the joint power of state and market.

[5] See Adrian Pabst, 'Fraternity', in Luigino Bruni - Stefano Zamagni (eds.), *Handbook on the Economics of Reciprocity and Social Enterprise* (Cheltenham: Edwar Elgar, 2013), pp. 153-162.

The French Revolution illustrates this point well.[6] One of the first acts of the revolutionaries was to abolish all the intermediary institutions of civil society and recreate them under the absolute authority of the central state. The *Loi Le Chapelier* of 1791 banned guilds and fraternities (or *compagnonnage*) defended by figures such as Montesquieu. The law was followed by a decree on 18 August 1792, which dissolved all types of congregations, both of the clergy and of the laity – including universities, faculties and learned societies.

Taken together, the law and the decree eliminated the right to strike and instituted enterprise as the most fundamental mode of association or corporation.[7] That is why the revolutionaries did not put an end to the power of privilege, whether in the form of patronal clubs or monopolistic arrangements that were ultimately in league with the central state. From the outset, the bureaucratic statism of the French Revolution was complicit with the cartel capitalism that underpins dirigisme at home and mercantilist trade abroad. That is why Colbertism represents one of the numerous continuities between the *ancien régime* and the various models of republican France from the seventeenth century to the present day.

These shifts in both ideas and institutions decisively shaped modern politics around the double sway of state and market over society – the primacy of the political and the economic over the social.[8] Government politically produces

[6] Mona Ozouf, 'Liberté, égalité, fraternité', in Pierre Nora (ed.), *Les Lieux de Mémoire* (Paris: Gallimard, 1997), tome III, pp. 4353-4389.

[7] In his book *On Human Conduct* (Oxford: Oxford University Press, 1975), the British political thinker Michael Oakeshott defines enterprise associations in terms of the intended pursuit of a certain instrumental purpose, whereas civil associations are a goal in themselves – independently of any specific interest. Below I will argue that in theory and practice, associations are more hybrid than the residual dualism of Oakeshott's argument suggests.

[8] Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001 [orig. pub. 1944]).

the commercial sphere of pure exchange and tries through the educative and other central institutional processes of 'civil society' (in a novel and specific sense) to create new citizens on the basis of inalienable, individual rights. The mark of modern, revolutionary citizens is to be negatively choosing, self-governing and disembedded from family, locality, tradition and artisanal formation (and so from civil society in an older, more generic sense).[9]

Under the control of both state and market, fraternities and other intermediate institutions gradually moved away from mutual duties and reciprocal responsibilities towards a narrower focus on instrumental interest and the formal entitlements of their members. As a result, the revolutionary meaning of fraternity was compatible with the idea of a new citizen as the bearer of individual, subjective rights who is connected to other citizens via principally contractual ties. In this way, fraternity predominantly serves the primary principles of liberty and equality, defined as the negative freedom of each and the total sameness of all.

Thus, all three values of the French Revolution are seen in terms of two types of sovereignty – sovereign individuals and the sovereign centre – which diminish and even destroy the sovereign self-determination of groups and associations.

The evolution of the term 'solidarity' reinforces this dialectical oscillation between individuals and the collectivity. It was Mirabeau who first used the term solidarity in a political sense to express the idea that 'the faith of each is the faith of all'. Of course, he was referring to the secular, republican faith in the Supreme Being (*L'Être suprême*). Before the French Revolution, solidarity was mostly conceptualised in Leibnizian terms as a pre-established harmony between unique

[9] See John Milbank, 'The Real Third Way: For a New Metanarrative of Capital and the Associationist Alternative', in Adrian Pabst (ed.), *The Crisis of Global Capitalism: Pope Benedict XVI's Social Encyclical and the Future of Political Economy* (Eugene, OR: Wipf & Stock, 2011), pp. 27-70.

persons who in their singularity reflect the whole. It implied neither individualism nor collectivism but instead a continuum of relation. In other words, solidarity was a matter of 'each for all' but the all for each and every one – as opposed to the imposition of a universal will or rule onto all.[10] However, solidarity in its revolutionary meaning emphasised individual emancipation and collective consensus at the expense of human association (groups and communities) and substantive shared ends such as the flourishing of the person.

This meaning received its most famous articulation in *The Communist Manifesto*, in which Marx and Engels declare that "[t]he free development of each is the pre-condition for the free development of all".[11] Far from securing the dignity of the person and free association, solidarity so defined promised individual emancipation but ended up producing collective control. Thus it became a matter of 'each for all' but the all for the few rather than each and everyone one. Like fraternity, solidarity in its revolutionary meaning came to signify a largely instrumental principle to achieve liberty and equality, defined as negative freedom of each and the total sameness of all (as I have already indicated).

The revolutionary legacy

Why is this exceedingly brief history relevant for contemporary discussions? If we are seeing a growing centralisation of power and a concentration of wealth over the past fifty years, it has to do with the further expansion of both state and market power in hitherto autonomous, more mutually-governed areas and the concomitant further retreat of intermediary institutions from their traditional involvement in eco-

[10] John Milbank, 'On Complex Space', in Idem, *The Word Made Strange. Theology, Language, Culture* (Oxford: Blackwell, 1997), pp. 268-292.

[11] Karl Marx - Friedrich Engels, 'The Communist Manifesto', in Karl Marx, *The Revolutions of 1848* (London: Penguin, 1981), p. 87.

nomic, social, educational, cultural and charitable activities. Market monopolisation and market logic have ensured that the economy has become yet more dramatically disembedded from society in general. Meanwhile, the same process combined with government control has led to interpersonal relationships being yet more subsumed under either bureaucratic rule or commercial transactions – or indeed both at once.

Crucially, state and market have increasingly made this covert alliance explicit. The real political polarity now lies not between their respective degree of influence, but between their oligarchic collusion on the one hand, and the realm of 'civil society' on the other. As already mentioned, this is a slippery term, but here I am using it in the older, generic sense to indicate the 'complex space' of intermediate institutions that mediate between the individual, the state and the market. Examples include self-governing hospitals, friendly societies, professional associations for manufacturing and trading, free universities, religious organisations, multitudinous voluntary bodies organised round shared interest or charitable purpose, besides more informal social processes and groupings.

In this space, people can associate with one another (either as individuals or as groups) in order to defend shared values and advance common interests. By contrast, the globalised 'market-state' has subordinated the sanctity of life, land and labour to abstract values and standards. In turn, this has reduced the dignity of the person to 'bare individuality' (Giorgio Agamben).[12] Similarly, the shared quest for the common good has been discarded in favour of the private pursuit of either individual utility or subjective happiness like short-term pleasure.

It would be foolish to deny that decades of liberalisation have provided greater opportunities for many and afforded

[12] Giorgio Agamben, *Homo Sacer: Sovereign Power and Bare Life*, trans. Daniel Heller-Roazen (Palo Alto, CA: Stanford University Press, 1998).

some protection against the worst transgressions upon the liberty of some by the liberty of others, especially given the growing disagreement about substantive notions of justice and the good life. However, economic liberalism has also eroded the social bonds and civic ties on which vibrant democracies and market economies ultimately depend for trust and cooperation. Cultural liberalism has carelessly underwritten this in default of its supposedly radical commitments.

And paradoxically, the two liberalisms have engendered a society that is not just more atomised but also more interdependent in the wrong way – too tied to global financial processes that undermine the wider, more material economy. This kind of abstract interdependence, which is the outworking of liberal individualism, actually leaves far less scope for the operation of individual initiative and ability to shape one's own life. The positive, reverse face of this paradox is that the liberty of the individual cannot realistically be separated from the liberty of groups. Only when a person exercises her choices in partial collaboration with, and in relation to, the choices of others will she discover any real social scope in which her abilities can be developed and her choices have influence. It is this 'personalist' outlook that the Catholic conception of solidarity stresses, as I now argue.

2. Catholic social teaching and the 'solidarist' alternative

The transformative tradition of Catholic social teaching

Since the 1891 encyclical *Rerum Novarum*, Catholic social teaching has sought to renew and extend the pre-revolutionary meaning of both solidarity and fraternity. Initially it rejected the two ideological extremes of *laissez-faire* capitalism and Marxist communism that dominated the second half of the nineteenth century. Later it sought to chart an alternative to a variety of more or less unsavoury options in the twentieth

century stretching from fascist corporatism via state socialism to social democracy (welfare capitalism) and, more recently, neo-liberalism. Common to all is a fundamental utopian outlook and commitments to remake humankind – either in the form of the atavistic Übermensch, or the new Soviet man, or indeed liberalism's *homo œconomicus.*

Paradoxically, these utopian projects rest on a fundamental pessimism about human nature. Whether in the case of the individual or forms of association, man is seen as essentially selfish, greedy, distrustful of the other and prone to violence. So either in terms of the 'state of nature' (Hobbes and Locke) or life in society (Rousseau and Kant), this pessimistic conception legitimates the primacy of the political and the economic over the social: the 'visible hand' of state coercion and the 'invisible hand' of market competition together regulate human violence. The latter is seen as either naturally given or socially constructed, but not as the irruption of evil through sin in an originally peaceful, created order (as for Catholic Christianity).

Perhaps even more paradoxical is the point that the supposed triumph of liberalism since the end of the Cold War is based on the liberal rejection of all utopian ideologies. However, this rejection ends in a utopian promotion of an anti-utopian project: the liberal order is now the only globally acceptable political, economic and moral order *precisely* because it purports to be the 'realm of lesser evil'.[13] In reality, liberalism has fixed the global ground-rules for 'fair play' between independent human freedoms, while at the same time proscribing any debate about those procedural rules and formalistic standards. In the name of neutrality that only liberal ground-rules can secure, substantive debates about the common good and the shared ends of human flourish-

[13] Jean-Claude Michéa, *L'empire du moindre mal. Essai sur la civilisation libérale* (Paris: Ed. Climats, 2007), trans. *The Realm of Lesser Evil: An Essay on Liberal Civilisation*, tr. David Fernbach (Cambridge: Polity, 2009).

ing have been banished from the court of public political discussion.

In response to this utopianism, Catholic social teaching proposes the primacy of interpersonal relations as a middle path that avoids the oscillation between the individual and the collective. Among the concepts that underpin this primacy of the social over the economic and the political are (1) the dignity of the person (personalism), (2) the just distribution of resources (distributism), (3) devolving power to the most appropriate level consistent with human flourishing (subsidiarity), (4) responsibility and self-rule (autonomy) and (5) mutual assistance, especially for the poor (solidarity).

Linking all these is the idea of 'intermediate institutions', which diversify and pluralise the sovereignty of the state and of the individual. That is because intermediate institutions represent autonomous bodies, which – when properly protected by the constitution – escape both state coercion and market competition. For this reason, Catholic social teaching differs from revolutionary thinking in that it closely connects both solidarity and fraternity to a fusion of the principle of human association with that of free independence (personalism and autonomy). As an alternative to both market individualism and state collectivism, 'solidarism' advocates solidarity between persons – whether as individuals or organised in groups.[14]

In turn, this conception of solidarity rests on the ancient and Christian idea of man as a political and social 'animal' who is in search of mutual social recognition. Solidarity so defined is not an abstract ideal like revolutionary equality and liberty but instead an exercise of virtues that are embodied in

[14] The 1947 Italian Constitution puts this well: "The Republic recognises and guarantees the inviolable rights of the person, both as an individual and in the social groups where human personality is expressed. The Republic expects that the fundamental duties of political, economic and social solidarity be fulfilled" (Art. 2).

practices and the exchange of gifts, as Karl Polanyi contended against Friedrich von Hayek.[15] Solidarism argues that human beings are not 'bare individuals' but rather complex persons who are entangled in relationships such as family, community and association. The social bonds and civic ties that bind people together are more primary than either individual rights or formal contracts. Moreover, virtuous habits such as cooperative trust or mutual sympathy precede both the exercise of merely instrumental reason and the interplay of sheerly sentimental emotions. In this sense, solidarity is more fundamental than either egoism or altruism. Alongside other virtues, solidarity helps embed human will and social artifice (e.g. the social contract) in traditions of cooperation without which rights and contracts cannot function.

Moreover, a Catholic Christian conception of fraternity can also help us rethink the nature of the market. Arguably since Adam Smith, political economy views market relations predominantly in terms of self-interest subject to the law of contract, thereby separating the pursuit of private profit from that of social benefit. This sundering of contract from gift is based on a double distrust. First, a distrust in the human ability to extend virtue beyond the 'thick ties' of family relations and friendship: "Men, though naturally sympathetic, feel so little for one another, with whom they have no particular connection, in comparison of what they feel for themselves; the misery of one, who is merely their fellow-creature, is of so little importance to them in comparison even of a small inconveniency of their own".[16] This reflects the fundamental pessimism I spoke about earlier.

[15] In addition Polanyi's *The Great Transformation* (*supra*, n. 8), see also Karl Polanyi, *Primitive, Archaic and Modern Economies*: *Essays of Karl Polanyi*, ed. George Dalton (New York: Anchor Books, 1968); Karl Polanyi, *The Livelihood of Man* (New York: Academic Press, 1977).

[16] Adam Smith, *Theory of Moral Sentiments* (New York: Prometheus, 2000 [orig. pub. 1759]), II, ii, p. 125.

Second, a distrust in human association, which Smith claims nearly always leads to the vice of corruption: "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices".[17] His critique of collusion and price-fixing ignores the crucial role of intermediate institutions in promoting the excellence of products and the equality of their members, which is based in large part upon their fraternal bonds. So for Smith, both markets and states ought to be amoral and neutral because only the pursuit of individual self-interest – without regard to the wellbeing of our butcher, brewer and baker – can produce social benefit.[18]

By contrast with the purely instrumental relationships involved in balancing rival self-interest, solidarism points the way to another political economy that rejects the separation of self-interest from notions of sympathy. This alternative argues for the primacy of fraternal relations which binds together interpersonal, particular dimension of 'friendship' with the universal outlook of 'brotherhood' – a form of unity and equality in diversity that is expressed by the principle of reciprocity.[19] Fraternal relations are connected with common membership in groups (such as guilds, religious communities or the body politic), embedding instrumental relations within non-instrumental relations. In turn, this suggests that civil and enterprise associations are distinguishable conceptually but can overlap in reality – as illustrated by a

[17] Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (London: Random Century, 1910), I, x, 2, p. 117.

[18] See Adrian Pabst, 'From Civil to Political Economy: Adam Smith's Theological Debt', in Paul Oslington (ed.), *Adam Smith as Theologian* (London: Routledge, 2011), pp. 106-124.

[19] Stefano Zamagni, 'Europe and the Idea of a Civil Economy', in Luk Bouckaert - Jochanan Eynikel (eds.), *Imagine Europe. The Search for European Identity and Spirituality* (Antwerpen-Apeldoorn: Garant, 2009), pp. 13-24.

host of businesses today combine for-profit activities with non-profit purposes, e.g. social enterprise, cooperatives and mutuals.

Solidarism today

Amid the crisis of liberal capitalism, Catholic social teaching has renewed and extended the tradition of solidarism by embracing the idea of a 'civil economy'.[20] In his social encyclical *Caritas in veritate*, Pope Emeritus Benedict XVI writes that "the exclusively binary model of market-plus-state is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up society".[21] Rather than defending civil society in its current configuration as a third sector separate from both state and market, this argument is about re-embedding 'market-states' in a wider network of social relations governed by virtues such as solidarity, fraternity and justice.[22]

The 'civil economy' tradition and its contemporary development repudiates the modern, liberal separation of private from public goods in favour of 'relational goods' that are shared by people, such as participation in joint activities that depend on continuous interaction, not one-off transactions.[23]

[20] Luigino Bruni - Stefano Zamagni, *Civil Economy: Efficiency, Equity, Public Happiness* (Bern: Peter Lang, 2007).

[21] Pope Benedict XVI, *Encyclical Letter Caritas in veritate*, 29 June 2009, available online at http://www.vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate_en.html, §39.

[22] On alternative political economies, see Adrian Pabst - Robert Scazzieri, 'The Political Economy of Civil Society', *Constitutional Political Economy*, Vol. XXIII, no. 4 (October 2012): 337-356.

[23] See, for example, Luigino Bruni, *The Wound and the Blessing: Economics, Relationships and Happiness,* trans. N. Michael Brennan (New York: New City Press, 2007).

Connected with this is a renewed emphasis on notions of the common good – not utility or happiness: the latter two merely denote the felicity of people one by one or as an abstract aggregate, whereas the former captures the real relationships and the good of each and everyone in terms of their specific embeddedness in the complex webs of trust and reciprocity.[24] The common good exceeds the sum total of all individual goods and services *precisely* because it encompasses the mutually augmenting relationships whose reality is greater than the sum of its individual parts.

Key to an ethical economy is to connect the logic of contract with that of gratuitousness or gift. Here it is instructive to draw on recent work in the field of anthropology, notably the work of the French anthropologist Marcel Mauss on the gift. He and disciples, including Jacques Godbout and Alain Caillé, have developed an anti-utilitarian economics of gift-exchange that shows how commercial contract and market exchange can only work efficiently and justly within a wider gift economy.[25] This approach rejects utility and commodification in favour of real worth that fuses material value with symbolic significance – without which individuals, groups and societies cannot flourish.

Concretely, this means combining private profit with social benefit, e.g. investment in productive activities that produce real value such as goods and services that serve human needs and interests as well as investment in human and social capital. By contrast, much of capitalism is concerned with merely short-term financial profit that accrues to the

[24] Stefano Zamagni, 'Catholic Social Teaching, Civil Economy, and the Spirit of Capitalism', in Daniel K. Finn (ed.), *The True Wealth of Nations. Catholic Social Thought and Economic Life* (Oxford: Oxford University Press, 2010), pp. 63-93.

[25] Jacques T. Godbout (with Alain Caillé), *The World of the Gift*, tr. D. Winkler (Montreal: McGill University Press, 2000); Jacques T. Godbout, *Ce qui circule entre nous. Donner, recevoir, rendre* (Paris: Seuil 2007).

few and undermines the real economy on which the many depend.

Finally, for solidarism to help produce an ethical economy, it is important to connect not only contract with gift but also rights with obligations. Ever-greater individual rights and economic contract alone cannot deliver security, prosperity and human flourishing for the many. That is why there is a need to invent or discover new, more participatory modes of self-restraint and responsibility, and of economic justice and shared wellbeing. *Caritas in veritate* puts this well:

> The link consists in this: individual rights, when detached from a framework of duties which grants them their full meaning, can run wild, leading to an escalation of demands which is effectively unlimited and indiscriminate. An overemphasis on rights leads to a disregard for duties. Duties set a limit on rights because they point to the anthropological and ethical framework of which rights are a part, in this way ensuring that they do not become licence. Duties thereby reinforce rights and call for their defence and promotion as a task to be undertaken in the service of the common good.[26]

3. Mutualising the market and creating an ethical economy

In his apostolic exhortation *Evangelii Gaudium*, Pope Francis makes the crucial point that the dominant economic system is economically unsustainable and ethically indefensible. In his words,

> [h]uman beings are themselves considered consumer goods to be used and then discarded. We have created a "throw away" culture which is now spreading. It is no longer simply about exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be a part of the society in which we live; those excluded are no longer society's under-

[26] Pope Benedict XVI, *Caritas in veritate*, §43.

side or its fringes or its disenfranchised – they are no longer even a part of it. The excluded are not the "exploited" but the outcast, the "leftovers".[27]

Faced with this evolution, economic solidarity tends to take one of two forms: either redistribution and dependence on the public sector (as for the political left), or trickle-down wealth and reliance on private-sector business (as for the political right). But either way, these two forms of solidarity depend upon centralised tax-and-spend, bureaucratic state control and market commodification. They also assume that ever-greater individual rights and economic contract can deliver security, prosperity and human flourishing for the many.

By contrast, the 'solidarist' alternative that I defend in this essay rejects these premises in favour of reciprocity and mutuality as the guiding principles that can re-embed in novel ways the economy in society. First of all, this involves refusing the logic of debt that characterises monetarist and Keynesian approaches, which merely differ on the relative balance of private vs. public debts. The phenomenon of 'privatised Keynesianism' that became the dominant policy regime in the 1990s and 2000s marked the transfer of debt from the public sector to private households.[28]

This, coupled with new credit expansion underwritten by the state, produced the unprecedented financial bubble that burst so spectacularly in 2008-9, saddling households with unsustainable debt. During the boom in late 1990s and 2000s, the public sector shifted the debt burden onto private household by keeping wages stagnant and forcing workers to take out ever-more debt to make ends meet. In many advanced

[27] Pope Francis, *Evangelii Gaudium*, chap. 2.

[28] Colin Crouch, 'Privatised Keynesianism: An Unacknowledged Policy Regime', *The British Journal of Politics & International Relations*, Vol. XI, no. 3 (August 2009): 382-399.

economies and emerging markets, the real costs of living have consistently outstripped official inflation, plunging more people into poverty and putting a squeeze on low- and middle-income groups.

Austerity may reduce the budget deficit, but it undermines the productive economy by slashing capital spending and failing to diversify away from finance – all of which actually depresses growth and thereby increases both public and private debt over time. Crucially, this treats debt as absolute and in some sense primary vis-à-vis assets, and it also privileges the interests of creditors over those of debtors. In this manner, the logic of austerity is all of a piece with the separation of profit and risk between institutional investors and managers, on the one hand, and customers and employees, on the other hand – a logic that views solidarity as a purely private decision based on subjective will and calculation.

Against Keynesianism and monetarism, 'solidarism' views debt in more relational terms. It argues for models whereby unsustainable debt is converted into equity (e.g. a bail-in for banks 'too big to fail' rather than a taxpayer-funded bail-out). Similarly, both profit and risk are shared more equitably among all the stakeholders: lenders and borrowers, investors and owners, shareholders and managers as well as employers and employees, producers and consumers, and suppliers and sellers. This involves creating a genuine value chain with a virtuous circle of competition in both excellence and efficiency.

That, in turn, also requires regional investment banks and a whole transformation of corporate governance. In terms of the latter, this would have to include the consultation and participation of all stakeholders in key business decisions: the representatives of workers, suppliers, consumers, the local community as well as finding novel ways of defending the interests of wider society and the natural environment. A more plural and participatory representation of stakeholders would reflect a 'solidarist' approach that can help shift the

economy away from an obsession with short-term results towards the securing of longer-term interests.

Second, the 'solidarist' alternative would address deficient demand not simply by either printing money (to offer cash handouts to the population) or by financing massive infrastructure projects from the centre. Instead, the economically more sustainable and ethically more effective option is to promote fair wages and just prices (more about this shortly). That would include not only creating 'living wage' cities and regions but also establishing a link between salary increases and productivity growth. In theory and practice, solidarity combines contribution with just reward, which is why both prices and wages reflects more than the iron law of demand and supply. They always already reflect certain judgements that go beyond merely procedural and formalistic standards of fairness.

In turn, a novel link between productivity and wages requires a number of elements: (1) promoting investment in vocational training by creating a series of hybrid institutions that combine the teaching of academic skills with technical training; (2) encouraging the provision of more apprenticeships (especially for the young and the long-term unemployed) through a combination of tax breaks and lower employers' contribution to social security; (3) promoting more innovation by establishing new public 'trusts' for the pooling of technological knowledge to replace the current patenting system that favours large private corporations over small- and medium-sized businesses and social enterprise.

The principle of a technological trust is to pool risk and share the rewards, which also reflects the logic of solidarity. Technology trusts could be set up at the national and the international level, e.g. the EU, NAFTA, Asean, Mercosur, etc. Here the argument that globalisation requires a cost 'race to the bottom' is economically and ethically non-sense, as developed economies will never be able to compete with low-wage countries such as Vietnam and Cambodia. Not

even China can, which is why it outsources production to them. On the contrary, the only route towards sustainable, high growth is to compete in both excellence (quality) and ethos.

As the Italian 'civil economist' Antonio Genovesi showed in his seminal *Lectures on Civil Economy*, what matters is not the absolute cost of labour or the relation between foreign and domestic production of goods.[29] Rather, what matters is who you share your labour market with. Paying higher prices for locally produced goods encourages domestic manufacturing, industry and a greater division of labour within one's polity. And since traders are interconnected, it also raises real wages in all trades from agriculture and manufacturing upwards, promoting both higher productivity and greater justice. In this way, we can realign fair wages with just prices and defend the interests of all stakeholders, including workers, suppliers and consumers (not just managers, shareholders and lenders) – as first argued by the Catholic priest John Ryan who coined the term 'living wage'.[30]

Third, solidarism would break the over-reliance on unproductive finance by linking a national network of investment banks (constrained to lend within cities, regions and sectors, as Maurice Glasman has suggested) to a corresponding structure of professional associations that can offer vocational training and guarantee minimum standards of quality and ethos. Membership in a sector-wide 'meta-guild' would be a necessary condition for getting a professional license, but employers and employees would be free to choose from among the various associations that make up the guild.

[29] Antonio Genovesi, *Lezioni di economia civile*, intro. Luigino Bruni and Stefano Zamagni, ed. Francesca Dal Degan (Milan: Vita e Pensiero, 2013).

[30] John A. Ryan, *A Living Wage: Its Ethical and Economic Aspects*, rev. ed. (New York: Macmillan, 1914 [orig. pub. 1906]); and *Distributive Justice: The Right and Wrong of Our Present Distribution of Wealth*, rev. ed. (New York: Macmillan, 1927 [orig. pub. 1916]).

Choice between different associations would serve to avoid a situation of monopoly.

This would also diversify the range and kind of employers' associations and trade unions. At present, both suffer from self-serving bosses and barons who neglect the views and interests of their ordinary members. The natural institution to bring together local councils, regional/sectoral banks and professional associations is the guild hall (and the equivalent in other countries, e.g. chambers of commerce). A renewed guild hall/chamber of commerce would represent democracy vocational at the local level in every city and every county or region – just like municipal and regional assemblies would represent democracy locational.

Fourth, the 'solidarist' alternative promotes virtuous businesses by rewriting company law to make social purpose and profit-sharing conditions for company license, as John Milbank has suggested.[31] This would also include replacing the current incentive structure with a new system of awards and rewards. At present, we have a system that incentivises the privatisation of profit, the nationalisation of losses and the socialisation of risk. A 'virtue economy' can mutualise profit, loss and risk by fostering greater regard for shared interest, value and relational goods and also by providing proper reward for virtuous behaviour. These are some ways in which solidarity can make an economy more efficient and more ethical both at once.

More specifically, our current model is based on two elements. The first element concerns individual incentives that influence *ex ante* motivation. These can take the form of either private sector performance-related pay and bonuses, or else public sector policies aimed at 'nudging' our behaviour towards greater efficiency and happiness. The second element

[31] John Milbank, "Ethical Economy beyond 'shared value'", in *Ethical Economy* – a ResPublica Report, ed. Phillip Blond and Adrian Pabst (London: ResPublica, 2014), *forthcoming*.

consists in public prizes and honours to acknowledge a specific contribution to society (including military medals and civilian awards for achievements in the arts, sciences, sport and public affairs).

The problem of the underlying logic is fivefold: first, it sunders *ex ante* motivation from *ex post* outcomes, which leads to the perverse situation of rewarding failure (bonus payments and golden handshakes even in case of bankruptcy). Second, it privileges private self-interest and views social benefit merely in terms of indirect, unintended outcomes. Third, it designs incentives purely in extrinsic ways and reduces the question of reward to a principal-agent relation. Fourth, it separates monetary from non-monetary rewards, which divorces material value from symbolic worth. Finally, it prioritises the individual and the collective over association, which perpetuates the primacy of states and markets over intermediate institutions.

To reward virtuous behaviour and promote an economy of both honour and regard,[32] we need a system that breaks with the logic of private profit, national loss and socialised risk, as I have already suggested. Here the crucial point is that virtue is pursued for an intrinsic reason, and not for the sake of personal reward. Yet at the same time, virtuous behaviour may yield pleasure or even profit while also making a contribution to the common good. Thus there are good ethical *and* economic reasons for practising virtues. In turn, this means that virtue – the promotion of excellence and ethos – is part of a properly functioning market economy that produces prosperity for all. There we need to rewrite legislation and contracts to promote virtuous behaviour by means of both awards and rewards. Awards refer to a public recognition of

[32] See Avner Offer, 'Between the Gift and the Market: The Economy of Regard', *Economic History Review*, Vol. L, no. 3 (1997): 450-476; Geoffrey Brennan - Philip Pettit, *The Economy of Esteem* (Oxford: Oxford University Press, 2004).

virtuous practices, i.e. an acknowledgement of intrinsically good activities that are *not* an expected (though hoped-for) counter-action within a contractual exchange where recompenses have been fixed beforehand.

By contrast, rewards denote a public recompense for virtuous behaviour that blends self-interest with social benefit, including the possibility of a monetary recompense (e.g. tax breaks, preferential treatment in terms of government procurement or public service tenders, etc.). Crucially, virtuous businesses could be given membership in certain professional associations that uphold more stringent standards, which could in the long term give a market advantage – thereby encouraging membership based on a competition in quality, excellence and ethos. Over time, this could lead to forms of publicly recognised ethical certification to promote a 'global race to the top'.

This form of recognition combines immaterial awards with material rewards and overcomes the false separation of contract from gift that gave rise to the predatory economy of modern capitalism in the first place. Central to the novel reconnection of contract with gift is the idea of solidarity and fraternity in terms of the principle of reciprocity. An economy governed by reciprocal arrangements would almost certainly be more productive, socially and environmentally more viable as well as ethically more defensible than the currently dominant system.

4. Pluralising politics and the state

In terms of politics and the state, solidarity has traditionally taken one of two forms: either redistribution through statist welfare based on tax-and-spend, or trickle-down wealth by way of market competition. Both forms are impersonal and tend to leave society fragmented, atomised and anonymous. Since the collapse of state communism and the ongoing crisis of 'free-market' capitalism, both academic re-

search and public policy-making has been concerned with alternative economic models and transformations of the welfare state away from state paternalism or private contract delivery towards civic participation and community organising, as this section argues.

Whilst it has provided some much-needed minimum standards, statist-managerial welfare subsidises the affluent middle classes and undermines (traditional or new) networks of mutual assistance and reciprocal help amongst workers within local economies.[33] One reason is that the centralised welfare state traps the poor in dependency while simultaneously redistributing income to middle-income groups. Moreover, the neo-liberal 'structural reforms' of the 1980s and 1990s that rationalise welfare compensate the failures of capitalism by promoting freely-choosing reflexive and risk-taking individuals who are removed from the relational constraints of nature, family and tradition.[34]

Today, by contrast, there is a renewed emphasis on the principles of reciprocity and mutuality, which translates into policies that incentivise the creation of mutualised banks, local credit unions, and community-based investment trusts. Beyond redistributive policies, alternatives to the centralised bureaucratic state and the unfettered 'free market' include asset-based welfare and decentralised models that foster human relationships of communal care and mutual help – rather than state paternalism or private contract delivery.

For example, there is a compelling case for a system that combines universal entitlement with localised and personalised provision, e.g. by fostering and extending grassroots' initiatives like 'Get Together' or 'Southwark Circle' in London that blend individual, group and state action. Both initiatives

[33] David T. Beito, *From Mutual Aid to the Welfare State. Fraternal Societies, 1890-1967* (Chapel Hill, NC: The University of North Carolina Press, 2000).

[34] Lena Lavinas, '21st-century welfare', *New Left Review*, no. 84 (Nov.-Dec. 2013): 5-40

reject old schemes such as 'befriending' or uniform benefits in favour of citizens' activity and community organising supported by local government – instead of being determined by central target and standards.

Crucially, the 'solidarist' model differs from both statist and free-market welfare in that it focuses on human relationships of mutuality and reciprocity (rather than formal rights and entitlements or monetarised market relations). Citizens join welfare schemes like social care as active members who shape the service which they become part of rather than being reduced to merely passive recipients of a 'one-size-fits-all' top-down model. For example, in London Southwark Circle works on the principle that people's knowledge of their neighbourhood, community and locality is key to designing the provision and delivery of welfare. Services are delivered involving civic participation, social enterprise (e.g. the company Participle) and municipal government. This can be linked to 'time banks' where voluntary work by members of the community can lead to certain entitlements that reward their contribution (e.g. by reducing their local tax).

A new dimension of fraternity appears in the emerging information network society. Non-interested forms of cooperation, which are linked to the practice of fraternal gift-exchange, are fundamental to the operation of new communities such as Wikipedia and widely used tools like open-source software programmes, among many other initiatives. By contrast, state paternalism or private contract delivery cost more to deliver less, and they lock people either into demoralising dependency on the state or financially unaffordable dependency on outsourced, private contractors. The reason why civic participation and mutualism costs less and delivers more is because it cuts out the 'middle man' – the growing layers of gate-keepers such as managers, social workers and bureaucrats who assess people's eligibility and enforce centrally determined standards and targets instead of providing

services that assist genuine individual needs and foster human relationships.

The vision of civic participation and mutualism is inextricably linked to the decentralisation of the state in accordance with the twin Catholic Christian principles of solidarity and subsidiarity (action at the most appropriate level to protect and promote human dignity and flourishing). A genuine alternative to the prevailing options eschews both conservative paternalism and liberal *laissez-faire* in favour of something like an organic pluralism and a renewed virtue ethics that blends a hierarchy of values with an equality of participation in the economic and political realms.

More specifically, 'solidarist' welfare reform can combine genuine fairness and justice with greater care for the poor. Certainly the intention of breaking 'welfare dependency' and facilitating a return to work (or taking up employment for the first time) makes both ethical and economic sense.[35] Contrary to the original intentions that led to universal welfare provision in the early twentieth century, many welfare systems in advanced economies have become too much a ceiling rather than a safety net. This has contributed (alongside a collapsed economy in some regions) to abject dependency often stretching over three generations, trapping people in poverty who cannot compete with more skilled immigrants whose pay undercuts the minimum wage, or those without dependents prepared to work sporadically and for extremely little. In this manner, the current model has undermined an ethos of work, saving, caring and honesty.

But it is the moral attitude to unemployment, exclusion and poverty that is most in question. For the neoliberal right

[35] The following draws on John Milbank - Adrian Pabst, 'Post-Liberal Politics and the Alternative of Mutualising Social Security', in *The Future of Welfare*, ed. Nick Spencer (London: Theos, 2014), pp. 90-99, at http://www.theosthinktank.co.uk/files/files/Reports/The%20future%20of%20welfare%20a%20theos%20collection%20combined.pdf

the poor are either inevitable sacrifices to market logic, or else they are a bunch of lazy misfits who need to pull themselves together (or both at once). For the statist left they are passive victims of systematic economic injustice who should be given guilt-ridden and often patronising handouts. In neither case are the poor seen primarily as social actors and continued participants in community.

In reality, however, 'the poor' are subject to the same vagaries of fortune and failure (theirs or others) as all human beings – only in their case to an extreme degree. The outcome of fortune is always a compound of structural circumstance, inheritance of wealth and talent, plus the exercise of effort and virtue. Those who are *un*fortunate remain part of us: they are our neighbours, and so they need to be included within local society. That means helping them in every way possible, both to meet their needs and to develop their ability to help themselves. In turn, poorer people may be expected to make what contribution to the community they can, because to ask for thisis precisely *to respect* their continued dignity as human beings.

How do policies such as 'workfare' (i.e. welfare to work) look in the light of these principles of mutuality and reciprocity? The answer is at best ambivalent. For insisting on some time spent on work and training as a condition for receiving benefit (roughly what is proposed by the coalition government) could mean including the poor in local structures of reciprocity, rather than marginalising them – whether as mere victims or as supposed social parasites. It could mean that the unemployed and their communities try to think out between them new creative tasks that the unemployed might usefully help with – for example caring in the community, working in schools or protecting the environment. Such involvement would assist the unemployed to return to the habit of work and begin to equip them with skills, besides giving them some sense of belonging and social worth that often is too little attached even to paid labour.

Here it is important to say that one aspect of the new proposals that has been insufficiently discussed is their intention to increase the interpersonal factor and the proactive role played by front-line administrators. The problem with 'workfare' is much the same problem as that of the universal credit (a single welfare payment instead of a myriad of different claims and benefits): everything is filtered through the narrow portal of centralisation, and viewed through the patronising lens of the social engineer.

Neither simplification of benefits or making good use of millions of idle citizens are in themselves bad ideas, but the framework in which they are delivered is hopelessly broken and inadequate. The needs of benefit recipients vary widely in type and extent, with many receiving help they don't need, and many more lacking the kind of help they *do* need. The universal credit fails to answer these problems, yet the massive variety of benefits creates confusion and fraud, and further traps people in the web of endless bureaucracy. There is a third way however: the central government should pay a universal credit – but local government should distribute it, and add extra as it sees fit (in consultation with voluntary associations).

Critics of 'workfare' are correct to say that it will not lead to higher employment and lower dependency if there are not enough jobs available – as the nascent recovery is even more 'job-less' (or generative of merely pseudo-jobs) than previous economic upturns. All the same, we need again to overcome either a reactive and pseudo-radical palliative approach to this circumstance, or else a neoliberal view that it is merely 'up to individuals' and their own 'personal choice'. Instead, we need to foment the idea that local *co-operation* can lead to the creation of new enterprises, and that government policies and legal and financial structures need to favour such developments. We need to empower local authorities and actors – that is, precisely those people who know and work with those we want to help – to make decisions at that crucial interper-

sonal level. 'Workfare' will only work best if local people are directed to meet local needs, getting people to build and improve things that they would benefit from and even own – rather than being handed into virtual indenture.

At present, 'workfare' is still too much a continuation of a centralised attempt to discipline and corral the poor as though they were social lepers. In Britain, a process of 'confinement' of the poor reached its acme with the Victorian workhouse, but has been going on ever since Henry VIII – in the face of a massive increase in 'vagabondage' in the wake of agricultural enclosures – seized control of parish structures from the power of localities and voluntary fraternities. The task that arises from this long history of centralisation is as daunting as it is urgent: how, on the one hand, to restore the primacy of locality and reciprocity and how, on the other, to deal fairly with people who, at least for the moment, are on the move, and with the many who are likely to remain on the move in an increasingly fluid world?

The alternative to statist and free-market models is a Mutual Jobs Fund – governed by a trust (composed of stakeholders), financed in part by central government and in part by local businesses (providing apprenticeships and training) and coordinated by local councils. After six months, unemployment benefit claimants would be offered the choice between taking up a job or having their benefits cut. Evidence from a report published by the UK Department of Work and Pensions about the Future Jobs Funds (set up in 2009 to help the long-term unemployed back into work) suggests that there are clear individual and social benefits, ranging from much higher chances of being in unsubsidised employment to huge savings for the taxpayers.[36] Communities, professional asso-

[36] See Department for Work and Pensions, 'Impacts and Costs and Benefits of the Future Jobs Fund', Nov. 2012, http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223120/impacts_costs_benefits_fjf.pdf

ciations and social enterprise should be included in the governance and operation of such a fund. In this manner, offering everyone paid work would replace welfare and ensure that people are treated with respect and dignity.

There is one final and crucial twist in relation to 'workfare' and poverty. Money given to the poor must sometimes require that they give something in return. But if that is so, then this rule must apply all the more to the rest of us. For if the poor are also us, then *we are also the poor*, at bottom entirely dependent on the bounty of nature and the gifts of other human beings. It follows that the wealthier should *also* receive as reward – in terms of salaries, bonuses and state benefits – only what can be justified in terms of both their needs and their social contribution. If 'workfare' invokes mutual fairness, then this implies that such a principle should be applied all the way up.

Conclusion: summary and policy ideas

In this essay I have argued for a new settlement that is centred on mutualisation – a reciprocalist model wherein both risk and benefit are always shared and wherein reward is reconnected to real social contribution and shouldered responsibility. Central to this is the promotion of virtue and vocation across all sectors of the economy, the polity and society. Of these two dimensions, virtue is primary. The reason for this is twofold. First, it is democratic because the practice of virtue is open to all, especially the supreme virtues of love, trust, hope, mercy and reconciliation which human cultures and societies, whether avowedly Christians or not, inherited from the teachings of the gospels and the fusion with Greco-Roman philosophy. The hellenisation of biblical revelation is also at the heart of Renaissance humanism and the best traditions of the Enlightenment, including the Neapolitan Enlightenment that gave rise to the 'civil economy' tradition.

But, second, virtue is also benignly non-democratic because the practice of virtues requires guidance through time by the already virtuous, skilled, generous and wise. Faced with largely self-serving elites that are corrupt and nihilistic, most countries need honourable and much more widely distributed elites who can lead by example at every level. In so doing, they would reflect both their country's best traditions and the 'common decency' of the vast majority of ordinary people.

Thus, a new 'solidarist' model requires a combination of honourable, virtuous elites with greater popular participation as well as a greater sense of social duty and hierarchy of value and honour, alongside much more real equality and genuine creative freedom in the economic and political realms. Ideally, a long-term Christian legacy must encourage us in the view that virtue and honour can themselves be democratised, that all can come to share in human excellence, in many diverse ways and in ever heightened degrees. The vision of solidarity and fraternity which I have sketched in this essay does not involve inventing a model that is either foreign to individual countries or harks back to a past that is inexorably vanished. It is rather about restoring, replenishing and rethinking long-standing traditions of solidarity that have been sidelined and eroded and yet have never completely disappeared. The task is to weld languishing good traditions with a contemporary approach to ideas, institutions and policies.

Thus far from being reactionary or nostalgic, the solidarism I argue for seeks to fuse the fight for greater economic justice with a renewed emphasis on those social relations and reciprocal arrangements that give people a sense that life is worth living and can provide them with fulfilment. It is about aligning the quest for wealth and power with the pursuit of mutual benefit and moral goodness.

The key policy ideas that I would like to put forward for discussion are as follows:

I. Constitutional Reform

(1) providing greater constitutional recognition of communities, groups and associations that are compatible with the wider constitutional order and democratically governed (in the sense of representing the interests of their members and being accountable to them)

(2) associating communities, groups and associations to public, political debate and, in some instances, top decision- and policy-making – whether through consultation and by incorporating them into assemblies (e.g. upper chambers that would represent not only regions but also cities, professions and faith groups)

(3) connecting rights and entitlements with obligations and duties, e.g. in relation to laws on the freedom of speech or, in a different context, welfare benefits (see, *infra*, point 16)

II. Market Reform

(4) combining a measure of debt forgiveness with restructuring debt (long-term with a just interest rate) and converting some debt into equity in order to reduce taxpayer-funded bail-outs in favour of investor bail-ins

(5) promoting risk- and profit-sharing arrangements, e.g. by putting the personal wealth of managers on the line; linked to this is the need for greater diversification in terms of corporate structure (more partnerships and employee-[co]ownership)

(6) transforming corporate governance by including representatives of workers, suppliers, consumers and local communities on the board of directors and/or on the supervisory board of companies

(7) promoting investment in vocational training by creating a series of hybrid institutions that fuse the teaching of academic skills with technical training

(8) encouraging the provision of more apprenticeships (especially for the young and the long-term unemployed) through a combination of tax breaks and lower employers' contribution to social security

(9) promoting more innovation by establishing new public 'trusts' for the pooling of technological knowledge to replace the current patenting system (at the national and the international level, e.g. the EU, NAFTA, Asean, Mercosur, etc.)

(10) linking remuneration to productivity growth and promoting both just wages and fair prices

(11) connecting national networks of investment banks (constrained to lend within cities, regions and sectors) to a corresponding structure of professional associations that can offer vocational training and guarantee minimum standards of quality and ethos

(12) rewriting company law to make social purpose and profit-sharing conditions for granting company licenses

(13) replacing the current systems of incentives and rewards with models that combine public awards of honour with a measure of monetary recompense (e.g. tax breaks, preferential treatment in terms of government procurement or public service tenders, etc.)

(14) new forms of ethical certification to encourage competition in quality and ethos and thereby a 'global race to the top'

(15) promoting the creation of mutualised banks, local credit unions and community-based investment trusts in order to diversify the financial sector and re-balance the economy

III. State Reform

(16) introducing a contributory principle to welfare that is reflected in better benefits for those who have paid into

the system compared with those who have not (while also providing minimum standards for all those in need)

(17) combining universal entitlement with localised and personalised provision by fostering and extending grassroots' initiatives that blend individual, group and state action (e.g. citizens' activity and community organising supported by local government)

(18) cutting out the 'middle man', i.e. the growing layers of gate-keepers such as managers, social workers and bureaucrats who assess people's eligibility and enforce centrally determined standards and targets instead of providing services that assist genuine individual needs and foster human relationships

(19) re-configuring welfare conditionality by linking work and training as a condition for receiving benefit to contributions to society (e.g. caring in the community, working in schools or protecting the environment); this would help re-develop habits of work and professional skills, while also giving benefit claimants some sense of belonging and social worth that often is too little attached even to paid labour

(20) creating a Mutual Jobs Fund – governed by a trust (composed of stakeholders), financed in part by central government and in part by local businesses (providing apprenticeships and training) and coordinated by local councils; after a period of six months to a year, unemployment benefit claimants would be offered the choice between taking up a job or having their benefits cut

ABSTRACT

PROSPERITÀ E GIUSTIZIA PER TUTTI: PERCHÈ LA SOLIDARIETÀ E LA GIUSTIZIA SONO ESSENZIALI PER UN'ECONOMIA EFFICIENTE ED ETICA

Adrian Pabst

Il relatore propone un approccio che rimedi all'"economia dell'esclusione". Questa è un'espressione utilizzata da Papa Francesco per descrivere l'attuale economia caratterizzata da due sviluppi paralleli che minano la solidarietà e la fraternità sia all'interno degli stati che nei rapporti tra di loro. Si tratta della crescente concentrazione del potere e della ricchezza da un lato e della precarietà dei poveri e di coloro che sono in difficoltà. Dopo aver esaminato l'evoluzione del significato dei termini solidarietà e fraternità e dopo aver illustrato come la Dottrina Sociale della Chiesa ha rinnovato ed ampliato l'antica e cristiana tradizione di solidarismo, il relatore spiega come la solidarietà è essenziale per realizzare un'economia più etica e più produttiva. Il sistema economico che oggi prevale è basato su una duplice impersonalità: quella del contratto commerciale stipulato tra estranei operanti nel mercato e quella dei diritti individuali acquisiti nei confronti dello stato. Invece, la solidarietà e la fraternità sono manifestazione della reciprocità sociale, e quindi della possibilità sia di superare i conflitti tra gli interessi individuali, appellandosi al bene comune – che concilia interessi personali e giustizia sociale –, sia di bilanciare i diritti individuali con doveri reciproci. Se, come argomenta il relatore, la reciprocità sociale diviene il principio ultimo che regola l'economia e la politica, allora la solidarietà può evitare i due estremi che caratterizzano il capitalismo contemporaneo: il contratto senza dono – tipico della logica

del mercato – e il dono unilaterale – tipico del welfare state. Egli propone così un approccio alternativo, nel quale la logica del contratto si collega con quella dono. Nella teoria e nella pratica, ciò si traduce in un modello economico e politico basato sulla mutualizzazione, e quindi sulla reciprocità e condivisione del rischio e del beneficio, e sulla corrispondenza tra la ricompensa individuale, il contributo sociale fornito e l'assunzione di responsabilità. In questo approccio, come sottolinea il relatore, il perseguimento di una maggiore giustizia economica si unisce ad un rinnovamento nelle forme in cui si realizzano le relazioni sociali affinché la persona possa svilupparsi in modo integrale. Nella relazione, egli illustra concrete proposte di riforma per quanto riguarda lo stato, il mercato e il coinvolgimento dei corpi intermedi della società civile nelle scelte strategiche sia dell'economia che della politica.

REMARKS ON ADRIAN PABST'S REPORT

Antonio Maria Costa

I thank the Centesimus Annus Foundation for the invitation to this conference. I'm honored to be here. I especially thank President Sugranyes for the invitation to join the Foundation's scientific committee.

Adrian Pabst's contribution is really good. I learned a lot. I wish to add a few remarks on the relationship between crime and economics – with a reference to politics and finance. These observations are elaborated at length in the book I'll publish in a few weeks: *The Checkmate Pendulum*.

A. Prof. Pabst says that the future of jobs depends on the intermediation mechanisms that must work properly. Since a most important form of intermediation is banking, I believe a most important step **towards a just and ethical society concerns the re-invention of the banking system.**

Prof. Pabst lists a few examples of 'semi-criminal behavior' by banks. He is right: since deregulation opened the doors to financial malpractices, banks' engaged in interest rate manipulation, foreign exchange rigging, cheating on credit cards, money laundering, inflated billing, tax avoidance, promotion of toxic products, reckless risk-taking, abuse of mortgage bearers, even usury and gambling with other people's savings. These crimes are so enormous in size, and so widely repeated over time and space that, in my book, I establish The Mammon Prize for Outstanding Greed.

Why such a profound resentment on my part? Because at the time of the financial crisis like the rest of public opinion, I believed that there would be retaliation against those who

caused it: new rules, meaningful fines, prison terms. In fact, the measures taken have been modest. Banking re-regulation remains inadequate: look at the saga about the Volcker rule and the Liikanen report. The financial penalties, about 100 billion dollars in total, are just a fraction of the banks' annual profits. Nobody, went to jail.

There may be a reason for this governance failure: bankers' malpractices are more than the result of greedy people. There is **something profoundly wrong with banks ethics**: we witness the destruction of the moral compass that should guide activity. No effort to clean up balance sheets, no Basel liquidity criteria, no stress test, no asset quality review can improve the banking system unless and until the ethics of institutions, and of the culture of the players therein improve.

Behind the concepts of banks that are *too big to fail,* or of bankers who are *too big to jail,* lies collusion between politics and banking, a perpetuation of the bond between public finances and private banking. Bankers and politicians have created the current climate of mistrust, they brought the crisis upon themselves and, unfortunately, upon millions of innocent people. Among the policy ideas Pabst's lists at the end of his paper I would add the long-term structural transformation to turn banks into regulated utilities, able to participate in the production system, support entrepreneurial risk, and facilitate innovation, putting an end to the boom and bust cycle we have experienced over the past decades.

Some of the points raised by Pabst are difficult to implement. What I'm proposing it is even harder to put in practice because **governments need financial institutions to conduct foreign policy**. Actually more than that. It was said that war is the continuation of politics. I say finance is the continuation of war. Invading your neighbor is *passé,* only Russia occupies land and sends tanks through borders. That's old stuff. It's much easier to invest abroad, purchase treasury bonds, buy up companies – encircling the enemy with funds, exports, technology. Modern attacks are conducted by tractor-

trailer, container ships or air freight, or by parachuting capital directly into the finance ministry, the central bank, or the stock exchange. Mammon works summer and winter, day and night, hitting not things that must be destroyed, but those to be preserved. Sooner or later, the rest crumbles and the country surrenders.

The coalition between governments and banks has changed the very meaning of war: today, conflicts are won by production, not by destruction. A corporate takeover has greater impact than an attack by a dozen F4 Phantoms. Market rigging is easier to conceal than the penetration by a B-2 stealth bomber. Buying billions worth of a country's treasury bonds is more effective than sending in the Marines. Hedge funds acquire critical infrastructures more rapidly than Navy SEALs. These are the modern weapons, not even Patriot anti-missile batteries can stop them. What's more, the aggressor can act with a clear conscience: there's not a word in the Bible that forbids investing money in your neighbor's stock market or in its government bonds.

B. My next point is about ways **to promote integrity in society by restraining the animal spirit**. World mafias are today's main *hominis lupus*.

In the past quarter century organized crime has penetrated business and governments, conquering parliaments, armies, even nations. It has become the biggest winner of globalization, reaching macro-economic dimensions. A true cancer of society, organized crime has metastasized from traditional local offenses like loan-sharking, racketeering and smuggling of humans, drugs and arms, into global activities: money-laundering, waste trafficking, environmental disruption, identity-theft and cyber-aggression. In the process, because of the breadth and spread of its activities, crime has become a major obstacle to peace and security.

I propose to add five elements to Prof. Pabst's list of measures for an ethical economy. My <u>first</u> proposal is about **money**

anti-laundering. Drug trafficking alone generates an estimated $300b/y, equivalent to the world's 20st biggest economy. Some of this money goes through rogue jurisdictions (tax havens) and uncontrolled activity (gambling). Most of it finds its way into the rich countries where it generates huge revenue for legions of white-collar crooks.

The financial crises have caused illiquidity of the financial sector, a paralysis of inter-banking lending, and the frantic search for fresh money. This money drought has offered a splendid opportunity for cash-rich mafias to penetrate the financial sector – depositing banknotes, acquiring shares, and claiming boards membership. Law enforcement has failed. (recall the Wachovia Bank in the US, caught in 2010 recycling billions of Mexican Sinaloa drug cartel money: $378b according to the US Justice Department), and then City Bank, JP Morgan Chase, HSBC, UBS – all gone unpunished except for minuscule (relative to their revenues) fines.

My second point concerns **fighting the duplicity of security policy.** I have personally witnessed, over and over again, cases of priority assigned to security and anti-terrorism, frustrating crime control. Why? Because of intelligence services' desire to protect their sources, or because of their hope that ordinary criminals, exempted from prosecution, would provide information on insurgency, terrorism and alike. These criminals are double-agents in a truly sinister way: they work for governments during the day, and for the cartels at night.

My next suggestion is about recalibrating **development aid.** Mafia knows where risk is low, where the rule of law is weak. That's why illicit activity often originates in, or transits through the poorest parts of the planet, and/or in conflict zones. In these regions crime has a devastating impact. (The value of cocaine flowing through some West African countries compares to their annual GDP.) Income distribution, foreign remittances, balance of payments, reserves are all altered.

Development assistance is reacting feebly to the crime pandemic. At present only about 9% of development aid is globally provided to fight crime, although anti-crime legislation, anti-corruption measures, law enforcement, financial integrity, a healthy judiciary go along way to promote job, revenue, investment -- saving the aid money spent on development that actually doesn't materialize because of crime.

My fifth and final point is about **fighting (illicit) markets and not only (criminal) people.** Law enforcement alone cannot combat international mafias. First, the police consider organized crime as groups of individuals, because the tools at their disposal (arrests and seizures) can only applied against people and assets. Yet crime problems are often caused by (economic, demographic, environmental, cultural) circumstances related to society at large, and not to individuals. Second, law enforcement is mostly limited to specific jurisdictions, while organized crime is mostly trans-jurisdictional. Third, security protocols see organized crime either structured in loose (*cells*) or in tight (*pyramids*) groups, or a combination. In fact, today's organized crime is less a matter of groups of individuals involved in illicit activities, and more a matter of groups of activities in which people (or groups) are engaged. As a result, organized crime is best addressed by coming to terms with these (mal-functioning) markets.

In conclusion, cooperative action and re-regulation must be part of the larger project of global governance to promote an efficient and ethical economy. In my statement I suggest a few operational points that the conference may consider adding to Prof. Pabst's list of measures.

Rome, 8 May 2014

ABSTRACT

COMMENTO ALL'INTERVENTO DI ADRIAN PABST

Antonio Maria Costa

Il relatore, condividendo le proposte di Pabst, avanza ulteriori suggerimenti per una *governance* che promuova un'economia etica non disgiunta da efficienza. Il primo riguarda il sistema bancario, i cui servizi sono essenziali nel funzionamento di un'economia. Il relatore ritiene che gli interventi di riforma nel settore, in seguito alla crisi finanziaria, sono stati inadeguati a causa della collusione che esiste tra politica e finanza. Egli propone l'avvio di una trasformazione strutturale di lungo periodo nel quale le banche diventino delle utilities regolate, in grado di partecipare al sistema di produzione, supportare il rischio imprenditoriale e facilitare l'innovazione. Il secondo suggerimento concerne la lotta al crimine organizzato, che, secondo il relatore, è stato il più grande vincitore della globalizzazione. Egli elenca tra le principali azioni da intraprendere: 1. misure di anti-riciclaggio del denaro per far fronte all'espansione delle mafie nel sistema finanziario seguita alla carenza di liquidità che ha caratterizzato la prima fase della crisi finanziaria; 2. revisione delle politiche di sicurezza degli stati, dal momento che la priorità data in alcuni stati all'anti-terrorismo rispetto al contrasto della criminalità ha generato situazioni nelle quali i criminali sono rimasti impuniti perché offrivano informazioni collaborando con il governo; 3. rimodulazione degli aiuti allo sviluppo in quanto la mafia prospera o transita nei paesi che hanno strutture istituzionali deboli o sono in guerra; 4. misure di contrasto ai mercati illeciti e non solo ai criminali.

REMARKS ON ADRIAN PABST'S REPORT

Francisco Álvarez de Los Mozos

The market sphere and the 'solidarity sphere' belong to two profoundly different traditions that have evolved over the last few centuries.

The *Fable of the Bees* of Bernard Mandeville (1705) offers a clarifying analogy that helps us to understand the **market sphere**. In this fable, Mandeville speaks about a hive. When the bees try to behave properly among themselves, the hive languishes and declines. On the contrary, it thrives spectacularly when each one of the bees looks only for her own interest. The book where the fable appeared had a meaningful subtitle: "private vices, public benefits". Our consumerist societies believe in this statement, taking it for granted: if we only look for our own interest, it will best for all, because we will struggle and compete and we will benefit from the wealth we create for ourselves.

The market is the source of two assets of extraordinary importance for building a society based on solidarity: it produces commodities and goods that improve the quality of life of people, giving them new capacities; and it generates jobs for people too, something crucial, because work is necessary for human dignity and the integral development of persons.

Solidarity, however, is seen as a threat by the tradition that inspires market dynamics; the word itself disturbs the ear as it seems antithetical to personal autonomy and discussion, in words of Michael Novak.

The tradition of solidarity drinks from different philosophical springs. It is related to one of the French Revolution's

crucial values – fraternity.[1] Solidarity grew as the daughter of fraternity in opposition to two realities. First, in opposition to Christian charity, understood then as a way to alleviate the wounds inflicted by injustice without trying to transform the causes of that injustice. Second, in opposition to liberal individualism, one of the expressions of which is the market.

Solidarity has had three important historical expressions:

1. The labour movement that tried to improve the living conditions of workers, especially during the first phase of industrialization. It achieved its goals thanks to the struggle in solidarity of groups of workers who knew that they were sharing their fight and their destiny. As Juan Carmelo García says, "solidarity is effective and practical; it solves the problems of injustice and opens space for the large majorities". In the words of Fernández Martos, "solidarity is an active attitude that leads us not only to understand people in their sufferings and empathize with them, but also to struggle together with those people to eliminate their suffering".

2. The welfare state that redistributes the wealth of society through fiscal policies. These policies have been progressively modified during the last 30 years, prompting increasing inequalities in most of the countries in the world. These two historical achievements have linked solidarity to justice in such a way that solidarity today can only be understood including a demand for justice. Solidarity demands justice, or it becomes superficial philanthropy.

3. The birth of an international civil society that aspires to universal justice, going beyond the national boundaries of welfare states. This international civil society finds one of its expressions in global NGOs that defend the interests of the

[1] Alberto Moncada says that "solidarity, in its European version, is a minor daughter of the expectation of solidarity that was raised by the French Revolution", A. Moncada, *La cultura de la solidaridad*, Verbo Divino, Estella 1989, 14.

poor before international bodies. Gioconda Belli expresses it poetically when she says, "solidarity is tenderness among countries".

Which is more prevalent today: the tradition of the market, or the tradition of solidarity? The market is the dynamic that prevails as the guiding force of our present world. As Victoria Camps, a Spanish philosopher, has said, "...in fact, the three values of the French Revolution are not the ones that posterity has received, but liberty, equality and *property*".[2]

The Catholic Church has included – slowly but steadily – solidarity in her doctrinal body, despite her initial opposition to it. Jon Sobrino notes that, "solidarity is a way of being human. It is not only a collective alliance to defend interests. Solidarity is something that involves the whole person, and involves her forever. Solidarity is a way of relating among human beings, referring to one another as a principle, giving to, and receiving the best from one another".[3] García Roca says that solidarity is the new name of the eternal Christian charity "updated in the era of rights". But the most important defender of the concept of solidarity in the Catholic world is, undoubtedly, John Paul II. Cardinal Martini remarked that by 1997, the word 'solidarity' was mentioned several thousands of times "in the writings and discourses of the Pope".[4] His most complete definitions of solidarity might possibly be found in *Sollicitudo Rei Socialis* (n. 38): "When interdependence becomes recognized in this way, the correlative response as a moral and social attitude, as a "virtue," is solidarity;" and "(solidarity) is a firm and persevering determination to

[2] V. Camps, "Por la solidaridad hacia la justicia", in: C. Thiebaut (ed.), *La herencia ética de la ilustración*, Crítica, Barcelona 1991, 140. Author's italics...

[3] J. Sobrino, *Descubrirnos como hermanos: la necesaria solidaridad*, Sal Terrae 79 (1991), 641-656, **656**.

[4] M. Cacciari - C.M. Martini, *Diálogo sobre la solidaridad*, Herder, Barcelona 1997, 19.

commit oneself to the common good; that is to say, to the good of all and to the good of each individual, because we are all really responsible for all."

As we have seen, these two traditions, that of the market and that of solidarity, have different anthropological bases, social perspectives, goals and strategies. We can see this in the Gospel. In the episode of feeding the five thousand, Jesus told his disciples: "You give them something to eat" (Mark 6:37). The disciples responded that they would need two hundred denarii worth of bread to feed that crowd. They could not understand. Jesus was speaking about generosity from a perspective of solidarity; while the disciples were speaking about buying from a commercial perspective. Two logics apparently in opposition.

Both these dynamics, of the market on the one hand, and of solidarity on the other, are required to build up a prosperous and just society. In order to achieve this goal a balance is required between the market (that produces wealth), the State (that redistributes wealth and guarantees human rights), and the civil society (the space for solidarity and the defender of the poor). Of the three, civil society is the weakest and needs stronger support because it lacks the numerous resources that the others have. In plural and democratic societies Churches are part of that diverse civil society.

How can the market contribute today to build up a society based on solidarity?

1. Companies require persons committed to solidarity in their governing bodies. These must be people who truly believe in working for the common good, who are involved in causes for solidarity and find ways to insert the value of solidarity in their organizations. These persons can be the bridge between the traditions (apparently opposed) of solidarity and the market.

2. Companies have to comply with the demands of corporate social responsibility, introducing policies that guarantee

equity, reconciliation of family and professional life, right salaries, ways of internal participation in decision making processes, and respect for human rights and environmental regulations.

3. Companies should make alliances with civil society's organizations at both national and international levels, with the aim of multiplying the capacities of persons, increasing the production of socially useful goods and creating decent jobs.

4. Governments can establish regulations that compel companies to foster the common good.

Nevertheless, the utopia of solidarity – or fraternity – will not be possible until "we create a large coalition with the biggest possible number of strong people, working for the good of the weak ones and against their own interests" (Peter Glotz). There is a necessary dynamic – essential we could say – of kenosis or relinquishment in order to give birth to a world of compassion, justice and inclusiveness, that is, a world of solidarity and fraternity.

ABSTRACT

COMMENTO ALL'INTERVENTO DI ADRIAN PABST

Francisco Álvarez de Los Mozos

Il relatore afferma che la sfera del mercato e la sfera della solidarietà hanno differenti basi antropologiche, prospettive sociali, strategie ed obiettivi. Tuttavia, entrambe sono richieste per costruire una società prospera e giusta. A tal fine, egli sostiene che un equilibrio deve essere mantenuto tra la sfera del mercato (in quanto produce ricchezza), quella dello stato (che ha la funzione di redistribuire il reddito e garantire i diritti umani) e quella della società civile (nella quale trovano spazio azioni per la solidarietà e la difesa dei deboli). La Chiesa, essendo parte della società civile, è chiamata a contribuire attivamente in quest'ultima sfera. Infine, il relatore interrogandosi sulle modalità attraverso le quali il mercato può contribuire a costruire una società basata sulla solidarietà, suggerisce le seguenti soluzioni operative: inserimento del valore della solidarietà nella *governance* delle aziende; applicazione della cosiddetta responsabilità sociale di impresa da parte delle aziende; collaborazione delle società con le organizzazioni della società civile sia a livello nazionale che internazionale; introduzione di leggi da parte dei governi che obblighino le aziende a promuovere il bene comune.

SESSION 3

ROUND TABLE CHAIRED BY ANDREW ABELA ON "SOLIDARITY AND GIFT IN BUSINESS DECISIONS"

Sean Fieler:

Hedge funds provide a very interesting, unusual opportunity for solidarity. The purpose of a hedge fund, contrary to popular belief, is not simply to enrich the investors and the principles of the hedge fund. We are pricers of capital for businesses, debtors in the public market, and so we are sending very important signals about the types of behaviour and businesses of which we approve, so to speak, which should have a lower cost to capital and which should have a higher cost to capital.

So this provides, you know, a constant opportunity to express one's view of a business and the quality of a business and the robustness of a business, the desirability of a business. And so I think back to the first ten years of my career where – I don't think this issue really ever came up – and then in 2005 we made an investment in a number of gambling companies. These are online gambling companies, and I took a close look at the model of these businesses as an analyst and what I came to understand was that the businesses did not profit from casual gamblers. They profited from making casual gamblers into serious gamblers, in a way which was intentionally, I think, harmful to their clients, and so the *modus operandi* of these businesses at the end of the day was I think organized, and is organized around the idea of essentially harming their client.

And so I remember I went up to Williamstown with my wife and I explained this to her and how I was very uncomfortable with this but we had made this investment, and my

wife said: 'You can't do that. You can't invest in a business that is harming people.' So it was as simple as that.

I marched back into the office on Monday morning and I said: 'That's it. We can't buy these things. We can't own them.' And my partners looked at me like I was nuts! They just you know, like Wow! Where did that come from? And then we had this very fortuitous series of events whereby over the next three months, two of the three companies in which we had invested basically imploded. So one of the companies was involved in some kind of wire fraud because they were a London-based company that had US gamblers that was impermissible and they had used a Canadian arranging company to do it and the executive of this company had travelled to Costa Rica via Miami to visit his wife on vacation and was arrested.

And so that stuff went down, 80%. And another one of the companies had a similar experience on the stock – it basically imploded. So now I go back to my partners at the office, and I said 'Look, you know, obviously we shouldn't have bought these.' And people that are willing to harm their clients as basically a basic aspect of their business, you know, given that – and these are just – people have integrity, they are one person, they are not a different person here and a different person there.

If they are willing to do that, how are they going to treat the shareholders? How are they going to treat their employees? What is the sustainability of that? So I was able to fenagle – probably this is the right word – out of a statement that we now make and have for the last nine years to all of our clients, that we won't invest in businesses that we find ethically objectionable, which is, you know, always a vigorous debate. But I think, if you look at the default position in finance today, surely in New York, the default position is: business is a completely amoral activity.

Leave your 'check-your values' at the door. And just the idea that you are going to inject your values into your busi-

ness activity, even if you are going to get it wrong, I think is a huge step forward and I think you know it is really the first stop that we need to start making.

Stephen Young:

If I may briefly just share a couple of personal stories. They are sort of long and complicated so I am a little bit – I feel a bit awkward – but they are not in the context of running a business. They are in the context of just being an outsider, and coming up against what I think is a great problem, which I call careerism, which is people stuck in their careers, and this, I think Sean, is where you check a lot of things at the door, when it is careerism. And this is in the context of the US Government.

In South-East Asia, a long time ago, actually in the 1950s, my father was a very senior person in the United States Government who helped Foster Dulles and Alan Dulles and President Eisenhower make our commitments to the countries of Indochina. And then in April 1975, as you may recall, the North was invading South Vietnam: South Vietnam was collapsing, my Dad had passed away, and I knew that very bad things were going to happen to these people, who were not American, who lived on the other side of the Pacific Ocean. That that was not a good thing for them, or for us, given our efforts to try to help them.

So anyway, I walked out of my job in a Wall Street Law firm and went to Washington to ask help from some friends. We had all served together in Vietnam, we all spoke Vietnamese, to start a refugee program. And I was told that it was impossible, because President Ford didn't care; Henry Kissinger couldn't give a damn. We were going to let 20 million Vietnamese just go, not to mention the Cambodians and the Lao. Because we had to turn our back on what had turned out very badly. And I just found that unacceptable. How can the United States of America abandon, turn its back on people we had been supporting and we said we would

support. And we put their lives at risk on behalf of something we all believed in.

And now that things had gone badly, 'Oh, bad deal, wash our hands.' So anyway I persevered with some friends and we were able to start a refugee movement. But this has been resting on me for many years, when I see all these refugees in America: some adjust well, some don't. And it goes back to the point of each one of us, I think it is a theme, Mr. Chairman, that is coming up.

At some point solidarity is not an abstraction. It is do we care about somebody else? Do we care about people who live thousands of miles away, who don't have our religion, who don't look like us, who have different values? But to what extent are we going to do something? And careerists don't do that. Careerists in my experience and the Government was full, my friends are careerists. Keep your head down, you are not in the Government any more, bad things happen in life, you have to put up with it. And I just found, I don't know for whatever reason, that this was just unacceptable. So anyway, thank you for listening.

Chairman (Andrew Abela):

Thank you and I would now like to ask our panellists if they can also provide examples, cases or situations where they would have liked to practice solidarity, or where they think that solidarity should have been practiced in decision-making, but it wasn't, or they were not able to. And particularly what circumstances get in the way of people being able to practice solidarity, and Steve, maybe you can kick us off here.

Stephen Young:

Another little anecdote again, if I may. It was the time of 'Occupy Wall Street' and I had been overseas at a conference like this, and I sensed – I can't remember which country it was – but some feeling of sort of excitement and relief, if you will.

Not that the people agreed with the protestors in Wall Street, but they had a sense that somebody was speaking out. Somebody was willing to say 'The Emperor has no clothes'.

So I went back to Minnesota and I went to my local Rotary Club meeting in St. Paul, and the Rotarians in America, especially in the Middle West, as you may know, are not exactly political radicals. I mean they are really quite conservative people.

But I felt around the Tuesday lunch that they too were sort of saying: yes, the train is off the track, we got to get it back on the track. So I sent an email to the leader of our business executive community. He was a big banker whose bank was very successful. I have to be very careful because he is a friend and he is a supporter and all that, but in any case I just sent him an email saying this is a time – please speak out – hear these various things.

They wouldn't, and you all would sort of identify with them around principles of solidarity. But the American people are frightened and afraid. They need to hear something: they need reassurance. You need to care about them. So I sent him this email and then on Sunday morning I got a reply directly from him, and when I opened up my email I saw it and I said Wow! That's pretty cool. He read my email, he even took the time to reply, and that was very nice. Then I read the email, the key sentence of which was: 'Steve, you must understand. Anything I say will be controversial. Therefore I am not going to say anything!

Sean Fieler:

You know one of the more and difficult types of investing that I have undertaken, and this has been in a private capacity, has been investing in some start-up companies. What they say in the metro-capital business is that the lemons ripen early, so the ones that aren't going to work you figure it out pretty fast, and I found it necessary. But, you know, certainly very challenging when you have very well-inten-

tioned entrepreneurs that have, you know, quit their jobs and taken up a new business that is not generating revenue or assures no promise of ever meeting its expenses with its revenue, and you just have to recognize that the business needs to stop.

That is always an incredibly painful process, and oftentimes there is not much one can do for the newly unemployed individuals that you create as a result of stopping your funding of these new ventures. So that certainly is a recurring theme. I think it is part of the positive creative destruction and the dynamism of entrepreneurs in the American market places is matching that risk capital of those entrepreneurs. But more often than not it ends in a very difficult situation.

Chairman:

Thank you and we move to our fourth question and talk about and ask questions about to what extent you have been able to exercise solidarity in such difficult situations. Difficult situations such as restructuring, or closing down lines of business. Robert, do you want to go first?

Robert Leblanc:

Well, I have had the opportunity or the opportunities – a positive word and it is a negative situation – but the opportunity to manage a restructuring plan. It happened when I joined this company a bit more than four years ago and I was just starting my position as Chairman of the Association that I have mentioned before. So I knew that on both sides people were looking at me.

Of course the employees in the company knew that I was Chairman of this Association so they were waiting for some comprehensive view of their situation, and also on the Association side I was pretty sure that all the members would have been very uncomfortable if they had to disagree with their Chairman on what he does in his own company.

So I knew that everybody was looking at me, and at the same time I was really facing a situation – as I said, we are a subsidiary of a global group, the group is quite well, and the French subsidiary has been a very good one in the French market but at the time I joined the company they had faced some troubles for a lot of reasons, and really the situation was quite bad, so we had to recover.

So I had to make tough decisions; I knew once again that everybody was looking at me, and my experience was that what you have to do, just do it, but be sure that the reasons why you think you have to do it are reasons you can explain to everybody. In this situation I was convinced that really we had to reduce the head count more than I did as a first step, but anyway we had to start to reduce the head count, and so it was of course difficult, but I was convinced enough that it was the only way to be in a position to explain it to everybody in the company and out of the company. And explaining it in the same words to everybody: to the managers and to the employees and to the Works Council.

My experience with the managers was very strange. When I joined the company, each of them told me 'Well, Robert, we are in a poor situation today. We face problems; we know that we have to make hard decisions.

But I have to say that in my own department things are not too bad, and in my own department maybe we will have to discuss again, because I think I have to recruit a few people. I don't have enough people to do the business.' So after some weeks I met all of them at the same time. And I said, 'Well, you know, each of you has a very good business. The only one who has a bad one is myself. My business is bad! Each of you has not enough people, but personally I have too many people, so you know if I have too many people it means that some of you have also too many people.

So by managing the plan as a plan, because you know in a company you can always fire people one after the other, but in France because of the law, if you fire too many people at

the same time you have to build a plan, discuss it with the Works Council and make it as a plan. Which is a good thing, I think. So we had to do it.

Once again my experience that you have to be true with yourself is to be sure that the reasons why you do something are reasons that you are comfortable with. You are not doing that because it is fashion, you do not do that because someone in the group far away from you and from your team has said, 'You should fire people.' No, I will never do it if it is said like that. But if I am convinced that this is the way, I think we can do it.

Then about solidarity, what I would add is that of course once it is decided, once you fix the list of the people which are concerned, then you have to develop solutions for them. Outplacement is something which exists in most of the countries. We have some companies that can help us to accompany our people once they have left the company and also we have made a lot of follow-up to know what has happened to them, and we could report that to the people who are still in the company, including the Works Council. I mean this is, of course, hard.

I would like to say also that my experience is that for a lot of people, maybe not for people who have no skills, the lower-level people in the company, but for many of the other ones, of course they face stress situations, but then very often it is an opportunity to develop their skills in another environment.

And so I know that when there is a lot of unemployment in a country or a region for a while, what I say is less possible, but generally speaking, in moving from one company to another is not so dramatic as we often think in France. I mean in the United States they are used to move much more than we are used to in France, but in France when you say in a family that somebody is going to leave his company, it is considered as a drama. And in fact very often it is an opportunity to do something different: to develop new skills. So, once again,

restructuring is not the end of life. Well, it is tough, but there are good ways to do that, and do them, having in mind that solidarity is a priority.

Renate Pilz:

I have no experience on that, but I think what you explained, Mr. LeBlanc, is the truth. You have to help the people who you have to let go from the company, and if you speak directly to the people and openly and really help them to get another good job, then you have done what you have to do. That is important. Thank you for that.

Chairman:

Thank you both. I think there is an interesting lesson that I want to draw out. Sometimes you are put into a situation where the restructuring has to happen, but the better way if you are there long enough, that is, to make sure that it never does have to happen, so oftentimes we think of restructuring as a moral question only in the moment, and in cases like yours: you arrived and it was there. So it is a situation of the moment. But in many times it happens because of mismanagement for many years preceding that. So solidarity requires us to anticipate and prevent that as well, it seems.

We move to our next question. Our next question is: What corporate systems or cultural practices or values have you developed in your companies or organizations that help you to practice or help people to practice solidarity in business decision-making. And I ask our panellists to continue to be as specific as they can. Steve, will you kick us off?

Stephen Young:

Thank you very much, and with the Caux Round Table we have tried to develop, as I indicated earlier, metrics, which is the American sort of business-school term, with a goal towards the two things I mentioned before. One is inside: asking questions. How do you get people to ask questions?

Because we find that when you start asking questions you can develop new appreciation for other people: you develop facts, you develop insights into the future, things like that. And secondly, the more important thing is courage.

One of the tools we have is a questionnaire which we use, and some of our Caux Round Table have used, with big companies like Nissan, Tyreways, Bank of the Union, and one or two other places, and there seems to be a phenomenon in the large organizations, perhaps many smaller ones, but certainly the large organizations, which is that bad news stays down.

What goes up the hierarchy is good news, for obvious reasons. What that means is that the people at the top often are, as we say 'blind-sighted'. Think of the recent cases of General Motors. There were people in General Motors who knew – what, Sean, six or ten years ago? – that in certain cars the ignition was weak and if the key chain was too heavy the ignition would go off, and the engine would stop if you were going 65 miles an hour on the highway. Twelve people were killed under these circumstances.

Apparently it would have cost General Motors 57 cents to have replaced the part. They never did it. It became a scandal. The new CEO was brought before the Congress. People knew at the bottom of the organization that something was wrong. The same case with Toyota.

In almost every case, if we go to, Sean, the financial meltdown in 2008 across the board: Bear Stearns, the Lehman brothers, every one of these firms. If you went down to the working level, people knew things were wrong, things were rotten. It did not get reported up. In the case of Bear Stearns, Lehman brothers and others, cases if you read the books on this, the moment the board of directors knew that something was very wrong was when they were called in an emergency phone-call operation, a conference call on a Sunday afternoon, to say that the Federal Government says: 'We have to sell the company or we have to shut down.'

This is like 'Where have you people been!' They weren't asking questions, and they were not being courageous. What we have found is if you give a questionnaire about various value dimensions, at the top of the company the scores are almost always very high. On a scale of 1-7, CEO's, boards of directors, will rate their companies 6, 6.5, something like that. As you go down the ranks, you know senior managing directors, managing directors, directors, line employees, the scores consistently get lower.

So the question is, if you want to know the truth about the company, who do you ask? It seems to me it is the people way down. So you need an instrument, and financial reporting does not provide this. So we need new reporting formats which allow people at various levels to have the freedom to speak the truth. And if you do that you can get ahead of the game. And I think, Robert, if your company had done that – and this is picking up on a point, the point that Andrew just made, you could have positioned yourself in a way that avoided the redundancy issue.

Sean Fieler:

The question I ask myself: who is going to treat people with respect, with their God-given dignity, and the answer is not systems, right? The answer is people. And so certainly in the case of finance, I think about how systematized our industry has become. How prone to process and very detailed, very complicated, and in some cases a very profitable process our industry has become, and how antithetical that is to decision-making that has a human face.

I think that the solution to the problem certainly in this case is to actually have a person making decisions, and not so much a committee. Committees I think often devolve towards inaction, or they go to the lowest common denominator. So they go to this kind of grey pragmatism of profitability instead of really having the appetite or maybe the authority to treat people as they should be treated.

And so thinking about this and thinking about how broken our financial system is and what a temptation it is to go back into having an enormous plan to restructure the system, thinking that is going to solve the problem, there is certainly a great deal of merit to that work. There are systemic problems in the financial system, but I think that certainly needs to be coupled with, if not preceded by, a call to the individual practitioners, to the individual decision-makers, right, to be themselves that invisible hand in the market, which too often they are discouraged from being, or they don't have the confidence to be that invisible hand. To the extent that you systematize or set up so many committees that are the decision-making entities in a corporation, you really disempower them from making a more human decision that we would want. That syncs up with the Church's teaching on solidarity.

Renate Pilz:

Of course communication is an important part, and we all know communication is not an easy task. And we in our company are in a good situation because we are a typical German *'middlestadt'*. We are not so big, but we have one sentence for all of us. We need a hierarchy, we need it. But we do not need a hierarchical thinking. This is what we think about that. And even we are driven from our bible where it is written, 'So in everything do to others what you would have them do to you' for this sums up the law and the prophets. It is Matthew, 7.12. This is what is our guide.

Robert Leblanc:

Yes, two or three points. The first one I would like to have the word of dignity. It is part of the social doctrine of the Church to say that acknowledging the dignity of a human being is a priority, and I have that in mind very strongly in front of different people who are in the company, and especially in front of the ones with whom I disagree – especially I mean the union people from unions, and people like that.

I can have a different view of the situation than they have. I can have different ideas, different perspectives, but having in mind that they have the same dignity, the way I behave in front of them is quite different. I could experience that earlier in my life, not in the current company I run, but before, when I had very tough unions in front of me.

We could not agree on any issue, but the fact that we could build this kind of relationship where I could acknowledge their dignity as human beings – I mean they knew that, and the relationship was quiet. We disagreed, but the relationship was quiet and there was a kind of respect on both sides, and we could go on even without agreeing on some points, but we could go on together. So recognizing the dignity is something essential.

Two other points: I think that having a lot of in-depth discussions, in-depth dialogue with all the people in a company is a priority. If we share the views, I have just said that in some examples, it was difficult to share the views, but more often we can share the views with the people.

It is not possible to agree on everything but we can share the views and make a step forward on both sides. I spend a lot of time with the managers, and what I expect is that the managers spend a lot of time with their teams. For me it is essential that they spend time to explain what we do, why we do it, and what are their own decisions at their own level. I think that is all for this question.

Chairman:

Thank you all. I was particularly happy to hear Renate quoting the scriptures, quoting the bible. Over the years I have come to notice that even though, in theory, humanism seems to provide a basis for being good to each other, that one can be in a sense a virtuous pagan, and I have met many people in my life who are not believers of any kind but are very good people, but I have noticed time and again, when there is at the level of a company, when the company seems to have

a culture which is very caring and promoting of solidarity, to sustain this year after year, decade after decade. Almost in every case I have noticed that among the senior people, the leaders, there is a religious basis for this. And they are not necessarily Catholic or Protestants or Observant Jews, but it is the love of God and the fear of God that seems to give one the motivation to do this year after year, decade after decade. I wanted just to make that observation. Our sixth question – yes, go ahead Robert.

Robert Leblanc:

I knew that I had another point, because you said something about the freedom of saying bad news, and I wanted to come back on that because I think this is very important also. I don't know the exact words in English, but I would like to allow people to make mistakes. I mean saying that with these words maybe sounds wrong, but we have the words to say that, and I mean it is very important if you do know that, to avoid making mistakes, people make less decisions, and if they make less decisions you don't go the right way.

So you have to do that and to explain it to the people and say, 'Well, we will not kill you if you make a mistake.' That is life, to make mistakes, so please try to do things, have incentives, make decisions and if sometimes it is a wrong one, then it depends on the level of the people.

And I would like also to raise a point about hierarchy. My view is that if you are at a lower level, your mistakes are less important: at a higher level your mistakes are very important. And every time we have had to make a change in a department, if we faced problems with the people in the department, my starting point was always to change first the top manager. Because if he is wrong, there is no way, even with good people around him, to make things go well. So you have to start from the top, always from the top, when you have to restructure. That was my other point.

Chairman:

Thank you, and now I want to move to a kind of higher level of question and ask what aspects of the regulatory environment in the regions and countries that you operate in, which of these do you find most supportive for exercising solidarity, and what aspects do you find that maybe hinder your exercising solidarity in your business decisions. Robert, I would like to come back to you to go first.

Robert Leblanc:

Being French, I start with the laws – we have a great experience of having a lot of laws in our country – some of them are good ones, some of them are bad ones of course. We have a great experience of laws protecting people and I think some of them are a good set of laws.

We have a very strong compensation system with first layers which are public ones, and then in most companies, because of their own, and very soon in all companies, we will have to implement at least a second line for health and benefits. So this is part of the solidarity which is very important. It is for unemployment, for health, for disability, for all that, and including for retirement.

Another law which is important is everything about the dialogue we have in the companies with the Works Council, but the bad side of that is that sometimes we have too many constraints and it can be a good intention at the starting point, but if the set of laws is too heavy, at the end of the day the impact, instead of being positive, becomes negative, because it is too heavy and you waste a lot of time.

You cannot react when it is necessary, and things which could be good for the people can become bad for the people because it is really too heavy and you cannot develop a softer dialogue the way you could do it if you have a good behaviour of course. And the laws are done to avoid that people who are not aware of that, don't behave the right way.

But I mean anyway, at the end of the day this set of laws is too heavy.

One last law I would like to mention, because this one I think is very positive, is what we have which is called *Participation*, Participation in a way. The fact that we have collective bonuses in companies because of the law.

It was started by General De Gaulle many years ago, and I think that in a world where we have a lot of individual incentives, which are nice also, I mean sometimes you have to have them for people for commercial people, sellers, you have to give them an individual bonus when they are successful, but at the same time they have to know – including these people – that they would do nothing if they did not have behind them a full team with technicians, would not have people, including I mean, the very lower level jobs, all them are necessary.

If the company does well it is because all the people, at any level, do their job. And because of that I am very supportive of this law we have about a collective bonus related to the situation of the company. When the company goes well we have to give something to the people. It can be the equivalent of at least one month or two months a year.

Renate Pilz:

Yes, you are right. We have to give the people, and all the people, because each person in their company is responsible for the success of the company and therefore in our company, from what our factory earns, 10% we give to all of our employees. And therefore they also have all information about our costs and our sales and what we do, and therefore it is always open discussions and they know exactly that when we start a new development it is important for our future. So they want to do that, and they seem together, all the whole company think together 'What can we do that we reach our future.'

And then on the other hand, what I have learned is that the biggest enemy for solidarity is corruption. And therefore we have to look at what we can do, because we know we don't work with companies or in countries where you have to give something so that you can come into the business. We stopped that. We do not do that, and we still have success also in those countries where corruption is obvious.

Stephen Young:

I was quite taken this morning by a comment of Joe Zahra when he was moderating the previous panel, which was, if I remember, that we have to have a deep dive into the human heart, and I am increasingly concerned that our blind faith, our implicit trust in bureaucracy, prevents us from doing that, and that the centrepiece perhaps.

For that, of the secular culture that has evolved over the last 200 years, derives from, may I say, our French colleagues and the French Revolution, and the reason with a capital R is bureaucracy. Rational decision-making structures, where individual people, our own personal virtues or charisms, don't count. And we see today bureaucracies both in the private market.

Our large corporations are in no way are they like family businesses. They are large bureaucracies: General Motors, J.P. Morgan Chase, Toyota, Deutsche Bank, whatever. And governments, public authorities, are bureaucracies, and the culture of bureaucracy is inimical, I think, to solidarity, in some deep way which I haven't really studied or thought through.

I can comment to you that Max Weber, the German sociologist, around 1900 – World War I – put up the ideal of rational, legal bureaucratic structures as the definition of modern, just society. And I think that almost everybody has gone on since then saying 'Yes,' and we are not giving bureaucracy itself as a culture, as a system, as a perversion perhaps, enough critique.

And therefore I would like to suggest, perhaps – and this might be an interesting project for the Fondazione or the Scientific Committee, to look at bureaucracy as a Weberian ideal type, and test it against the principle features of Catholic social doctrine. Because I find more and more where we pull away from other people, where we easily justify short-term decisions or heartless decisions, 'Oh well, that is part of the bureaucratic order: that is not my job', or 'I did what I had to do and I passed the buck to somebody else.'

So I find the notion, and particularly coming from the progressive left among us increasingly these days – now we have Thomas Pickerty saying that the solution to all our problems is going to be a wealth tax which is going to go to governments. It is building, building, building bureaucratic structures, and I just think this is deeply wrong. But who will stand up and challenge it?

Chairman:

Thank you Steve, and for our final question, we are teeing off with the main recommendation, one of the main recommendations of Dr. Pabst from before, his notion of fusing contract and gift. You have noticed throughout this panel the notion of gift is not far in the background for each of our panellists in different ways. So I want to bring that into the foreground and ask each of our panellists how do they understand the idea of gift in business. Different people understand it in different ways, and I think it will be very interesting to hear as our final question their thoughts on this, and Steve, you can go first on this again.

Stephen Young:

I have been coming to a new way of sort of thinking about a gift, or solidarity or caritas. And actually it goes back to some time I spend a few years ago with Cardinal McCarrick, and he was commenting and brought to my attention Mark 12.34, which for some reason I just sort of overlooked.

And I guess it was the Cardinal's presence or something, it really awoke me.

The line there is working off the second commandment about love your neighbour, when the scribe talks about this, Jesus replies 'You were not far from the Kingdom of Heaven.' And what struck me for some reason when I heard the Cardinal talk about this was that Jesus was talking to this man in this life. He is not talking about what might happen to us in a future life, but right now. And he is not saying that you can get into the Kingdom of Heaven. He is saying you are not far from the Kingdom of Heaven.

What does that mean? And suddenly I heard things differently – that so many times I hear people talking about charity, compassion, solidarity, as 'we give a thing.' I give money. And a lot of times it is money. I give money to a charity: I go to a poor country in Africa and I donate my time. But what is the real gift that we could give? Is it not the gift of ourselves?

I was thinking about this at Easter just past, in a sort of different context, thinking about, I mean, what was the gift that Jesus Christ gave us? I grew up hearing about 'God sacrificed his only Son.' Well, somebody else accepted the sacrifice, and what did Jesus give us? Did he not give us Himself? And I am thinking maybe perhaps more the human aspect of Jesus, who was also divine. But what are we giving of ourselves? Does that not mean that we have to stand up and do something? Does not that mean that we have to listen? Does not that mean we have to walk in somebody else's shoes, as American Indians say.

I think there is an element of gift here which is not the easy idea of 'I have ten dollars, professor, here, you take it and go buy yourself some food.' It is what can I do vis-à-vis somebody who is in difficult circumstances that really might impinge on the ease of my life: impinge on my prior beliefs; force me to change in some way. Do I just like to suggest it for me at least, this new idea of gift which therefore can be ap-

plied by any person 24/7 wherever we are. In a family, in a business, with our friends, etc. etc. I just offer that as a suggestion to the group.

Chairman:

I think it is important as businessmen and women to remember that whatever success or opportunities we have had in business, are themselves a gift, and I think it would be refreshing to see businessmen talk about their success in the same way maybe athletes do. So every time somebody scores a goal or a touch-down in football, depending on whether you are European or American, right, you are going to see the sign of the cross or a point towards heaven. How many times have you seen a money manager have a good year and thank God!

So I think there is maybe some confusion about the nature of the gift to start with, and then the stewardship versus ownership question that comes from that. You know in my business at Equinox Partners, I think gift is certainly an area where we have really failed. We have a couple of charitable partners, but as a corporation we make no charitable gifts.

We leave that to each of the partners to do themselves, and then we have another problem internally whereby efforts to give, so to speak, to employees through salary or bonus in a way that in any way in the view of the other employees goes beyond their merit creates enormous internal problems.

Within the company we had this last year an incident where a young man that we had elevated to partner earned less than another individual who had joined at the same time as he had, because of particulars of the financial year we had in 2013, and this created an enormous amount of anxiety and conflict. Just the simple idea that he merited more in that particular year and the idea that we would give a gift, right, to the other person and not so much under-pay him, but overpay the other person, created enormous conflict.

We also have this problem when it comes to our clients, so we have about 400 clients: we manage a billion and a half

dollars. Every one of our clients thinks they are the most important person, institution, ever. And so we tell our clients: 'All of you, because you are all so important, are all treated the same.'

The idea that we would go to any one client and give any client a better deal in preferential terms, a lower fee, would be a catastrophe from a marketing perspective. It would be very, very difficult to manage. I think we would have to have a very clear articulation philosophically, charitably, as to why we were doing that. But we haven't done it. So when I look at gift, I think gift is an enormously important reflection on the health of a cooperation of what they are doing, to the extent that they can internalise that and operationalize it, and I think that certainly in the instance of the firm that I preside over, is an enormous shortcoming.

Renate Pilz:

We love handling our knowledge and when trustful collaborations in **/broad checked/** is successful, even across borders.

Robert Leblanc:

It is a very difficult question for a business man, the place of gift in business. Besides the Association of CED, I belong to a small group of French businessmen, Christian businessmen, and we spend a lot of time discussing *Caritas in Veritate* and now we are working on the *Evangelicum Gaudium,* and in *Caritas in Veritate* we have these words about gift.

So we have tried to identify where we could have situations, room for gifts in our companies. I am not sure we have found really the answers to this very difficult question, and my very short answer is about the people.

I think the people give us much more than just a job they are paid for. They spend time, they give us energy, but there is much more than that. And I think that from themselves there is a gift. One example: we have a receptionist who is

always smiling. We know her, and all the clients, everybody who visits us knows her because of the way she welcomes people and she smiles is so impressive. I think it is a kind of gift coming from her. She is not paid to smile like that. She is paid to just welcome the people: 'Who are you going to visit,' and 'Who are you, Where are you coming from' etc. She is not paid to smile like she does. So I think it is a gift.

On the other side, what can be the gift we give to the people. I think we pay them for a job. It is not a gift; it is what we must do. But then I think we give them an environment where they can develop themselves. They can face problems with their family; they can face problems with their health. The time they spend in the company they have people around them, and it is a place to live. I think it is very important and it is part of the gift. Of course, the environment that we build is a bad one.

It is not a very good gift, but I think that if we have that in mind, if we try to implement things so that people will have a good environment for the hours they spend in the company, then really, it is a kind of a gift. We give them a lot of things about their prospectives, and also the training. I mean the training is something we have to pay, of course, but having said that, part of the training is something which changes them and is a kind of a gift. Well, as I have said before, I think we have not finished to think about this question in *Caritas in Veritate* about gift, but well, that is the beginning of an answer.

Chairman:

This is a nice, rich set of examples, of aspects of gifts. So we have heard about generosity, about professional development and community, about the handing on of knowledge, even as Steve said, the gift of self. And indeed I think the more we study this, the more we realize that this is not optional, this is not icing on the cake. This is the cake itself.

But I am reminded of that famous line from the Second Vatican Council, *Gaudium et Spes*, at number 22, 'Man finds himself by making a gift of himself.' This is how we find our fulfilment, how we find what God created us to be, is by being a gift to others. And so I hope from this panel you have heard some ideas about how to do that in practice in your business decisions. Let us give a round of applause to the panellists.

Thank you and we now have 12 minutes if any of you would like to ask questions either to the whole panel or to individual panellists.

Question from a female speaker

I am thinking a long time already in my mind as I am Italian and I write in Italian, but a lot of times when you write your balance report you find these English words in between and everybody wants to have on their card 'manager' because this is a good way to show up, and I always try to translate it.

In the 20 years I have been a manager I have been trying to find the right word in Italian. So suddenly I came to, while managing, yes, because I am handling my hands as if I would make a cake, with flour, I am managing. I have my hands on the things.

Now, with your discussion now and about dignity and humanity and giving yourself, and coming from all these years managing and speaking with people, I arrive at the end of the day and I have spoken with a lot of people and I did not do my job. I did not read anything, I have to start at 6 o'clock in the afternoon, and I am starting to do my work because I have spent the whole day speaking with the people!

And so I said well, but I come from a scientific background, and I say well, I am used to studying and studying and studying, but now I have no time to study anything any more. What am I doing? Yes, I am speaking with the people.

That is my job now, okay. And now you say you should give yourself. That is the gift, the real gift.

So I think that – I was looking on Google – where does this word management come from? It comes from a Latin word which is *manus mano agere*, and this means that you drive – I think it is a very old position because you are trying to conduct on the field the cow for you are conducting somebody. You are conducting an animal. So there is this relationship.

You are conducting other people, and you are conducting animals. I think that this word which has had an evolution in the centuries, a big evolution, a profound evolution, and which we have applied to very different situations, I think that this word management, manager is obsolete: it is old. I think today we should find a better word because we are doing something different every day in the office, and I think that this has to be in relationship with the discussion you had, and maybe you will find a better word which I was not able to find in these 20 years.

Chairman:

Well, as a president of a company and you haven't been able to find this word in 20 years, let us see if we can – I think it is a terrific question and I am curious if anyone on the panel has a suggestion about a different way of articulating what it is you do as business leaders. Steve, yes, go ahead.

Stephen Young:

I am not sure if I can solve the problem of finding another word, but I was hearing something in which you were saying, going back to the early Latin of the person standing behind the cow or the horse to plough the fields, what was coming to mind relates back to the point I made about measurement.

What you can't measure, you can't manage. Which is that same word you chose. And I think here we are talking about goals, ends: teleologies. There is something in management which is setting out the objective in the future. Where do we

want to go? There was an old saying in the Roman Empire, all roads led to Rome. But where do we want to go? Do you want to do this? Do you want to do that? How do you want to treat your people, how do you want to treat your customers, how do you want to treat the environment? Do you want to have solidarity in your company or not?

These are all goals to which we are directing our energies and our commitments. I think that is what we have to focus on, and what term we use, to me at this very moment, is less important. But I think we have to be very conscious of what goals we choose. Some people say we Americans have a phrase: 'Beware of your dreams, because they may come true!'

Chairman:

I think Steve has a proposal for you.

We are going to be called teleologists, right, because we set the vision and we set the goals!

Stephen Young:

That is pretty close to theologists!

Renate Pilz:

I find your questions or your comments very interesting, but if you go to that time when the word was created, I know it was not a cow, in my knowledge it was a sheep. It doesn't matter, it is a deer that helped the family to survive, and you also have - they lived together. That is not how it is now in our days. They lived together and they took care of this animal and they gave also, I think, love to them. So it is a word, I like it, this connection in my mind.

Sean Fieler:

Thank you very much for this very interesting exchange and first-hand experience, sharing experiences and so on. There is I think an underlying question that for me is of high

concern. It is the question of the size of the enterprise. We are speaking about face-to-face.

We are speaking about bureaucracy: we are speaking about procedures, about risk management and so on. All these features, all these words, take a different expression, or at least might take a different expression according to the size of the company. And we are living in a world of gigantic companies. There are about 50% of all GDPs generated by one thousand or two thousand of the largest enterprises. So, is there a limit to size in order to practice solidarity, fraternity, etc. etc. or is it just neutro-viable?

Chairman:

You know I can tell you in banking we have done a lot of bank investing over the years, and banks that go to scale, because the economy is a scale in banking, have two choices for management. Either they can systematize what they do, and so you see on the liability side undifferentiated franchises largely, but on the assets side you see with size, automization, and certainly on personal lending and centralization on corporate lending.

There is another way to do it, and the other way to do it is through culture. And I think over time you get better outcomes. So Handelsbanken the Swedish Handelsbanken is, I think, the exception to the rule, which is it is obviously a bank that has gone to scale, and rather than using systems and centralizing decision-making, they have pushed it down to the branch level. But to do that they have to invest more in their people and they have to invest more in their culture.

Over time they actually get better outcomes because that branch manager who is still a decision-maker has relevant information that when you centralize the information, you lose it. So there is an epistemological issue there that they have gotten around, but I would say that most people in finance make the mistake of trying to use automization, instead of culture, to manage.

Renate Pilz:

If I understood you right on the big, big money they earn, the big companies, but as I know, the middle-sized companies create the most work places. Or have I understood you wrongly?

Sean Fieler:

If there is a limit, is the size of a company a limit to practicing solidarity?

Renate Pilz:

No, there is no limit in my mind, no limit.

Robert Leblanc:

I agree with Renate. I think there is no limit. And the question is not the size as a whole. It is the way it is organized inside the group. And solidarity, which is a principle we know in Rome, I think it can be applied, and is applied in some groups as soon as it is. I think we can be efficient, even being very big.

I am not the big boss of the group, I am just the boss for a subsidiary in France, and the way I behave is that I feel a member of the group, I have to share the views of the group, but I also have to discuss decisions coming from the group before applying them in France.

I will never agree to having something implemented in France in the French subsidiary without having first agreed it myself. I mean it is my own rule, and it is quite possible, it is not idealistic, it is possible. First, I agree with the main decisions of the group. I am comfortable with this group, which in my view is well-managed.

But having said that, then some decisions can be a bit tough for our team, and I think it cannot be applied to the team, cannot be applied to the country without a discussion, without something I would have agreed. And then, I am luck-

ily in a medium-sized company where we can have this solidarity, this face-to-face approach because it is not managed just by one team or one person far away. So I think the way it is organized inside is very, very important. Much more than the global size.

Chairman:

Thank you all. I think we are at noon, which is our lunchtime. I take my life into my hands if I try to get in the way of lunch. So I am inviting you – oh, we have more time? I'm sorry, the group session gets in the way of lunch, not me. So somebody else will kill me!

ABSTRACT

TAVOLA ROTONDA MODERATA DA ANDREW ABELA SU "SOLIDARIETÀ E DONO NELLE DECISIONI DI BUSINESS"

Partecipanti

Sean Fieler (Chairman, Equinox Partners, New York City), **Robert Leblanc** (Chairman, AON France, Paris), **Renate Pilz** (Chairman, Pilz Gmbh, Ostfildern, Germany), **Steve Young** (Global Executive Director, Caux Round Table).

Il dibattito della tavola rotonda si sviluppa intorno a cinque quesiti connessi al tema della solidarietà e del dono nelle decisioni che riguardano un'azienda. Ai quesiti, proposti e moderati del Professor **Abela**, i partecipanti hanno risposto attingendo dalle loro esperienze personali.

Il *primo* ha riguardato la possibilità di bilanciare il perseguimento del profitto, la crescita e la costruzione del team con la solidarietà. **Fieler** afferma che gli hedge fund rappresentano, diversamente dal comune sentire, una opportunità per la solidarietà. Essi, esprimendo il valore del capitale per il business, permettono di avere un'idea della qualità, solidità e desiderabilità di un'attività. Questi ultimi aspetti devono sempre prendersi in considerazione in ogni decisione di investimento. Egli riporta a questo proposito la sua esperienza di investimento in alcune società. **Young** ricorda una sua esperienza che, sebbene non legata ad attività aziendali, dimostra come la solidarietà non debba intendersi come principio astratto ma di azione, rispetto al quale la persona si propone ed agisce a favore dell'altro.

Successivamente è stato chiesto quale ruolo ha la solidarietà quando i manager devono adottare decisioni difficili che comportano la ristrutturazione o la chiusura di parti delle società.

Leblanc descrive un episodio della sua carriera nel quale aveva dovuto procedere alla ristrutturazione della società dove era stato da poco assunto. Egli sottolinea che l'onestà verso se stessi e la sicurezza nelle ragioni delle proprie decisioni sono fondamentali. La solidarietà, poi, deve seguire alla decisione. A questo proposito, egli ritiene che l'*outplacement* sia tra le soluzioni da perseguire nei casi di licenziamento. È sua convinzione, inoltre, che il cambiamento del posto di lavoro debba essere considerato come un'opportunità di crescita professionale.

Il *terzo* quesito proposto riguarda il ruolo che le istituzioni (nelle regioni o paesi nei quali operano le società a cui fanno capo i partecipanti alla tavola rotonda) svolgono a supporto della solidarietà. **Leblanc** riporta l'esperienza francese, caratterizzata dall'esistenza di leggi che promuovono un solido sistema di compensazione e il dialogo con le parti sociali. Egli ricorda inoltre il cosiddetto bonus collettivo, ovvero l'obbligo, per le società che perseguono risultati positivi, della condivisione dei bonus con chi lavora nella società.

Alcuni partecipanti (**Pilz** e **Young**) enfatizzano nei loro interventi gli ostacoli che possono frapporsi alla solidarietà nelle decisioni di business: la corruzione nelle istituzioni e la burocrazia.

Il *quarto* quesito concerne il sistema aziendale o le pratiche e/o i valori che sono stati sviluppati dalle aziende affinché sia praticata la solidarietà nelle decisioni di business.

Young afferma che strumenti importanti sono questionari nei quali le persone, impiegate nei vari livelli societari, possono esprimersi liberamente sulle dimensioni valoriali della società. **Fieler** allarga le sue considerazioni ai tentativi di riforma del sistema finanziario, affermando che, sebbene essi siano certamente meritevoli, devono essere affiancati da atti di responsabilità delle persone che sono coinvolte nelle decisioni aziendali, in quanto sono esse stesse la mano invisibile del mercato. **Leblanc** sostiene che il confronto e il dialogo con le persone che lavorano nella società deve essere una priorità.

Essi devono svilupparsi seguendo gli insegnamenti della Dottrina Sociale della Chiesa mantenendo in particolare sempre fermo il principio al centro di essi, ovvero la dignità della persona. Solo attraverso il rispetto delle posizioni altrui ed il confronto con esse si può procedere ad una decisione che sia il più ampiamente condivisa. **Leblanc** sottolinea che in tale sforzo il manager ha un importante responsabilità.

Infine, *l'ultimo quesito* riguarda come si deve intendere il dono nelle attività di una società.

Young apre gli interventi sul tema suggerendo la sua personale riflessione sul significato di 'dono': esso deve considerarsi come la possibilità per l'uomo di lasciarsi trasformare, mettendosi nella posizione degli altri che hanno bisogno del suo aiuto. **Abela** ritiene che si deve ricordare come qualsiasi successo o opportunità che si ha quando si svolge un'attività nel business è di per sé un dono. **Pilz** sostiene che il 'dono' in un'azienda può trovare spazio nei trasferimenti della conoscenza dentro e fuori l'azienda. Simile la posizione di **Leblanc** che aggiunge come sia importante trasformare l'azienda in un ambiente nel quale le persone possano realizzare se stesse. A questo proposito, egli descrive l'esperienza vissuta come membro dell'associazione dei manager cristiani francese. La lettura e la riflessione della *Caritas in Veritate* e dell'*Evangelii Gaudium* promossa nell'ambito dell'associazione aveva anche il fine di dare le coordinate per una piena attuazione dell'idea di 'dono' nelle aziende.

La tavola rotonda si conclude con il richiamo ad una breve riflessione di **Abela** sul passaggio della *Gaudium et Spes*: "[22] l'uomo trova se stesso facendo dono di se stesso".

MOVING TOWARDS A GOOD SOCIETY

Lawrence Gonzi

Excellences, Ladies and Gentlemen

Allow me first of all to thank the *Fondazione Centesimus Annus Pro Pontifice*, for the privilege and the opportunity to participate in this conference and especially for the invitation to address you at this final session of the 2014 International Conference.

We have met here in Rome to try to answer a very important question – is it possible in the 21st century to have a Good Society that guarantees the future of jobs and can this happen using solidarity and fraternity as part of business decisions?

This is not a hypothetical question.

Let me repeat what has already been stated : as we speak, millions of people in Europe and elsewhere are unemployed, large numbers of them young people.

The numbers alone speak for themselves. According to the ILO, nearly 13% of the world's youth – close to 75 million young people – are unemployed. In the worst hit countries, youth unemployment rates have risen well above the 30%. In Europe, some countries have registered unemployment rates that have not been seen since the end of the Second World War.

This, therefore, is a topic of enormous relevance to millions of people out there who are having to face daily challenges which are unimaginable for some of us.

It is a topic that touches the frayed nerves of the young university graduate who is unable to find a single suitable employment opportunity after six years of tough studying in a University.

It touches the very heart and soul of every person who has had to face the trauma of losing one's job and who is now desperate because the future appears to be devoid of any hope for him and his family.

It is a topic that ignites the desperation of the immigrant who escaped from Syria because he feared for his life when his village was destroyed by incessant bombardment and who came to Europe illegally seeking refuge, seeking understanding, seeking solidarity and instead found a cold, unwelcoming and sometimes degrading treatment often fuelled by populist policies that negate the values we are supposed to cherish.

This is precisely why we need a careful and wise answer to the question which this seminar has put to us because the social and economic costs of losing a generation to joblessness is perhaps the biggest risk we are facing today.

My first point, therefore, is intended to emphasise the fact that the topic chosen for our discussions over the past two days is not and should not be considered as an academic exercise or as an exercise in hypothetical conjecture. On the contrary, we have been discussing a topic which presents a real challenge for all of us who want to see a better world, for all of us who look at events from a Christian perspective, for all of us who want to try to make a positive difference in the society we live in.

I have had the privilege to be the Prime Minister of Malta for nine years during which my country had to adapt to EU membership in 2004; introduce the Euro in 2008; address the annual tsunami of irregular migration crossing the Mediterranean most of them coming from sub-Saharan Africa; handle the impact of the Arab Spring and the Libya crisis which we faced in 2011; and address the challenges created by the global financial and economic crisis especially during the first two years between 2008 and 2009.

During all this turmoil, the greatest and most important challenge which we faced was the one relating to job creation

and job retention. Both are enormous challenges in a society that continues to change – a change which is mostly driven by technological advancement, by our own decision to invest heavily in education, by the global nature of today's business environment; by the reality of a society that is increasingly shifting from one based on manufacturing, to one based also on services.

A lot of people say a lot of things about job creation. But the reality is that no jobs will be created unless there is stability (political, economic and social), unless there is capital, unless there is potential for the capital to be invested successfully and generate profits, unless there is the competent human resource that is available to make that capital work and unless there is a sense of optimism for the future.

Remove anyone of these ingredients and the future of jobs will be at risk.

But there is another point that must be made. Today, policy makers are faced with a harsh and difficult task. They have the added burden of trying to find a working balance between the responsibility to create more jobs and the responsibility to create better jobs.

Let me explain myself. The global economic crisis has forced most countries in the world – including most of us in Europe – to have a close look at our labour laws. Policy Makers are being advised to liberalise the labour market so that entrepreneurs will be free to invest their capital in the most creative manner possible. Advisors tell us to remove the bureaucratic red tape resulting from statutory provisions regulating conditions of employment and to facilitate matters for our investors allowing them to hire and fire as necessary.

Of course this advice makes business sense until we realise what it means in the real world. It means that the labour market will now move towards employment contracts that are temporary in nature, that give the flexibility to the employer but take away the job security of the employee.

Allow me therefore to raise my concern on this extremely sensitive point.

Of course, I agree that we have to be competitive to create jobs and that unnecessary red tape should be removed without any hesitation. But I stress the term "unnecessary" because I am afraid that unless we are careful, we will be moving towards a situation where employment conditions will be diluted to the extent that our so called "social market economy" will lose the "social" part of it and become exclusively "market" – a situation which created the havoc we faced throughout the global financial and economic crisis.

This brings me to the second point. Is there a place for "solidarity" and "fraternity" in a world where competitiveness, efficiency and increased productivity are the most important ingredients that attract investment and consequently generate jobs?

If I have to be honest with you, then I must admit that probably the majority of business people will give you an extremely sceptical answer. They would surely insist that business is business highlighting the fact that whenever they approach a bank or a financial institution for an investment loan, the bank would – as a rule – ask them for the company's P&L accounts and its balance sheet and not for the CSR (Corporate Social Responsibility) track record.

But if this is so, how – may I ask – will we react?

Do we resign ourselves to the inevitability of a world led by capitalist rules that seems determined to carry on making rich people richer even if this means that poor people become poorer?

Or do we rise to the challenge that Pope Francis has presented us with ? The challenge to think out of the box and design a Good Society that answers to the voice of our children who are pleading to us to create a better world for them?

I love the words "Good Society". They bring images of kindness, of altruism, of genuine care, of solidarity as explained by His Holiness Pope Frances – ie not only assisting

the poor by the giving of alms, or by designing and sustaining a strong welfare system, or by having business understand the value of corporate social responsibility – but also widening the term "solidarity" to encompass our responsibility to generate more and better jobs, to formulate family friendly measures, to respect the dignity of every single worker including immigrants, to deliver an economy that is solid and sound and environmentally friendly – in other words, to deliver a society that makes you and me – that makes us all feel the goodness of life, the beauty of nature that surrounds us, the miracle of human life, the value of every single human being even if he or she is dark skinned, or speaks a different language or is a severely disabled person or an eighty year old suffering from dementia, or a six month old foetus in the mother's womb.

In his address to this same Conference this time last year, Pope Frances called for a new economic view that places the human person at the centre. "*We must return to the centrality of man*" he said, "*to a more ethical view of business and human relations,* ***without the fear of losing something***".

Let me emphasise this last phrase of his: "**Without the fear of losing something**" – Why did Pope Frances feel the need to say this?

I suspect that Pope Frances felt the need to qualify his statement because of the experiences we shared in these last five years. Of course we need programs to get our country's finances on solid grounds; of course we need politicians who cater for the future and not for the populist present; of course we need austerity where austerity demands responsibility – BUT we can and we should do so by remembering that we are dealing with human beings and that it will be the weakest and most vulnerable amongst us who will suffer the most.

And as Pope Francis says we will not lose anything when we cater for the vulnerable amongst us and even if we do lose something, then we should not fear this at all, because we all

share a responsibility towards those who are the weakest in our society.

Pope Frances was echoing what Pope Benedict XVI had said in his social Encyclical *Caritas in Veritate* in 2007 and I quote: *"To function correctly the economy needs ethics; and not just of any kind but one that is people centred"* (§45).

Were the two popes dreaming? Was this wishful thinking of a Church that is out of touch with the real world?

Of course not.

They have told us in the clearest of terms that things cannot go on as they are.

And we know that they are right because they are speaking about our collective responsibility towards each other.

You do not need to be a practising Christian or a religious person to realise that the Financial Crisis, the global recession, climate change, social turmoil and civil strife in numerous countries are all indictors that there needs to be change in the way we live, the way we think and the way we act.

Today, we are living in a world where the individual's self-interest has become the most important concern – indeed it seems that in today's language, the term "common good" has been consciously transformed into one that means my personal right to freedom of choice – a freedom that is unshackled by any ethical, moral or spiritual principles.

In other words, "relativism" in its worst form.

Thus for some, good business means fast profits at the least cost. It means selling High Street brand name products manufactured by underpaid and exploited workers somewhere in the developing world where health and safety rules are inexistent, where child labour is uncontrolled and where human dignity is reduced to a daily bowl of rice as payment for a full day's work.

The argument put forward to justify all this is disingenuous. It goes something like this: developing countries need these jobs. Their low wages mean that they are more competitive, which brings more sales, which generates more jobs.

Of course, this argument hides the tragedy which we saw in Bangladesh when on the 24th of April 2013, an eight-story commercial building collapsed and left 1,129 people dead and another 2,515 injured. The Brands manufactured in that building included Benetton, Bonmarche, Joe Fresh, Mango, Primark, Walmart and others.

Does this not remind you of what Pope Benedict XVI wrote in his encyclical ***Caritas in Veritate***: "*...a society lacks solid foundations when, on the one hand, it asserts values such as the dignity of the person, justice and peace, but then, on the other hand, radically acts to the contrary by allowing or tolerating a variety of ways in which human life is devalued and violated, especially where it is weak or marginalized*".

The Bangladesh 2013 tragedy is an eye-opener. It proves to us all that a business formula that relegates the human person to the level of a production unit devoid of his or her dignity as a human being – is a morally bankrupt formula.

Speaking of "bankrupt formulas" allow me to remind you that it is this same business behaviour, shorn of any ethical or moral consideration, that caused the global financial meltdown and the consequent economic collapse of some major economies causing so much suffering amongst millions of people around the world.

So Pope France's exhortation to "*return to a more ethical view of business and human relations*" comes at the right time. It is highly relevant to the realities we face in today's national and global markets and it is something that is increasingly acquiring global recognition as an important criterion for consumers to choose which products or services they purchase.

In other words, what Pope Frances is proposing, is not ONLY spiritually, morally and ethically correct, BUT it is also a valid business proposition.

We all know that the advent of technology and the consequent spread of social media has changed things dramatically.

It was the tool used to ignite and sustain the Arab Spring. It is what creates today's trends, what formulates opinions, what influences consumers' choices.

Consumers are today empowered more than ever before. But it is precisely because of this increased empowerment that modern day consumers are now more sensitive to issues such as the environmental impact of the product purchased, the genuineness of the product and its health related ingredients, the impact on energy consumption and so many other similar criteria which are today major considerations for any marketing strategist tasked with the selling of a product or service.

Business leaders who fail to recognize this growing trend, do so at their own risk.

The answer, therefore to the main question posed by the theme of this seminar is surely in the affirmative. Yes, the future jobs will depend on the ability of entrepreneurs to understand that their business will grow if it is:

- sensitive to the environment,
- it works hand in hand with the reduction of the energy footprint,
- it understands that there is a responsibility to contribute towards climate change targets,
- it delivers products that are manufactured in a safe and responsible way,
- it has a manufacturing policy that respects the health and safety of its employees,
- it has an image that is not blemished by the way employees are treated,
- it has active family friendly measures,
- it implements a work ethic that adequately caters for a healthy work-life balance,
- it invests in lifelong learning, training and re-training.

This is what makes a Good Society. You can call this Fraternity and Solidarity with each other and with the environment we live in. But the truth of the matter is that this is what good business sense is made of.

I have a strong feeling that the future will continue to place even more emphasis on these aspects and that businesses will only succeed if they can prove to their customers that not only is their product of good quality, not only is it offered at a competitive price, but it is also produced in a manner which respects the employees, the environment and society.

I am therefore convinced that the success of any business decision today and even more so in the future, will depend heavily on the business leaders' ability to re-discover the value of solidarity as a vital ingredient for a successful business model in the 21st century.

It is with this in mind that I venture to propose to you the following five action points for your consideration:

Firstly, let us remember one of Winston Churchill's most famous quotes: "*Never let a good crisis go to waste*" – a quote that was taken up by Emanuel Rahm in 2008. Rahm – who was Chief of Staff to President Obama – added that a crisis is "*an opportunity to do important things that you would otherwise avoid*".

This is not an easy task for politicians and policy makers. Jean Claude Juncker – Luxembourg's long standing Prime Minister until last year and a close friend of mine, is credited with a theory known as the "Curse of Juncker". According to Jean Claude, every Prime Minister knows what needs to be done [in a crisis], but then "*we don't know how to get re-elected once we have done it*".

So – are we prepared not to let this crisis go to waste? Are we prepared to learn lessons and do what needs to be done? In other words to disown populist policies, to avoid decisions based on short term gain, to remember that you can

only distribute wealth if you have first generated it and to recognize the fact that we have a collective responsibility towards future generations – a responsibility to see that our children inherit a world which we have made better for them?

Our answer to all of these questions must be an affirmative one and I urge the Fondazione Centesimus Annus to work with lawmakers and politicians and to help them rediscover those policies that are inspired by Christian democratic principles, foremost amongst them being the concept that politics is a means to be of service to the community and therefore to the common good.

I consider this to be one of the most important tasks that the Fondazione can and should continue to undertake in today's world.

We need more politicians who are able to embrace the concept of what makes a Good Society; more politicians who enter politics to be of service to their country rather than the other way round; more politicians who understand that every human being is valuable even if that human being is an unborn foetus, a dark skinned migrant who does not speak our language or a fragile 80 year old grandmother who has been abandoned by her family.

We need more politicians who have a strong foundation in a 'pro-life' perspective on all of life, from conception to the grave.

And we need more people to speak out – to stand up and make their case. There is too much silence by people who believe in a Good Society.

I trust that the Fondazione will continue to do what it is already doing in my country – investing in a group of people who can contribute in a concrete manner for our society to be a "Good" one.

Secondly, placing the human person at the centre of business decisions implies that the shareholders, the Board members and the CEOs understand that there is much to gain if

their business model is engineered in a manner that respects the dignity of employees.

A concrete example of this is found in those business environments where family friendly measures have been introduced. Inevitably working parents remain much more attached to their job if arrangements are made for them to strike a reasonable work-life balance between their duties on the job and their responsibilities as parents.

Measures of this sort allow parents to remain active in the labour force. But it also safeguards the substantial investment a business firm would have made in the training of experienced personnel who would otherwise probably decide to give up their job in order to dedicate themselves to parenthood.

It should be our collective task to persuade our business environments that this is the way to go if we want to have more and better jobs.

Thirdly, I hope we realise that we are indeed a fortunate generation because the point I have just made is facilitated by modern day technology.

We live in a world where technology has given us miraculous cures to diseases which were incurable until only a few years ago. We communicate in a manner which was the subject of science fiction until a dozen years ago. We can use search-engines which tap into an ocean of information and get an answer to a question within micro seconds and which – until very recently – used to take weeks if not months of research to discover.

The enormous power of these tools must be harnessed in a manner that helps business become more family friendly, more environmentally friendly, more socially friendly. In essence: more solidarity friendly.

Telework, flexitime, job sharing and a myriad of other innovative working modules are today made easier if proper use of technology takes place for the benefit of a more efficient and more humane working environment.

Business will surely benefit from all this but this can only happen if the legislators are prepared to facilitate such an environment by designing laws that encourage and, where necessary, enforce the introduction of such measures in the workplace.

Fourthly, many businesses have begun to question the common assumption that what is best for capital is also best for everyone and have begun to experiment with new models of organization, development and production.

In an article titled "*The Challenge of Solidarity in a Competitive Business Environment*" (published in the De Paul University Chicago – Journal of Religion and Business Ethics, 2011), Thomas W. O'Brien states that many businesses are now becoming committed to sustainability programs that focus on environmental impact to both human and non-human life.

This echoes what Pope Francis has told us – solidarity is no longer restricted to providing alms to the poor. Today, the term has come to mean environmentally friendly, family friendly, technology friendly.

Other business trends that point in the direction of this upgraded solidarity are the wide-spread adoptions of new forms of Corporate Social Responsibility charters that take a broad look at the social impact of all operations in a company and seek to minimize negative impacts while maximising value.

One example of this trend is found in the document prepared by the *Forum per la Finanza Sostenibile* dated June 2012 titled "Charter of Sustainable and Responsible Investment of Italian Finance". This Forum includes ABI (Associazione Bancaria Italiana), ANIA (the Associazione Nazionale fra le Imprese Assicuratrici), ASSOGESTIONI (Associazione del Risparmio Gestito) and FeBAF (Federazione Banche Assicurazioni Finanza).

The document lays down three guiding principles. The first of these states the following: "*It is fundamental for the*

financial community to recognise the importance of the environmental, social and governance issues within their investment decision making processes, ***not only on a moral ground but also with a risk management perspective***".

In other words, these financial institutions will hesitate and possibly refuse to endorse business propositions that do not adequately address environmental, social and governance dimensions of their business proposition.

These and other efforts made by contemporary businesses help to build faith in a capitalist system that has endured a decade of dramatic moral failures. They also help to combat the impression that businesses are myopically focused on making a few owners wealthy, and are damning the rest of the world to live in an apartheid society made up of "haves" and "have-nots".

Fifthly: I will conclude my address to you with a fifth and final recommendation which – I believe – addresses the very core of the issues we have been discussing.

It is a recommendation dealing with our collective "responsibility" towards our communities and towards future generations.

Caritas in Veritate defines "solidarity" as: "*First and foremost a sense of responsibility on the part of everyone with regard to everyone*".

It echoes what the G20 leaders acknowledged in the Statement they adopted at their Pittsburgh Summit in 2009: "*The economic crisis demonstrates the importance of ushering in a new era of sustainable global economic activity grounded in* ***responsibility***".

The Good Society is one where each and every one of us accepts the fact that our rights carry with them an equal and balanced set of responsibilities. The future of Jobs, the future of economies, indeed the future of this planet depends very much on our understanding of the enormous responsibility each one of us carries in our daily life. It is a responsibil-

ity towards each other, towards the environment that surrounds us, towards future generations and towards the whole human race.

It is this sense of joint responsibility that must be re-ignited in our business decisions.

The word "solidarity" itself reminds us of the Latin words "*in solidum*" which means that we are jointly responsible for something. The word "Fraternity" was one of the three pillars of the French Revolution without which there is no "*Egalite*" and no "*Liberte*".

I believe very strongly that it is time for us to remind everyone that there are no rights without responsibilities – very serious and grave responsibilities towards ourselves and our children; towards this generation and future ones.

It is with this concept in mind that during my address to the 64th Session of the United Nations in September 2009 (practically the day after the G20 Pittsburgh Statement), I made the following statement on behalf of my country Malta: "*Just as it was necessary in 1948 to recognize the need for a universal declaration of human rights, as a fundamental condition for the enjoyment of freedom, justice and peace for all men and women around the world, so it has become vital now to have a concomitant declaration on* ***human duties of the present generation as well as our responsibilities towards future generations****."*

The proposal which I had the privilege to put to the UN General Assembly as Prime Minister of my country, is based on a strong conviction that human duties are intrinsic to the personality, oneness and uniqueness of the human being, and are as inalienable as human rights.

These duties do not arise from laws or obligations but are fundamentally inherent to the human being. Such duties refer to the human beings themselves and to their fellow beings, and in a special manner to their family, to the community at all levels and to the natural and cultural environment in which their life evolves

These are the basic fundamentals of a Good Society.

I conclude therefore by urging the Fondazione Centesimus Annus Pro Pontifice to take up this initiative and to encourage the rest of society to proceed down this path. In doing so we would be taking another important step forward in human kind's journey towards a Good Society that is able to generate wealth for the benefit of the whole community.

Thank you.

ABSTRACT

DISCORSO CONCLUSIVO

Lawrence Gonzi

Il relatore si concentra inizialmente sul problema della disoccupazione, in particolare quella giovanile. Guardando alla sua esperienza di primo ministro di Malta, egli rileva le difficoltà nell'affrontare la sfida della creazione e del mantenimento del lavoro, soprattutto in un contesto nel quale la competitività è definita dalla capacità di adattarsi ai rapidi mutamenti nella tecnologia, alla natura globale del *business*, all'importanza degli investimenti nella formazione, ecc... Egli indica tra le linee guida per la creazione di posti di lavoro: la stabilità (politica, economica, sociale), la dotazione di capitale, la competenza delle risorse umane e l'ottimismo per il futuro. Tuttavia, come egli sottolinea, affrontare la disoccupazione significa per i responsabili della politica creare posti di lavoro non solo nuovi ma anche migliori. A questo proposito, Gonzi rileva che, se la tendenza è quella di favorire contratti di impiego temporanei e flessibili perché ritenuti più funzionali ad aumentare la crescita economica di un paese, ciò non deve implicare una sottostima della dignità del lavoratore.

Il relatore prosegue l'intervento argomentando che la solidarietà e la fraternità devono trovare spazio in un mondo dove la competitività, l'efficienza e l'aumento della produttività sono i più importanti fattori per attrarre gli investimenti e conseguentemente generare occupazione.

A questo proposito, egli suggerisce alcune proposte concrete. In particolare, egli sottolinea la responsabilità dei leader politici ed imprenditoriali nei confronti della collettività e delle generazioni future. Egli ricorda il suo discorso all'ONU

nel quale richiamava la necessità di affiancare una dichiarazione universale dei doveri accanto a quella dei diritti del 1948, nella convinzione che i doveri umani sono intrinseci (e dunque non derivano necessariamente dalla legge o dagli obblighi) alla personalità e all'unicità dell'essere umano, e sono inalienabili come lo sono i diritti.

SUMMARY REPORT

Fabio Pammolli[1]

Solidarity "is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, it is a firm and persevering determination to commit oneself to the common good; that is to say, to the good of all and of each individual, because we are really responsible for all".

Saint John Paul II, *Sollicitudo Rei Socialis*

We should understand solidarity "no longer as simply assistance for the poorest, but as a global rethinking of the whole system, as a quest for ways to reform it and correct it in a way consistent with the fundamental human rights of all human beings".

Pope Francis, *2013 Address to the Centesimus Annus – Pro Pontifice Foundation*

"The exclusively binary model of market-plus-state is corrosive of society, while economic forms based on solidarity, which find natural home in civil society without being restricted to it, build up society".

Pope Emeritus Benedict XVI, *Caritas in Veritate*

Members of the Centesimus Annus Foundation – Pro Pontifice, entrepreneurs, professionals, academics, prelates, gathered on May 8 and 9, 2014, in the New Synod Hall in the Vatican City to discuss how solidarity and fraternity can be part of economic and business decisions.

[1] The author would like to thank Domingo Sugranyes Bickel, Alberto Quadrio Curzio, Andrea Vindigni, and Alexander Petersen for their comments to a first draft of this document.

Economic integration, Growth, and Inequalities

Over the last three decades, an unprecedented integration of the global economy, together with an enormous expansion of monetary and financial instruments and markets, have produced a dramatic impact on income and wealth inequality, reshaping access to economic resources, endowments, and opportunities for people around the world.

Overall, globalization has sustained the diffusion of economic development and a significant rise of average per capita income in many poor and medium-income countries.

However, economic integration and growth contributed to generate new inequalities, tensions, and despair within and between countries, both rich and poor ones. Moreover, the outbreak of the economic and financial crisis that the World has gone through since 2007 has further increased interdependency, instability, and unevenness, including income inequality, in the global economy.

The new economic and financial scenario calls for a new reflection based upon an analytical and morally inspired effort to understand its multiple determinants: institutional, economic, and ethical.

The coexistence of different national experiences and models seems to prevent any overarching common interpretations and prescriptions. However, a distinctive perspective was shared by participants to the Conference, which affirms the critical importance of the ethical and social determinants of economic decisions to address inequality and justice in economic systems.

Virtue, vocation, and values are conceptualized as key economic categories, while economic actors are conceived as complex persons embedded in dense multi-layered networks of family, community, association, and reciprocity relations.

The emphasis on the social and moral dimensions of collective and individual behavior generates a framework centered on autonomy, responsibility, and solidarity, which aims

at harmonizing individual achievements and liberty with solidarity and the aspiration to the common good.

It is through this vision that societies can develop ethical and religious values, to sustain the emergence of a rich set of intermediate institutions, between the individual and the collective, between State and Market.

These decentralized solutions, practices, and rules assume a primary economic value and play a key function in the evolution of society, inspiring decisions, technical solutions, and actions, creating traditions, and shaping the long-term evolution of institutions at large. Importantly enough, such a view of individual and collective behavior has been inspiring also some of the mainstream contemporary economic thought, where some scholars have started to focus on non economic motivations, such as altruism, in explaining individual decisions.

Disparities in Earnings, Consumption or Wealth? Within or Among Countries?

Economic disparity can be measured in terms of inequality of income derived from work earnings, consumption of goods and services, and accumulated wealth.

Wealth, which is influenced by returns on capital (interests, dividends, rent, capital gains, profits) and can be inherited, is the most unequally distributed of the three, while consumption is the least.

Wealth, income, and consumption interact in different ways depending on the specific features of different institutional and social arrangements, and no robust patterns of correlation can be found between them across countries. We know examples of strong positive links between wealth and income inequality can be found in countries like the US and Korea, moderate wealth inequality and high income inequality in countries like Italy and Japan, and, at the opposite

end, high wealth inequality and relatively low income inequality in countries like Switzerland and Denmark.

Similarly, there is little evidence that, in otherwise similar countries, higher income or wealth inequality generates the political support for more redistribution of income, and vice versa. Therefore, national "social contracts" featuring persistently high inequality and low redistribution (e.g. the U.S.) coexist along with others with the opposite features (e.g. Continental Europe).

Against this background of different national experiences and models, the Conference started with an accurate analysis of the evolution of household income data, worldwide, from 1998 to 2008.

The analysis unraveled a series of relevant facts in the evolution of global inequality, and allowed a comparison of the economic conditions of individuals across different Nations.

While inequality of household income within countries has increased significantly, together with a further polarization of wealth, global inequality is still significantly higher than inequality within any individual country, and poor people in rich countries continue to be richer than even a large fraction of relatively rich people living in poor countries.

At the same time, sustained economic growth in the global south and east has made the world less unequal.

During the last thirty years, for the first time since the Industrial Revolution, global income inequality has started to decline due to skilled labor and income per capita in several medium and low-income countries catching up with more industrialized nations. As a consequence of this diffusion of economic growth, the number of people living on less than US $ 2 per day has fallen by over 700 million.

This positive trends notwithstanding, two thirds of global inequality can be attributed to differences in income across countries (location), while one third is due to inequalities within individual countries (class). In other words, the lottery

of the place of birth has a dramatic influence on opportunities, income, and wealth.

While medium and low-income countries have caught up in terms of average per capita income, thereby inducing a reduction in inequality across countries, this convergence has simultaneously contributed to an increase of inequality within countries.

Globalization has induced a rapid increase in average real income of large but previously poor countries, with the coexistence between a new middle class and a large poor population.

At the same time, the sudden and enormous growth in the size of labor force actively involved in the global economy, with the opening up of China and India to trade in goods and services, has had dramatic implications for workers in OECD countries.

Stronger integration of real and financial markets have sustained a drastic reorganization of global value chains, with a significant pressure towards offshoring of industrial activities from richer countries to low-medium income ones.

This process has induced new differences and tensions, with the emergence of a large, dynamic middle class in the fast growing low-middle income countries, and, in parallel, wage stagnation and a race to the bottom in labor cost in developed countries. As a result, many developed countries have experienced an increase in unemployment – especially among the young – accompanied by precariousness among the poor and of the fragile middle class, where a strong pressure has been imposed on the salaries of those whose jobs can be done elsewhere.

Moreover, while growth rates have fallen, insecurity has increased further, both in rich and in poor countries: nearly 3 billion people survive on incomes between US $ 2 and $ 10 per day, and unemployment, extreme destitution, and poverty have become more entrenched as levels of socio-economic mobility are stagnating or falling because of the slowing down of the economy.

A Renewed Ideal of Justice and Solidarity

In his Apostolic Exhortation *Evangelii Gaudium* Pope Francis made the point that the dominant economic system is economically unsustainable and ethically wrong: "Human beings are themselves considered as goods, to be used and then discarded. We have created a 'throw away' culture, which is now spreading. It is not longer simply about exploitation and oppression, but something new. Exclusion ultimately has to do with what it means to be part of the society in which we live; those excluded are no longer society's underside or its fringes or its disenfranchised – they are no longer even a part of it".

During and after the crisis, welfare systems of developed economies proved to be highly resilient and contributed to mitigate inequality in disposable income through direct taxes, social contributions, and net inter household cash transfers.

A high probability of being harmed by negative uncontrollable events (unemployment) started to be widely perceived, appearing in the form of an aggregate risk common to large segments of the labor market, one which was not privately insurable and was relatively homogeneously distributed across otherwise different groups.

As a consequence, a deeper awareness of the function of redistribution through taxation and social insurance schemes has emerged, contributing to a more diffuse social preference towards equality and social justice.

The global economic crisis seems then to have contributed to a higher preference for the reduction of inequality, with a widespread recognition of the nexus between income redistribution, social spending, and wiser social insurance schemes.

However, an exclusive reliance on centralized and rather impersonal universalistic public programs, together with the clear perception of an economic decline of entire regions and industrial sectors, would contribute to the diffusion of a sense of resignation and dependency, inducing a "welfare trap",

which would keep people in poverty, condemning them to persistent unemployment and to social exclusion, while undermining both the long term sustainability of welfare systems and the awareness of an ethos of work, saving, and caring.

In addition, given the already high level of taxation on labor, a further expansion of redistribution through public programs is not realistic, not to mention that redistribution and assistance do not necessarily create more equal opportunities per se.

Moreover, high unemployment rates and the ageing of the population already induce an excessive burden on labor, through taxation and social contribution.

New distances and potential conflicts, between the young and the old or the employed and the unemployed, the highly skilled and the unskilled workers, have emerged, with a deep divide between those that demand either a further expansion or a retrenchment of the welfare state.

Against this complex and somehow fragmented scenario, to progress towards "a good society" we must rethink the economic causalities and processes within a richer framework of understanding of human nature.

In such a framework, the human person is conceived in its totality as part of a complex relational reality. From this standpoint, the inclination towards gratuitous gift and fraternity in fact co-exist with the natural yearning for individual satisfaction ("You shall love your neighbor as yourself", *Matthew* 22:39). The effort towards rethinking the economy means an open and realistic perception of the conditions needed for true initiative and innovative "flourishing", as well as a courageous diagnosis of the damage inflicted upon those hurt or paralyzed by the vicious spirals of poverty. Such a rethinking will yield a new set of positive views concerning individual effort, economic outcomes, and the nature of social insurance, so that different groups can share a renewed view of justice, and practice solidarity.

Asymmetries in wealth and income are shaped by inheritance of talent and wealth, as well as by differences in effort and virtue.

Given the casualties of inheritance of wealth and talent, meritocracy per se is not the summum bonum, since it rewards individuals also for traits that they have acquired by the luck of birth.

Inclusion of the unfortunate becomes then a key priority, on the one side recognizing the centrality of labor for the person and at the same time avoiding the domination of an economics of exclusion, in which economically unproductive people are treated as 'outcasts' and 'leftovers' (Pope Francis).

Labor and virtue must be recognized as key constitutive elements of the person, and redistribution of resources should be deeply connected with individual responsibility and interpersonal relations. It is the exercise of effort and virtue, together with reciprocity, which are key "to give people a sense that life is worth living with energy and can provide them with fulfillment" (Adrian Pabst)[2].

In contrast to the two extremes of market individualism and state collectivism, this view of solidarity relies on labor as a constitutive element of the person, and on subsidiarity, through the devolution of power "to the most appropriate level consistent with human flourishing", as well as on responsibility, and self-rule.

Mutual assistance and sacrifice, especially for the poor, and solidarity between members of the community, whether as either individuals or organized in groups, can sustain a

[2] Adrian Pabst, "Prosperity and Justice For All: Why Solidarity and Fraternity are Key to an Efficient, Ethical Economy", address to FCAPP International Conference *The good society and the future of jobs: Can solidarity and fraternity be part of business decisions?*, 8-10 May 2014.

welfare system that rely on civic institutions and on the mutualization of risk and benefit: a welfare strongly reconnected to labor, to contribution to society, and to shouldered responsibilities.

Such an open and dynamic solidarity emphasizes the role of autonomy and effort, and fosters a culture of virtue, personal responsibility, civil courage, and social commitment. Awareness and empowerment become the key ordering principles, together with commitment and gratuitousness, to build fraternity and harmonize the individual and the social dimensions.

Solidarity Requires a Vision and Specific Institutions

This vision on responsibility, community, vocation, reciprocity, and dynamic solidarity[3] must inspire not only the design of our welfare systems, abut also the architecture of corporate governance solutions in business firms, aligning ethical and economic values and promoting virtuous and positive dynamics in productivity, jobs, trade, and finance.

First, coherent with the tradition of the Catholic Social Thought, a balance of interests and representation is necessary to promote a shared sense of belonging and a stable cooperative working atmosphere favoring empowerment as a process of individual growth which can foster a culture of virtue (vs. corruption) and generous gift also within the economic life.

Corporate governance and specially designed ownership structures can be of help in allowing long term business policies serving society as a whole. However, putting business

[3] Giovanni Marseguerra - Alberto Quadrio Curzio, "Introduzione: Lavoro, Responsabilità, Partecipazione", *Rethinking Solidarity for Employment: The Challenges of the Twenty-First Century*, Fondazione Centesimus Annus Pro Pontifice, LEV, Città del Vaticano 2014, pp. 31-44.

enterprise in the service of common good is not primarily a question of legal structures, but rather is something which permeates all corporate policies from investment to product design, from the use of resources to sales policies, from personnel management to financial plans.

A business policy based on the idea of contributing positively to society is of course compatible with profit and capital remuneration targets; once seriously adopted – not as a "window-dressing" exercise – this basic orientation instills a sense of societal contribution in all areas of management and deeply influences the companies' present and future. It necessarily leads to a significant participation of company "stakeholders"; thus transparency and relational accountability promote the creation of shared values, increase participation, commitment, and cooperation, establishing a sense of proximity and corporate citizenship.

Mutual responsibility, just reward, and transparency must be key guiding principles of a partnership between capital, labor and society, to establish trust and cooperation.

Again, central to this is the concept of a vocation, in which work is defined not only by its external rewards or demands, but also by internal goods that are "rooted in a tradition of practice". In this perspective, work is not just "the immediate fulfillment of a task driven by the expectation of external reward, but also as the production of internal goods, as something that is received from the past and oriented toward the future" (Maurice Glasman).

It is relevant here to focus on some of Maurice Glasman's practical suggestions, made at the Foundation's 2013 international conference, inspired by his observation of the German speaking countries in Europe[4]:

[4] Maurice Glasman, "Politics, Employment Policies and the Young Generation", *Rethinking Solidarity for Employment: The Challenges of the Twenty-First Century*, Fondazione Centesimus Annus Pro Pontifice, LEV, Città del Vaticano 2014, pp. 255-270.

a) Organization of a systematic relationship between various stakeholders at board of directors/supervisory boards of companies;

b) Investment in young people through programs of vocational training and labor market entry, which can connect academic knowledge to technical training;

c) Diffusion, also through dedicated tax breaks and lower contribution to social security, of programs of apprenticeship and transitional mentoring for the youth, where young employees are hired at lower salaries and paired up with elder employees, who can provide mentoring and training to the next generation before going to retirement.

d) Promotion of a culture of fair wages by creating 'living wage' cities and regions and realizing a systematic alignment between salary increases and productivity growth;

e) Introduction of contracts of solidarity, under which, during a period of crisis, employers and workers are ready to share a portion of their earnings to allow all the members of the community to have a salary and to maintain a long term relationship with the company;

f) Development of fully funded pension funds, which are determined and managed jointly by capital and labor, so that the two components share a mutual interest in the long-term future of their sector and activity;

g) Development of national networks of locally oriented financial institutions, which are constrained to lend within particular areas and provide stable access to credit for small and medium firms.

All these institutions need to develop a strong, independent business ethos, especially through accountability rules and processes, in order to prevent corruption when in contact with local, regional or wider political entities. They are an expression of proximity as an ethical value.

Steps Toward the Good Society

To face the challenges of inequality, jobless recovery, and the increasing complexity of economic and financial systems, a few principles and priorities were outlined in the context of the Conference.

1. Coherent with the Catholic Social Thought tradition, virtue, vocation, value, and labor are key constitutive elements of the person, which shape economic life and influence the evolution of institutional arrangements in our society. Only people, ideas, and ethos can mobilize intermediate institutions, sustaining engagement and solidarity, and promote a positive moral attitude towards unemployment, exclusion, and poverty, centered on the dignity of the person.

2. This anthropological view calls for a greater institutional recognition of communities, groups, and associations. Subsidiarity and intermediate, distributed, self organized and autonomous bodies, can harmonize concepts, institutions, and interests that would be otherwise in conflict due to contradictory intentions: tradition and innovation, labor and capital, participation and responsibility, state and market, contract and gift.

3. Economic development, driven by entrepreneurship, responsibility, and innovation, is the key driving force to reduce poverty, increasing income per capita in poor countries. A culture of innovation and respect for new ideas are key preconditions of any model of dynamic solidarity. As it has been demonstrated by the history of science and technology, technological innovation, economic growth and religious faith can coexist and progress hand in hand, contrary to any secularization hypothesis.

4. Economic growth inherently generates new asymmetries, with winners and losers, due to the unevenness of rewards between more and less successful new ideas. While it is crucial to connect individual rights and entitlements with

obligations and duties, those who are more unfortunate are part of our society and we need to develop a positive moral attitude to address unemployment, exclusion, and poverty, "helping them both to meet their needs and to help themselves". At the same time, it is important to develop a culture of welfare conditionality, by linking work and training as a condition for receiving benefit to contributions to society.

5. In an increasingly interconnected and globalized capitalist system, economic growth in low/medium income countries is inducing an increase in unemployment and poverty for low and medium skilled workers in developed economies. Redistribution of income flows is an essential component of contemporary welfare systems, and the way in which income tax and social insurance contributions are structured has important consequences on income distribution. However, welfare and solidarity should not be conceived as paternalistic redistribution and dependence on the public sector. A renewed emphasis on the principles of reciprocity and mutuality is a necessary ingredient of a sustainable, selective, and solidarist welfare, promoting decentralized models of mutual help and combining universal entitlement with localized and personalized provision;

6. Industrial and financial institutions should rely more on concrete solutions that realize the aim of creating human communities through the inclusion and participation of all people working in or around a company, relational accountability, and sharing of risks, responsibilities, and rewards among different actors: investors and owners, shareholders and managers, lenders and borrowers, employers and employees, producers and consumers. This is exemplified by many firms, where contracts of solidarity and accepted shared sacrifices are allowing the whole group to avoid failure or catastrophic restructurings. This attitude also leads companies to rethink competition in terms of fairness and co-operative efforts.

7. Unevenness and instability of economic systems should not be amplified by complex and obscure financial products, which concentrate exclusively on short term gains, misprice risk, and inflate the debt. As a concrete answer to the current pressure towards centralization, opacity, and anonymity of financial systems and transactions, the creation of community-based investment trusts can support grass root initiatives and diffuse entrepreneurship. However, these institutions must rely on a solid common infrastructure able to provide financing, compliance, and risk-management in accordance with prevailing standards. The Foundation is organizing a separate program relating to financial reform, which will discuss these ideas in detail.

8. Political institutions such as Democracy are essential in creating and preserving the conditions to achieve the connected goals stated above. That is: an equitable distribution of income, a working social and economic system which succeeds in being both inclusive and dynamic, and a just human society.

RAPPORTO RIASSUNTIVO

Fabio Pammolli[1]

La solidarietà non è un sentimento di vaga compassione o una superficiale sofferenza per le disgrazie di così tante persone, vicine e lontane. Al contrario, è ferma e perseverante determinazione ad impegnarsi per il bene comune, cioè per il bene di tutti e di ogni persona, perché noi siamo veramente responsabili del bene di tutti.

San Giovanni Paolo II, *Sollicitudo Rei Socialis*

Dovremmo concepire la solidarietà "non più come semplice assistenza nei confronti dei più poveri, ma come ripensamento globale di tutto il sistema, come ricerca di vie per riformarlo e correggerlo in modo coerente con i diritti fondamentali dell'uomo, di tutti gli uomini".

Papa Francesco, *Discorso del 2013*
alla Fondazione Centesimus Annus – Pro Pontifice

"Il modello esclusivamente binario 'mercato-più-stato' corrode la società, mentre le iniziative economiche basate sulla solidarietà, che trovano naturale espressione nella società civile senza però essere confinate al suo interno, hanno un effetto benefico sulla società".

Papa Emerito Benedetto XVI, *Caritas in Veritate*

L'8 e 9 maggio 2014 i membri della Fondazione Centesimus Annus – Pro Pontifice, imprenditori, accademici e prelati si sono riuniti nell'Aula Nuova del Sinodo, Città del Vaticano, per discutere su come solidarietà e fraternità possano essere fattori determinanti nell'indirizzare e guidare le decisioni economiche e imprenditoriali.

[1] L'autore desidera ringraziare Domingo Sugranyes Bickel, Alberto Quadrio Curzio, Andrea Vindigni e Alexander Petersen per i loro commenti alla prima bozza di questo documento.

Integrazione economica, crescita e diseguaglianze

Nel corso delle ultime tre decadi l'integrazione senza precedenti dell'economia mondiale e una enorme espansione degli strumenti monetari e finanziari e dei mercati hanno accresciuto drammaticamente le diseguaglianze di reddito e ricchezza, modificando l'accesso globale a risorse economiche, capitale, opportunità.

Complessivamente, la globalizzazione ha favorito una diffusione dello sviluppo economico e una crescita significativa del reddito medio pro capite in molti Paesi poveri e a medio reddito.

Tuttavia, integrazione economica e crescita hanno anche contribuito a generare nuove diseguaglianze, tensioni e disperazione sia all'interno che tra Paesi, sia ricchi che poveri. Inoltre la crisi economica e finanziaria che il mondo ha vissuto a partire dal 2007 ha ulteriormente accresciuto interdipendenza, instabilità e disuguaglianze, anche di reddito, nella economia globale.

Per poter comprendere le molteplici cause – istituzionali, economiche ed etiche – del nuovo scenario economico e finanziario è necessaria una nuova riflessione, un'analisi attenta e moralmente ispirata.

La coesistenza di esperienze e modelli nazionali diversi sembra essere di ostacolo a complessive comuni interpretazioni e proposte. Tuttavia i partecipanti al Convegno hanno condiviso una precisa visione, che afferma l'importanza cruciale dei fattori etici e sociali delle decisioni economiche nella lotta alle diseguaglianze e a favore della giustizia nei sistemi economici.

Virtù, vocazione e valori sono concettualizzati come categorie economiche chiave, mentre gli attori economici sono concepiti come persone complesse inserite in reti dense e a molti strati di famiglia, comunità, associazioni e relazioni di reciprocità.

L'enfasi sulla dimensione sociale e morale dei comportamenti individuali e collettivi genera un quadro d'insieme basato su autonomia, responsabilità e solidarietà, inteso ad armonizzare interessi e libertà individuali con solidarietà e ricerca del bene comune.

È in questa prospettiva che le società possono sviluppare valori etici e religiosi che favoriscano l'emergenza di un'ampia varietà di istituzioni intermedie tra individuo e collettività, tra stato e mercato.

Queste soluzioni, procedure e regolamentazioni decentrate assumono un valore economico primario e svolgono una funzione chiave nell'evoluzione della società, ispirando decisioni, soluzioni tecniche e iniziative, creando tradizioni e influenzando l'evoluzione sul lungo termine delle istituzioni tutte. È importante notare che questo modo di guardare ai comportamenti individuali e collettivi ha ispirato anche parte del pensiero economico contemporaneo prevalente: alcuni economisti hanno cominciato a dedicare particolare attenzione a motivazioni non economiche, come l'altruismo, per spiegare la genesi delle decisioni individuali.

Diseguaglianze di Reddito, Consumi o Ricchezza? All'interno di singoli paesi o tra un paese e l'altro?

La disparità economica può essere misurata in termini di diseguaglianza di reddito da salario, di consumo di beni e servizi e di ricchezza accumulata.

Tra questi tre fattori la ricchezza, che è influenzata dagli utili su capitale (interessi, dividendi, affitti, plusvalenze, profitti) e può essere ereditata, è quello distribuito in modo più diseguale, il consumo di beni e servizi quello distribuito in modo meno diseguale.

Ricchezza, reddito e consumi interagiscono in modi diversi a seconda delle specifiche caratteristiche dei diversi sistemi istituzionali e sociali: abbiamo esempi di forte correlazione tra diseguaglianze di ricchezza e reddito in paesi come gli Stati

Uniti e la Corea, moderata diseguaglianza di ricchezza e forte diseguaglianza di reddito in paesi come l'Italia e il Giappone e all'estremo opposto dello spettro forte diseguaglianza di ricchezza e relativamente bassa diseguaglianza di reddito in paesi come Svizzera e Danimarca.

Analogamente, non sembra che in paesi per molti aspetti simili una forte diseguaglianza di reddito o di ricchezza generi supporto politico per una maggiore redistribuzione dei redditi, e viceversa. Quindi "contratti sociali" nazionali caratterizzati dalla compresenza di persistenti forti diseguaglianze e scarsa redistribuzione (per esempio gli Stati Uniti) esistono a fianco di altri con caratteristiche opposte (per esempio l'Europa continentale).

In questa cornice di esperienze e modelli nazionali diversi, il Convegno ha cominciato con una analisi accurata dei dati relativi alla evoluzione globale del reddito familiare dal 1998 al 2008.

L'analisi ha messo in luce una serie di fatti importanti nell'evoluzione della diseguaglianza globale e reso possibile un confronto tra le condizioni economiche di individui di diversi paesi.

Le diseguaglianze nei redditi delle famiglie all'interno dei singoli Paesi sono cresciute in modo significativo, unitamente a un incremento nella concentrazione della ricchezza. La disuguaglianza complessiva, misurata su scala globale rimane più ampia rispetto a quanto non sia all'interno dei singoli Paesi.

In generale, i poveri in Paesi ricchi continuano a essere più ricchi di una considerevole parte degli individui relativamente benestanti che vivono in Paesi poveri.

Allo stesso tempo, una crescita economica sostenuta nel Sud ed Est del globo ha reso il mondo meno diseguale. Nel corso degli ultimi trent'anni, per la prima volta dalla Rivoluzione Industriale, la diseguaglianza globale di reddito ha iniziato a diminuire, grazie ai progressi realizzati da Paesi a medio e basso reddito (più lavoratori qualificati e crescita del

reddito pro-capite). Parallelamente, come conseguenza di questa diffusione della crescita economica, il numero di individui che vive con meno di 2 dollari al giorno è diminuito di circa 700 milioni.

Malgrado questo andamento positivo, due terzi della diseguaglianza globale possono essere attribuiti a differenze di reddito tra Paesi (geografia) mentre un terzo è dovuto alle diseguaglianze all'interno di singoli Paesi (classe). In altri termini, il luogo di nascita ha un'influenza particolarmente forte su prospettive, opportunità , reddito e ricchezza.

Mentre la crescita del reddito medio pro capite in Paesi a medio e basso reddito ha determinato una riduzione delle diseguaglianze tra Paesi, questa stessa convergenza ha contribuito a innalzare le diseguaglianze all'interno dei singoli Paesi.

La globalizzazione ha prodotto una rapida crescita del reddito medio reale in paesi grandi e lungamente rimasti poveri, in cui coesistono oggi una nuova classe media e una larga maggioranza che vive in condizioni di povertà.

Allo stesso tempo, l'improvvisa enorme crescita della forza lavoro attivamente coinvolta nella economia globale, con l'apertura di Cina e India al commercio internazionale di beni e servizi, ha prodotto conseguenze drammatiche per i lavoratori dei paesi OCSE.

La forte integrazione dei mercati reali e finanziari ha indotto una drastica riorganizzazione delle catene globali del valore, esercitando una forte pressione a favore dello spostamento di attività industriali dai Paesi più ricchi a quelli a reddito medio-basso.

Questo processo ha determinato nuove differenze e nuove tensioni, con l'emergere di una vasta, dinamica, classe media nei Paesi a basso-medio reddito più dinamici, e parallelamente la stagnazione dei salari e la compressione del costo del lavoro nei Paesi più sviluppati. Di conseguenza molti Paesi industrializzati si sono trovati ad affrontare un aumento della disoccupazione, specialmente tra i giovani, e una più forte

precarietà tra i poveri e all'interno di una classe media sempre più fragile: i salari degli individui il cui lavoro può essere delocalizzato con maggiore facilità hanno subito una forte pressione verso il basso.

Inoltre, quando i tassi di crescita dell'economia globale hanno iniziato a diminuire, incertezza e insicurezza sono aumentate sia nei Paesi ricchi che in quelli poveri: oggi quasi 3 miliardi di persone vivono con redditi compresi tra 2 e 10 dollari al giorno, mentre disoccupazione, estrema privazione e povertà sono diventate più difficili da sradicare in un contesto di mobilità socio-economica stagnante se non addirittura decrescente, proprio a causa del rallentamento dell'economia.

Un nuovo ideale di Giustizia e Solidarietà

Nell'Esortazione Apostolica *Evangelii Gaudium* Papa Francesco afferma che il sistema economico prevalente è economicamente insostenibile ed eticamente riprovevole. Si considera l'essere umano in sé stesso come un bene di consumo, che si può usare e poi gettare. Abbiamo dato inizio alla cultura dello "scarto" che, addirittura, viene promossa. Non si tratta più semplicemente del fenomeno dello sfruttamento e dell'oppressione, ma di qualcosa di nuovo: con l'esclusione resta colpita, alla sua stessa radice, l'appartenenza alla società in cui si vive, dal momento che in essa non si sta nei bassifondi, nella periferia, o senza potere, bensì si sta fuori. Gli esclusi non sono "sfruttati" ma rifiuti, "avanzi".

Durante e dopo la crisi, i sistemi di previdenza sociale dei Paesi sviluppati hanno retto relativamente bene contribuendo a mitigare le diseguaglianze di reddito disponibile tramite tassazione, contributi sociali e trasferimenti in denaro verso e all'interno delle famiglie.

Un'alta probabilità di venire danneggiati da eventi negativi incontrollabili (perdita del lavoro) ha iniziato a essere percepita da larga parte della popolazione come una forma di

rischio non assicurabile, ad ampi segmenti del mercato del lavoro, distribuito in modo relativamente omogeneo su gruppi apparentemente molto diversi per livello d'istruzione, estrazione sociale, e reddito.

A fronte di queste nuove tendenze, è maturata una coscienza più forte del ruolo svolto dalla redistribuzione, attraverso tassazione e programmi di previdenza sociale, che ha portato settori sempre più ampi della società civile ad apprezzare i valori di eguaglianza e giustizia sociale.

La crisi economica globale sembra dunque aver contribuito ad accrescere la sensibilità collettiva per la riduzione delle diseguaglianze, portando a un diffuso riconoscimento del collegamento tra redistribuzione dei redditi, spesa sociale e programmi di previdenza sociale.

Tuttavia, va scongiurato il rischio, tangibile, che una dipendenza sempre più forte, spesso esclusiva, da programmi pubblici centralizzati e impersonali, unita alla chiara percezione del declino economico di intere Regioni e settori industriali, contribuisca a diffondere un senso di rassegnazione e dipendenza. Finirebbe per crearsi una vera e propria "trappola assistenziale", che condannerebbe gli individui a rimanere nella povertà, vittime di una disoccupazione permanente e di esclusione sociale, minando nel contempo la sostenibilità di termine dei programmi di previdenza sociale che erodendo le basi di un'etica di lavoro, risparmio e coscienza sociale.

Inoltre, dato che i redditi da lavoro sono già pesantemente tassati e gravano sia sugli occupati che sulle imprese, un'ulteriore espansione della redistribuzione attraverso programmi pubblici non è realisticamente possibile, senza contare che redistribuzione e assistenza non producono, di per sé uguali opportunità.

Del resto, gli alti tassi di disoccupazione e l'invecchiamento della popolazione inducono, già oggi, un'ulteriore pressione all'innalzamento della pressione di imposte e contributi sociali sui redditi da lavoro.

Nel complesso, sono emersi nuovi divari e nuovi potenziali conflitti tra giovani e anziani, tra occupati e disoccupati, tra lavoratori altamente o poco qualificati, con una profonda divisione tra chi preme per un'ulteriore espansione della previdenza sociale pubblica e chi ne chiede il ridimensionamento.

In questo scenario complesso e frammentato, per procedere verso una società più equa dobbiamo ripensare i processi economici nel più ampio contesto di una comprensione della natura umana.

In questo quadro di riferimento, la persona umana è vista nella sua totalità come parte di una realtà relazionale complessa. Da questo punto di vista, l'inclinazione al dono e alla fraternità coesiste con la naturale aspirazione alla soddisfazione individuale ("Amerai il tuo prossimo come te stesso", *Matteo* 22,39). Ed ecco che ripensare l'economia significa, prima di ogni altra cosa, perseguire una comprensione aperta e realistica delle condizioni necessarie per promuovere iniziativa e crescita basata sull'innovazione, nonché una diagnosi coraggiosa della condizione di coloro che soffrono, o sono intrappolati nella spirale viziosa della povertà. Solo un ripensamento in questa direzione potrà condurre ad un insieme di nuove idee positive su sforzo individuale, risultati economici e natura della previdenza sociale, così che gruppi portatori di sensibilità e interessi diversi possano condividere una nuova visione della giustizia e praticare la solidarietà.

Lavoro e Virtù

Le asimmetrie di ricchezza e reddito sono prodotte da talento e ricchezza ereditati, non solo da differenze d'impegno e virtù.

Poiché sia la ricchezza che il talento sono ereditati, la meritocrazia di per sé non è il bene supremo, dato che il merito ricompensa gli individui anche per caratteristiche che hanno acquisito grazie alla fortuna di nascere in un data famiglia e/o in una data condizione sociale.

L'inclusione di chi è sfortunato diventa una priorità chiave: ciò vuol dire da un lato riconoscere la centralità del lavoro per l'uomo e, dall'altro, evitare il predominio di un'economia dell'esclusione, in cui la persona economicamente non produttiva è trattata come "rifiuto", come "scarto" (Papa Francesco).

Lavoro e virtù vanno riconosciuti come elementi costitutivi fondamentali dell'uomo e la redistribuzione delle risorse deve essere legata strettamente a responsabilità individuale e al tessuto delle relazioni interpersonali. È l'esercizio d'impegno e virtù, insieme alla reciprocità, che costituisce la chiave per "dare alla persona il senso che la vita è degna di essere vissuta con energia e farla sentire appagata" (Adrian Pabst)[2].

Contrapponendosi ai due estremi "individualismo del mercato" e "collettivismo dello stato" questa visione del solidarismo è basata sul lavoro quale elemento costitutivo della persona umana, sulla sussidiarietà attuata tramite la devoluzione del potere "al livello più appropriato compatibile con il progresso dell'umana società", su responsabilità e autogoverno.

Assistenza reciproca, sacrificio, specialmente a favore dei poveri, e solidarietà tra membri della comunità, siano essi individui o gruppi organizzati, possono sostenere e rafforzare il welfare assicurato dalle istituzioni pubbliche e basato sulla mutualizzazione di rischi e benefici. L'obiettivo, ambizioso e credibile, è quello di dar vita a un sistema che valorizzi lavoro, contributo alla società e presa di responsabilità.

Una solidarietà così concepita, aperta e dinamica, enfatizza l'importanza dell'autonomia e dell'impegno, promuoven-

[2] Adrian Pabst, "Prosperity and Justice For All: Why Solidarity and Fraternity are Key to an Efficient, Ethical Economy", relazione in occasione del Convegno Internazionale della Fondazione Centesimus Annus – Pro Pontifice *The good society and the future of jobs: Can solidarity and fraternity be part of business decisions?*, 8-10 maggio 2014.

do una cultura basata su virtù, responsabilità individuale, coraggio civico e impegno sociale. Presa di coscienza e attribuzione di responsabilità diventano i principi chiave, insieme a impegno e gratuità, per costruire fraternità e armonizzare dimensione individuale e dimensione sociale.

La Solidarietà richiede Visione e Istituzioni Specifiche

Questo concetto di responsabilità, comunità, vocazione, reciprocità e solidarietà dinamica[3] deve ispirare non soltanto il disegno dei nostri sistemi di welfare, ma anche l'impostazione della gestione d'impresa, allineando valori etici ed economici e promuovendo dinamiche virtuose e positive in termini di produttività, occupazione, commercio e finanza.

Per prima cosa, come da tradizione della Dottrina Sociale Cattolica, è necessario un equilibrio d'interessi e di rappresentanza, capace di promuovere un senso condiviso di appartenenza e una stabile atmosfera di collaborazione. Bisogna favorire la presa di responsabilità, un processo di crescita individuale che produca una cultura di virtù (contrapposta alla corruzione) e di generosità anche nella vita economica.

La *governance* societaria e le strutture proprietarie delle imprese possono, se opportunamente disegnate, essere di aiuto nel promuovere politiche di lungo termine che siano positive per la società nel suo insieme. Tuttavia, mettere l'impresa al servizio del bene comune non è primariamente questione di strutture legali, ma piuttosto un tratto che deve permeare tutte le decisioni imprenditoriali, dagli investimenti al disegno dei prodotti, dall'uso delle risorse alle strategie di vendita, dalla gestione del personale ai piani finanziari.

[3] Giovanni Marseguerra - Alberto Quadrio Curzio, "Introduzione: Lavoro, Responsabilità, Partecipazione", *Rethinking Solidarity for Employment: The Challenges of the Twenty-First Century*, Fondazione Centesimus Annus – Pro Pontifice, LEV, Città del Vaticano 2014, pp. 31-44.

Una politica imprenditoriale basata sull'idea di contribuire positivamente alla società è naturalmente compatibile con obiettivi di profitto e di remunerazione del capitale; se adottato seriamente – non come un esercizio di immagine – questo orientamento di base instilla un senso di contributo sociale in tutte le aree della gestione e influenza in profondità presente e futuro dell'impresa. Esso conduce inevitabilmente a una più forte partecipazione di tutti gli "stakeholders"; trasparenza e disponibilità a rispondere del proprio operato promuovono la creazione di valori condivisi, aumentano partecipazione, impegno e collaborazione, creando un senso di vicinanza e appartenenza.

Responsabilità reciproca, giusto compenso e trasparenza devono essere i principi guida fondamentali di un partenariato tra capitale e lavoro capace di creare fiducia e cooperazione.

Ancora una volta, è fondamentale il concetto di "vocazione": il lavoro è definito non solo da compensi e obblighi esteriori, ma anche da valori interiori che sono "radicati in una tradizione di pratica lavorativa". In questa prospettiva il lavoro non è solamente "compimento immediato di un incarico motivato dall'aspettativa di una ricompensa, ma anche il prodotto di valori interiori, qualcosa che è frutto del passato e orientata verso il futuro" (Maurice Glasman).

È importante qui ricordare alcuni suggerimenti pratici offerti da Maurice Glasman in occasione del convegno internazionale della Fondazione tenutosi nel 2013, ispirati da quanto egli ha osservato per i Paesi europei di lingua tedesca[4]:

a) Organizzare in modo sistematico le relazioni tra i vari portatori d'interesse nei consigli di amministrazione e all'interno degli altri organi societari

[4] Maurice Glasman, "Politics, Employment Policies and the Young Generation", *Rethinking Solidarity for Employment: the Challenges of the Twenty-First Century*, Fondazione Centesimus Annus – Pro Pontifice, LEV, Città del Vaticano 2014, pp. 255-270.

b) Investire sui giovani tramite scuole professionali e programmi d'inserimento nel mercato del lavoro, che servano a collegare conoscenza teorica e apprendistato tecnico.

c) Diffondere, anche grazie a specifiche agevolazioni fiscali e diminuendo i contributi previdenziali, programmi di apprendistato e d'inserimento sul lavoro per i giovani: i giovani vengono assunti con salari più bassi e sono affiancati da lavoratori più anziani, che possono offrire esperienza e formazione alla nuova generazione prima di ritirarsi in pensione.

d) Promuovere una cultura di salari equi, con città e regioni che adottino il principio guida di un "salario sufficiente a vivere", nel contempo realizzando un allineamento sistematico tra aumenti salariali e crescita della produttività.

e) Introdurre contratti di solidarietà: in un momento di crisi, datori di lavoro e lavoratori s'impegnano a condividere equamente una parte dei loro guadagni per consentire a tutti i membri della comunità di ricevere un salario e mantenere un rapporto di lungo termine con l'azienda.

f) Creare fondi pensione finanziariamente solidi, costituiti e gestiti congiuntamente da capitale e lavoro, così che le due componenti abbiano un interesse condiviso nel futuro a lungo termine del loro settore e della loro attività.

g) Sviluppare reti nazionali d'istituti finanziari locali, obbligati a concedere credito all'interno di date regioni, assicurando un più stabile accesso al credito alle piccole e medie imprese.

Tutte queste istituzioni devono sviluppare un etica di condotta forte e indipendente, specialmente grazie a regole e procedure finalizzate alla trasparenza, per prevenire la corruzione nei contatti con entità locali, regionali o in genere politiche. Grazie a questo tessuto istituzionale e di comunità, la prossimità geografica diventa valore etico.

Per affrontare le sfide poste da diseguaglianze, crescita senza occupazione e la crescente complessità dei sistemi economici e finanziari, nell'ambito del Convegno sono stati proposti alcuni principi e sottolineate alcune priorità.

1. In conformità a quanto affermato dalla tradizione della Dottrina Sociale Cattolica, virtù, vocazione, valore e lavoro sono elementi costitutivi della persona, che danno forma alla vita economica e influenzano l'evoluzione di soluzioni istituzionali nella nostra società. Solo persone, idee e valori possono mobilitare istituzioni intermedie, sostenendo impegno e solidarietà, e promuovere un atteggiamento morale positivo verso disoccupazione, esclusione e povertà, centrato sulla dignità della persona.

2. Questa visione antropologica postula un maggiore riconoscimento, sul piano istituzionale, di comunità, gruppi e associazioni. Sussidiarietà ed enti intermedi, distribuiti sul territorio, autogovernati e autonomi, possono armonizzare concetti, principi e interessi che sarebbero altrimenti in conflitto e in contraddizione: tradizione e innovazione, lavoro e capitale, partecipazione e responsabilità, stato e mercato, contratto e dono.

3. Lo sviluppo economico, frutto di imprenditorialità, responsabilità e innovazione, è la forza motrice fondamentale per ridurre la povertà innalzando il reddito pro capite nei paesi poveri. Una cultura di innovazione e rispetto per le idee nuove sono precondizioni chiave di qualsiasi modello di solidarietà dinamica. Come ampiamente dimostrato dalla storia della scienza, innovazione tecnologica, crescita economica e fede religiosa possono coesistere e progredire insieme, a dispetto di certa cultura secolarizzata.

4. La crescita economica genera, inevitabilmente, nuove asimmetrie, con vincitori e perdenti, se non altro a causa della disparità di compenso attribuito a idee nuove a seconda

che abbiano più o meno successo. Mentre è cruciale collegare diritti e aspettative individuali con obblighi e doveri, coloro che sono più sfortunati sono parte della nostra società e dobbiamo sviluppare un atteggiamento morale positivo nei confronti di disoccupazione, esclusione e povertà, "aiutandoli a soddisfare i loro bisogni e ad aiutare se stessi". Allo stesso tempo, è importante sviluppare una cultura del welfare che imponga delle condizioni: lavoro e formazione come condizioni per ricevere benefici devono accompagnarsi a contributi alla società.

5. In un sistema capitalistico sempre più interconnesso e globalizzato, la crescita economica in Paesi a basso-medio reddito induce maggiore disoccupazione e povertà per i lavoratori a bassa e media specializzazione nelle economie avanzate. La redistribuzione dei flussi di reddito è una componente essenziale dei sistemi di welfare contemporanei e l'architettura dei sistemi di tassazione dei redditi e contribuzione previdenziale produce conseguenze importanti sulla redistribuzione dei redditi. Tuttavia, welfare e solidarietà non dovrebbero essere concepiti come redistribuzione paternalistica e come dipendenza dal settore pubblico. Un'enfasi rinnovata sui principi di reciprocità e mutualità è ingrediente indispensabile di un welfare sostenibile, selettivo e solidale, capace di produrre modelli decentralizzati di aiuto reciproco e di combinare copertura universale con provvedimenti selettivi, locali e personalizzati.

6. Le istituzioni industriali e finanziarie dovrebbero puntare maggiormente su soluzioni concrete che producano comunità grazie a: inclusione e partecipazione di tutte le persone che lavorano nell'impresa o intorno ad essa; responsabilità relazionale; condivisione di rischi, responsabilità e compensi tra investitori e proprietà, azionisti e dirigenti, creditori e debitori, datori di lavoro e lavoratori, produttori e consumatori. Ne danno esempio molte imprese che grazie a contratti di solidarietà e sacrifici accettati da tutti sono riusci-

te a evitare il fallimento o ristrutturazioni particolarmente pesanti. Questa impostazione porta le imprese anche a ripensare la concorrenza in termini di equità e di capacità di produrre sforzi comuni.

7. Diseguaglianza e instabilità dei sistemi economici non devono essere amplificate da prodotti finanziari complessi e oscuri, che sono finalizzati esclusivamente a guadagni a breve, sottovalutano il rischio e gonfiano il debito. Per fornire una risposta concreta all'enorme pressione verso la centralizzazione, opacità e anonimità di sistemi e transazioni finanziarie, la costituzione di istituti finanziari espressione della comunità può sostenere iniziative che partono dal basso e diffondere imprenditorialità. Tuttavia, questi istituti devono potere contare su di una solida infrastruttura comune in grado di fornire finanziamenti, controllo e gestione dei rischi in conformità agli standard prevalenti. La Fondazione sta organizzando un incontro specifico sulla riforma della finanza che discuterà queste idee e questi temi in maggiore dettaglio.

8. Un quadro istituzionale democratico è essenziale per creare e mantenere le condizioni necessarie al raggiungimento degli obiettivi sopra citati. Cioè una distribuzione dei redditi equa, un sistema sociale ed economico che sia contemporaneamente inclusivo e dinamico e una società umana giusta.

MEDITAZIONE

S.E.R. Mons. Claudio Maria Celli

Sapete che Papa Francesco nelle sue omelie varie volte ha fatto riferimento alla Chiesa come ad un ospedale da campo, che si prende cura dell'uomo malato, dell'uomo con difficoltà nella vita. Appunto, in una di queste omelie, parlo del 20 o 22 ottobre 2013, il Papa approfondisce in maniera particolare questo concetto facendo riferimento a questo *infermiere* particolare che è Gesù e che si prende cura di ciascuno di noi.

Amici miei, credo ci faccia bene partire proprio da questo concetto. Normalmente quando vediamo problemi o quando analizziamo problemi o difficoltà, tendiamo sempre a pensare all'altro. È l'altro che ha questo problema, l'altro che deve cambiare, che deve correggersi, invece stamattina credo faccia bene a tutti noi, me compreso, cominciare a pensare che il Signore Gesù si prende cura di me, perché io ho bisogno di essere guarito.

Ognuno di noi conosce le difficoltà della propria vita, è consapevole di quali siano i problemi del suo camminare, è innegabile che di fronte ad una facciata rispettabile che tutti noi presentiamo di fronte agli altri, ciascuno di noi conosce ciò che porta nel proprio cuore e sa perfettamente come il Signore può intervenire nella sua vita.

Stamattina ho scelto come punto di riferimento biblico un tema legato al Vangelo di Luca, una parabola che tutti voi conoscete molto bene, Capitolo X, quella che chiamiamo la parabola del Buon Samaritano, la leggiamo insieme.

Quegli, volendo giustificarsi disse a Gesù: e chi è il mio prossimo? Gesù riprese: un uomo scendeva da Gerusalemme a Gerico e incappò nei briganti che lo spogliarono, lo percossero e poi se ne andarono, lasciandolo mezzo morto. Per caso

un sacerdote scendeva per quella medesima strada e quando lo vide passò oltre dall'altra parte. Anche un levita giunto in quel luogo lo vide e passò oltre. Invece un samaritano che era in viaggio, passandogli accanto lo vide e ne ebbe compassione, gli si fece vicino, gli lisciò le ferite versandovi olio e vino. Poi caricatolo sopra il suo giumento, lo portò ad una locanda e si prese cura di lui. Il giorno seguente estrasse due denari e li diede all'albergatore dicendo: abbi cura di lui e ciò che spenderai in più te lo rifonderò al mio ritorno.

Chi di questi tre ti sembra sia stato il prossimo di colui che è incappato nei briganti? Quegli rispose: chi ha avuto compassione di lui. Gesù gli disse: va e anche tu fa lo stesso.

Amici miei, credo che questa mattina, la parabola, la parola di Gesù è proprio rivolta a me, il Signore Gesù non mi invita solamente a fare dei bei pensieri, ma, se avete notato, la conclusione è: va e anche tu fa lo stesso. Ciò vuol dire che non è solamente un pensare, ma è un'azione, un fare qualche cosa.

Direi che il primo nostro punto di riferimento sia proprio qui. Papa Francesco mette in guardia tutti noi da quella che lui chiama "la globalizzazione dell'indifferenza" e tratteggia in maniera un poco forte questo nostro atteggiamento, dice: "diveniamo incapaci di provare compassione dinanzi al grido dolore degli altri, non piangiamo più davanti al dramma degli altri, né ci interessa curarci di loro, come se tutto fosse una responsabilità a noi estranea che non ci compete". Dà una forte stoccata, e noi potremmo reagire in maniera più o meno marcata, la cultura del benessere ci anestetizza.

Questa mattina tutti noi, specialmente voi in questi giorni, siete riuniti su una tematica delicatissima: società buona e futuro del lavoro, possono la solidarietà e la fraternità fare parte delle decisioni riguardanti il mondo degli affari? Io pensavo che, al di là e sottintese a questo nostro atteggiamento dobbiamo ritrovare delle motivazioni. Ecco il senso di questa meditazione di oggi. Ritrovare quelle motivazioni che mi aiutano a riscoprire una nuova prospettiva del mio essere in

mezzo agli altri, con un atteggiamento che cerca di essere vicinanza, attenzione, diventa prossimità.

Sempre Papa Francesco ci invita a dire no ad un'economia dell'esclusione e della disparità sociale, però la prima cosa che mi sembra importante sottolineare ancora una volta, è quanto diceva Papa Benedetto in quel suo magistrale documento Deus Caritas Est. All'inizio dell'essere cristiano non c'è una decisione etica o una grande idea, bensì l'incontro con un avvenimento, con una persona che dà alla vita un nuovo orizzonte e, con ciò, la direzione decisiva.

La domanda che sgorga spontanea e che devo pormi in questa nostra meditazione oggi, è: ma io l'ho incontrato? Noi potremmo fare bellissimi discorsi ed è già molto importante che ci ritroviamo per parlare in modo responsabile di queste prospettive. Però credo che la domanda ancora più profonda sia questa: ma io l'ho incontrato? Perché il mio rapporto non è con una grande idea. Quante volte parliamo di valori e di valori irrinunciabili. Certo, parliamo ancora di valori e di valori irrinunciabili, ma il tema di fondo più inquietante è, se io mi sono incontrato con questa persona, perché è lei che dà un orizzonte nuovo alla mia vita. E questa persona è capace di dare alla mia vita una direzione decisiva e diversa, perché se non c'è questo rapporto profondo con lui, c'è il momento in cui io mi domando: ma chi me lo fa fare? Vale veramente la pena che io mi impegni tanto, che io metta in gioco la mia vita? Questa domanda può trovare una risposta effettiva, concreta solo nella misura in cui io ho trovato e mi sono incontrato con questa persona, perché è lei che dà un senso diverso alla mia vita. È questa persona che dà un sapore diverso alla mia vita, che mi permette e mi aiuta ad effettuare dei gesti, ad assumere uno stile di vita che non è quello corrente.

Sempre Papa Francesco, nel suo primo documento che io chiamo programmatico, ci aiuta a riscoprire ancora oggi che il tema di fondo è che siamo di fronte ad una profonda crisi antropologica. Abbiamo parlato lungamente, specialmente

in questo ultimo decennio, di crisi finanziaria e crisi economica, ma quello che si manifesta veramente è una profonda crisi antropologica. E qui, ancora una volta, Papa Francesco ha parole forti che ha lasciato pensosi non pochi ambienti economici.

Ricordo determinate reazioni provenienti da ambienti particolari, il Papa parla di una dittatura di una economia senza volto e senza uno scopo veramente umano. Parla di ideologie che difendono l'autonomia assoluta dei mercati e la speculazione finanziaria. Com'è nel suo stile, fa riferimento ad un'etica che è vista di solito con un certo disprezzo beffardo. Noi stessi, se ci pensate bene, in determinati contesti abbiamo un certo pudore, se non addirittura una certa ritrosia a fare rilievi etici su determinati andamenti mondiali o anche nostri nazionali.

Oggigiorno in certi ambienti parlando di etica la si percepisce come una minaccia, perché condanna la manipolazione e la degradazione della persona. Parlare di etica significa riscoprire che c'è un Dio che attende una risposta impegnativa, che si pone al di fuori delle categorie del mercato.

Torniamo nuovamente a quella affermazione di Papa Benedetto XVI che all'inizio del nostro essere cristiani, non c'è una decisione etica o una grande idea, ma l'incontro con un avvenimento con una persona, con Lui. Certamente!

L'annuncio del Vangelo ha un contenuto ineludibilmente sociale. Alle volte abbiamo delle tentazioni verso un misticismo edulcorato, il Papa ci ricorda che l'annuncio del Vangelo ha un contenuto ineludibilmente sociale. Nel cuore stesso del Vangelo vi sono questa vita comunitaria e l'impegno per gli altri. Direi che riscopro giorno per giorno come il Dio in cui io credo non redime soltanto la singola persona, ma anche le relazioni sociali tra gli uomini.

Qui amo citare un testo, che trovo particolarmente bello, di San Giovanni Paolo II. Mi permetterete se in questo contesto parliamo di Spirito Santo, ma lo dobbiamo fare, alle volte dimentichiamo la ricchezza del messaggio di Gesù per noi.

Giovanni Paolo II, parliamo del 1991, dice così: "Lo Spirito Santo possiede un'inventiva infinita, propria della mente divina che sa provvedere e sciogliere i nodi delle vicende umane anche più complesse e impenetrabili.

Voi vi ritrovate qui per discutere di una tematica particolarmente delibata e attuale. Non vi sembri strano se in questo contesto invochiamo il dono dello Spirito. Lo ripeto, stamattina il mio intervento non è una lezione universitaria o di un esperto in economia, ma è una meditazione. Da discepolo di Gesù Cristo più o meno fedele. Ecco perché tutti noi abbiamo bisogno di questo infermiere, di questo ospedale, a cominciare da me, in questa meditazione io devo parlare anche di questo dono particolare dello spirito che ha una inventiva infinita.

Non vorrei che sorrideste, ma parlando ad imprenditori, a persone che sono nel mondo dell'impresa, o di una certa attività particolare, non mi domando se ci avevate mai pensato che lo Spirito Santo ha una inventiva infinita che sa provvedere e sciogliere i nodi delle vicende umane anche più complesse e impenetrabili.

Se mi permettete, lo dico sorridendo, un imprenditore dovrebbe avere una devozione particolare allo Spirito Santo. Ogni mattina che inizia la sua giornata dovrebbe domandare al Signore di illuminarlo perché: tu hai una inventiva infinita.

Parlavamo poco fa di globalizzazione dell'indifferenza, io aggiungerei che c'è un'assuefazione. Camminiamo tristi nella vita, non so quale dimestichezza abbiate con i testi evangelici, ma ce n'è uno che mi è particolarmente caro, quello dell'incontro di Gesù risorto con i due discepoli di Emmaus, che camminavano tristi. Noi stessi credo che molte volte sperimentiamo la stessa esperienza, e non sono le difficoltà proprie del lavoro. Ma il nostro cuore è triste, è il nostro cuore che non sa percepire questa presenza, questa vicinanza. C'è un'assuefazione.

Sapete che da qualche anno mi interesso di problematiche di comunicazione. Il Papa ci ha provocato, ricordo particolar-

mente quel suo discorso fatto in Brasile parlando ai vescovi brasiliani. Domandava in maniera inquietante: questa Chiesa di oggi è ancora in grado di scaldare il cuore dell'uomo? Se facessi una visita cardiologica al mio cuore, quale sarebbe la situazione del mio cuore in questo momento? È un cuore freddo o percepisce il senso di una vicinanza?

Ancora citando l'episodio dei due discepoli di Emmaus, quando Gesù si avvicina e comincia a parlare con loro, avete notato come i due reagiscano quando lo riconoscono? Uno dice all'altro: ma non ti sei reso conto come il nostro cuore ardeva mentre lui ci parlava? Io mi accorgo che nel cammino della vita il mio cuore si è appesantito, si è assuefatto, si è raffreddato. Papa Francesco ci domanda: ma la Chiesa di oggi è ancora in grado di scaldare il cuore dell'uomo? La domanda va ancora più in là: oggi, in questo secolo, questo Gesù che ho incontrato è ancora in grado di scaldare il mio cuore? C'è un'assuefazione che ci ha portato a perdere il senso della meraviglia, del fascino, l'entusiasmo di vivere il vangelo della fraternità e della giustizia. Dovremmo poco a poco recuperare questo valore.

Stamattina all'inizio del nostro incontro ho posto la parabola del Buon Samaritano, perché mi aiuta a scoprire che dobbiamo andare all'incontro. Papa Francesco, sempre in quel documento, dice: c'è una priorità assoluta dell'uscita da sé verso il fratello: anche tu fai lo stesso.

Allora il problema non è di percepire emozioni profonde, ma vedere se riesco a dare alla mia vita una dimensione diversa. Perché questa nostra risposta di "andare verso" non può essere solamente intessuta di piccoli gesti personali nei confronti di qualche individuo bisognoso. La proposta che dobbiamo ritrovare fra di noi è proprio quella del Regno di Dio. Si tratta di amare Dio che regna nel mondo e nella misura in cui egli riuscirà a regnare tra di noi, la vita sociale sarà uno spazio di fraternità, di giustizia, di pace, di dignità per tutti.

Allora la domanda immediata che sgorga è ancora questa: ma io sto cercando il Regno di Dio?

Poco fa abbiamo recitato il Padre Nostro; molte volte la nostra giornata comincia con la recita di questa preghiera, "venga il tuo Regno", lo domandiamo continuamente, ma nel mio cammino di vita sono veramente coinvolto nel cercare il Regno di Dio?

Volevo terminare solamente con un'ulteriore riflessione che mi sembra fondamentale, perché è ancora legata a ciò che dice il Vangelo, il secondo testo di riferimento di oggi. Ce lo riferisce Marco: *voi stessi date loro da mangiare.*

Dalla nostra fede in Cristo, ci dice Papa Francesco, in Cristo fattosi povero e sempre vicino ai poveri e agli esclusi deriva la preoccupazione per lo sviluppo integrale dei più abbandonati della società. Allora io comincio a scoprire che noi siamo gli strumenti di Dio per ascoltare il povero. Rimanere sordi a tale grido (dice Papa Francesco) significa porsi fuori dalla volontà di Dio e del suo progetto. Cercate il Regno di Dio. Voi stessi date loro da mangiare.

Ecco perché allora parliamo di una solidarietà che non è fatta solamente da un qualche atto sporadico. Momenti come questi che stiamo vivendo con questo convegno, sono importanti, sono momenti che creano una nuova mentalità, che aiutano a pensare in termini di comunità, di priorità della vita di tutti. Sottolineo la parola *tutti*, rispetto all'appropriazione dei beni di parte di alcuni. Date voi stessi loro da mangiare!

Stamattina concludiamo la nostra riflessione ancora una volta domandando a questo *infermiere* particolare che con le sue mani si prenda cura del mio cuore, si prenda cura della mia vita. Ma perché possa rendere il mio cuore capace di capire, di entrare in sintonia, che mi aiuti a camminare accanto agli altri uomini, in una dimensione di solidarietà comune. Solamente così noi troveremo, alla luce dello Spirito, con la sua inventiva infinita, quella capacità di poter dare delle risposte vere e concrete, che possano mettere ancora in risalto la tenerezza di Dio.

Stamattina siamo partiti proprio da questo, il riscoprire la tenerezza di Dio nella nostra vita, perché è solamente quando io mi sento amato, e amato profondamente, che posso compiere dei gesti, assumere uno stile di vita che può esprimere profondamente la circostanza che il mio Signore è nel mio cuore ed è questo Signore che mi aiuta ad amare come lui ama.

POVERTY AND DEVELOPMENT:
A CATHOLIC PERSPECTIVE

Convegno CAPP-USA and Fordham University

September 26-27, 2014 – New York City

PROGRAM CONFERENCE

September 26-27, 2014 – New York City

The CAPP/Fordham conference will bring together international specialists, authorities and professionals who will highlight poverty and development issues raised by Pope Francis, address their implications, and suggest specific responses/ways they might be realized.

Pope Francis has said: "*While encouraging the development of a better world, we cannot remain silent about the scandal of poverty in its various forms. Violence, exploitation, discrimination, marginalization, restrictive approaches to fundamental freedoms, whether of individuals or of groups*" (Pope Francis, *Message for the World Day of Migrants and Refugees [2014]*, 5 August 2013).

Also, "*[I]n order to achieve a just and lasting solution... it is not just a question of responding to immediate emergencies*". Rather, the solution requires "*an effort to ensure that an ever greater number of persons are economically independent*" (Pope Francis, *Message for World Food Day 2013*, 16 October 2013).

The conference will react to His Holiness' appeals to the international community to cooperate in creating a "*better world*". It will propose ways to respond to "*immediate emergencies*" as well as creating "*just and lasting solutions*".

Pope Francis is also quite clear that "*without fraternity it is impossible to build a just society and a solid and lasting peace*". He calls for "*weaving a fabric of fraternal relationships marked by reciprocity, forgiveness and complete self-giving, according to the breadth and the depth of the love of God offered to humanity*" (Pope Francis, *Message for the World Day of Peace, 1 January 2014*, 1 and 10).

Of special note: The outcomes, discussions and conclusions of this conference will be combined with those of FCAPP's May Conference and an October meeting in Dublin into a paper for presentation and discussion with Pope Francis and circulated to universities, economic organizations and research centers.

September 26th

12.00 Welcome and introduction
Moderator: Prof. Melissa Labonte

12.15 Exposition of the Catholic view: "Issues of immediate relief, lasting development and the need for solidarity"
Archbishop Silvano Maria Tomasi, C.S.

13. 15 Introduction to: Examination of "Responding to immediate emergencies"
Cardinal Theodore McCarrick

13.45 The "Obligation to Intervene"
General Roméo Dallaire

14.45 Break

15.00 Relief/Development Efforts – Perspectives from Haiti
Cardinal Chibly Langlois

16.00 The suffering and hope of a terrorized Community
Metropolitan Jean-Clément Jeanbart

EVE - Dinner Event
***Speaker*: His Eminence Pietro Cardinal Parolin**

September 27th

08.00 Holy Mass for the Feast of Sr. Vincent de Paul

09.15 Immigration: Overcoming its Negative Effects and Maximizing "its positive influence on the communities of origin, transit and destination"
Reverend Richard Ryscavage, S.J.

10.30 Break

11.00 "Just and lasting solution(s)... to ensure that an ever greater number of persons are economically independent." A Catholic view of Development: Structural Issues
Prof. Paolo G. Carozza

12.00 Lunch

13.00 "Just and lasting solution(s)... to ensure that an ever greater number of persons are economically independent." A Catholic view of Development: Insights of economists
Dr. Henry Schwalbenberg

14.30 Panel: speakers will respond to moderator and audience questions

15.30 Break

15.45 Meditation: "What is radical Solidarity (without which 'it is impossible to build a just society and a solid and lasting peace')?"

16.15 Rapporteur

17.00 Conclusion

SPEAKERS

Professor Paolo G. Carozza
Director, Helen Kellogg Institute for International Studies; Director, JSD Program in International Human Rights Law; Concurrent Professor of Political Science, Notre Dame University

General Roméo Dallaire
Founder of The Roméo Dallaire Child Soldiers Initiative. Former Canadian Senator and Senior Fellow at the "Montreal Institute for Genocide and Human Rights Studies" and Co-Director of the "Will to Intervene Project". Retired Canadian General and UN Force Commander during the Rwandan Hutu-Tutsi genocide

Metropolitan Jean-Clément Jeanbart
Archbishop of Aleppo (Syria) (Melkite Greek Catholic Church)

Prof. Melissa Labonte
Associate Professor of Political Science at Fordham University

His Eminence Chibly Cardinal Langlois
Bishop of Les Cayes (Haiti)

His Eminence Theodore Cardinal McCarrick
Archbishop Emeritus of Washington

His Eminence Pietro Cardinal Parolin
Secretary of State, Holy See

The Reverend Father Richard Ryscavage, S.J.
Director, Center for Faith and Public Life, Fairfield University; Past Vatican representative to the UN's "High Level Dialogue on Migration"; National Director, Jesuit Refugee Service; Executive Director, USCCB's Office of Migration and Refugee Services

Dr. Henry Schwalbenberg
Director, Graduate Program in International Political Economy and Development, Fordham University

The Most Reverend Archbishop Silvano Maria Tomasi, C.S.
Nuncio to UN Organizations in Geneva; Past Nuncio to Ethiopia, Eretria and Djibouti and Secretary of the Pontifical Council for the Pastoral Care of Migrants, Itinerant People

GENERAL INFORMATION

Conference Venue: Fordham University - E. Gerald Corrigan Conference Center Lowenstein Building - 12th floor 113 West 60th Street (corner 60th St. and Columbus Ave) New York, NY 10023

Dinner Eve: Inside Park at St. Bart's - 325 Park Ave, New York, NY 10022

Holy Mass: Chapel of Blessed Rubert Mayer, S.J. - Lowenstein Building 2nd Floor Fordham University. 113 West 60th Street (corner 60th St. and Columbus Ave) New York, NY 10023

ADDRESS
OF HIS EMINENCE SECRETARY OF VATICAN STATE TO THE PARTICIPANTS TO THE CONFERENCE

His Eminence Pietro Parolin

Father McShane, President of Fordham University, Professor Schwalbenberg, Director of the "Graduate Program in International Political Economy and Development", Distinguished Faculty Members, Ladies and Gentlemen,

I am deeply grateful to the administration of Fordham University and the Centesimus Annus Pro Pontifice Foundation, for inviting me here and for providing this opportunity to address you at this "Dinner Event", in the course of your conference entitled "Poverty and Development: A Catholic Perspective", as you seek to deepen your understanding of the Social Doctrine of the Church in light of the recent teachings of His Holiness Pope Francis.

The themes of this conference – peace and the protection of peoples, on the one hand, and human and economic development, on the other – are two very important issues. They form a significant part of recent Papal Magisterium, as well as of the Holy See's international activity, and are particularly important to Pope Francis. This evening, I would like to propose some considerations, looking first at the issues of peace, legitimate defense and the international juridical institute known as "the responsibility to protect", and then turning to the question of development, revisiting the latest teachings of the Holy Father.

Not so long ago, Pope Francis recalled that if "there is a right to stop an unjust aggressor", the means by which this is done must be properly evaluated. For such a reason,

"after the Second World War, there was the idea of the United Nations". The words of the Holy Father encapsulate the Church's teaching on legitimate defense, including her position on the "responsibility to protect". Today, the preservation of peace and the international responsibility to protect populations from war and from all types of aggression is a duty that has shifted from individual states and has been entrusted to the international Community. The developing phenomenon of international terrorism, utterly new in some of its expressions, methods of action and objectives, must become the occasion for a deeper study of the international juridical framework and serve as an opportunity to strengthen multilateralism.

I would like, therefore, to share my reflections with you in the context of ethics and fundamental law. The first question that we are faced with, viewed in the light of international law, is whether the phenomenon of the terrorism carried out by the IS (Islamic State), as well as other similar cases, reveal lacunae in the norms of the United Nations, which could be used to justify unilateral military action and which could give rise to supplementary norms authorizing, ex post facto, these very unilateral measures. It needs to be said, however, that norms regulating "legitimate defense" and possible humanitarian intervention have long existed and that the mechanisms of the United Nations for preventing war, stopping aggressors, protecting populations and providing help to victims, are an integral part of such norms. What is needed here is to identify a way to apply these norms effectively.

Furthermore, one must not forget that the attacks of 11 September 2001 accelerated the process, which was already underway, of defining and developing the legal instruments needed to combat and prevent international terrorism, by updating various conventions and concluding new international instruments. The principal international conventions against terrorism, trafficking of arms and drugs, money laundering and organized crime, were ratified by almost all of the

United Nations member states. As a result of this process, the General Assembly of the United Nations, the Secretary General and the Security Council developed a new corpus of norms which have produced many positive results in the fight against terrorism in accordance with international law.

Today all necessary juridical elements for fighting terrorism and for protecting populations are established. The conditions required for legitimate defense are outlined in the Catechism of the Catholic Church and the norms of the United Nations Charter for the prevention and resolution of conflicts. In addition, they are contained in the articulated regulations against terrorism developed in recent decades, the Geneva Conventions for the protection of victims of war as well as the United Nations' developments on the "responsibility to protect"; the latter express the consequences of natural law even though they have not yet been formulated into a positive norm. Prescinding a priori from this *corpus iuris* would mean combating illegality with illegal means.

The Holy See thus maintains that only by respecting the international legal framework the international community will be able to confront this new set of circumstances. In fact, the present world order is formed by a group of sovereign states, juridically organized in a solemn alliance, which was created, above all, to avoid war and to sustain a mechanism for collective security. One of the foundational pillars of this alliance is adherence to the principle that every act of war not sanctioned by the United Nations is illegitimate.

The general principle, therefore, is that the use of force is sanctioned for states within their own jurisdictions, and always governed by the rule of law, the respect for human rights and for the humanitarian law contained in the Geneva Conventions. The only exception for using force beyond one's frontiers is the natural right of self-defense, as outlined in Article 51 of the United Nations Charter. On the other hand, we observe that the new forms of terrorism exceed the operational capacity of the security forces of any single state and

require the combined force of many countries in order to guarantee the defense of unarmed peoples. Since, however, no juridical norm justifies a unilateral policing action outside one's frontiers, every action against terrorism which takes place beyond a country's borders requires not only the free consent of the state concerned in which that force will be used, but also the authorization of the Security Council. This is because there exists at least the potential risk of not respecting the sovereignty of the state concerned. The present situation, therefore, for all its gravity, is an occasion for the member states of the United Nations to actualize the spirit of the UN Charter, reforming, with the consensus of all, the norms and pertinent mechanisms, where necessary.

Turning now to the question of development, which you will be discussing more in-depth tomorrow, I would like to refer to two recent statements of Pope Francis, which offer some fundamental considerations concerning economic activity and reflect the continuity of the Social Teaching of the Church. I am referring to his Message to the World Economic Forum of 17 January 2014, and his Address to the United Nations System Chief Executives Board for Coordination of 9 May 2014.

In the first of these, primarily addressed to heads of multinational corporations, the Holy Father recognized the important role that modern entrepreneurship plays in the technical and scientific progress of humanity by "stimulating and developing the immense resources of human intelligence". Expressing his confidence in the abilities of the business world, the Holy Father also reiterated the importance of economic activity, conducted by "men and women of great personal honesty and integrity, whose work is inspired and guided by high ideals of fairness, generosity and concern for the authentic development of the human family". He stated that economic activity, understood in this way, should contribute to integral human development for everyone so that "humanity is served by wealth and not ruled by it". In other

words, while acknowledging the legitimacy of a strong private sector and the advantages which derive from it, there must also be the firm commitment to ensure that private enterprise strives for the common good. Thus, in every business activity, the personal and social virtues of honesty, integrity, fair-mindedness, generosity and concern for others should prevail over the maximization of profits.

The second discourse which I wish to refer to is the Holy Father's address to the United Nations System Chief Executives Board for Coordination. In it, His Holiness recalled that "the gaze, often silent, of that part of the human family which is cast off, left behind, ought to awaken the conscience of political and economic agents and lead them to generous and courageous decisions […] at the service of men and women". In continuity with the teachings of Benedict XVI in *Caritas in Veritate* (Nos. 6, 24-40, et al.) and in keeping with the teachings of Saint John Paul II in *Sollicitudo Rei Socialis* (Nos. 42-43) and *Centesimus Annus* (43), Pope Francis affirms the necessity of harmonious collaboration among all social forces (business men and women, governments, civil society), with each one committed, according to their area of expertise and responsibility, to the pursuit of the common good. To this end, everyone should "work together in promoting a true, worldwide ethical mobilization which, beyond all differences of religious or political convictions, will spread and put into practice a shared ideal of fraternity and solidarity, especially with regard to the poorest and those most excluded".

We see, moreover, that the subsidiary function of the state and of international organizations is also indispensable in achieving the common good. It must, however, be harmonized with the combined efforts of society so that public and private actors may be supported in living out the cardinal virtues of prudence, justice, fortitude and temperance, and foster a worldwide mobilization of resources in favor of the poorest and marginalized. The moral value and effectiveness of economic systems are not products of a priori ideological

definitions. They are, rather, the result of the lifestyles of different economic actors, such as simple workers, politicians, business men and women, and civic personnel, who reveal true dedication and responsibility.

I encourage you, therefore to continue deepening your understanding of the Church's Social Doctrine, so that you may define the new challenges of today in its light, with the knowledge that your study and research, rooted in the Magisterium and Tradition, will offer a new and significant contribution not only to the life of the Church, but also to all of humanity.

I thank you once again for your kind welcome and hospitality, and I assure you of my prayers for your work.

INDIRIZZO DI SALUTO DI SUA EMINENZA SEGRETARIO DI STATO VATICANO AI PARTECIPANTI ALLA CONFERENZA

S. Em.za Rev.ma Pietro Parolin

Padre McShane, Presidente della Fordham University, Professor Schwalbenberg, Direttore del "Graduate Program in International Political Economy and Development", Chiarissimi Docenti, Signore e Signori,

Sono profondamente grato all'amministrazione della Fordham University ed alla Fondazione Centesimus Annus – Pro Pontifice, di avermi invitato qui ed avermi offerto l'opportunità di parlarvi questa sera durante lo svolgimento del convegno su "Poverty and Development. A Catholic Perspective" (*Povertà e Sviluppo in una prospettiva cattolica*) dedicato ad approfondire la vostra comprensione della Dottrina Sociale della Chiesa alla luce dei recenti insegnamenti di Sua Santità Papa Francesco.

I temi di questo convegno – pace e protezione delle popolazioni da un lato e sviluppo umano ed economico dall'altro – toccano due questioni molto importanti. Formano una parte significativa del recente Magistero Papale, nonché dell'attività internazionale della Santa Sede, e stanno particolarmente a cuore a Papa Francesco. Questa sera vorrei proporVi alcune considerazioni riguardanti in primo luogo i temi della pace, della legittima difesa e dell'istituto giuridico internazionale noto come "responsabilità di proteggere" e in un secondo momento quelli dello sviluppo, rivisitando i più recenti insegnamenti del Santo Padre.

Non molto tempo fa Papa Francesco ha ricordato che mentre "esiste un diritto a fermare un ingiusto aggressore" i mezzi con cui lo si fa devono essere valutati attentamente.

Per questo motivo "dopo la Seconda Guerra mondiale è nata l'idea delle Nazioni Unite". Le parole del Santo Padre riassumono gli insegnamenti della Chiesa in materia di legittima difesa, compresa la sua posizione in merito alla "responsabilità di proteggere". Oggi la protezione della pace e la responsabilità internazionale di proteggere le popolazioni dalla guerra e da tutti i tipi di aggressione sono un dovere che non viene più demandato ai singoli stati ma affidato alla Comunità internazionale. Il fenomeno sempre più frequente del terrorismo internazionale, completamente nuovo in alcune delle sue espressioni, metodi di azione e obiettivi, deve diventare l'occasione per uno studio approfondito del quadro giuridico internazionale e offrire l'opportunità di rinforzare il multilateralismo.

Vorrei quindi condividere con voi alcune riflessioni in un contesto di etica e legge fondamentale. La prima questione che ci troviamo ad affrontare, alla luce della legge internazionale, è se il fenomeno del terrorismo esercitato dall'ISIS (Stato Islamico), e altri casi simili, riveli lacune nelle norme delle Nazioni Unite che potrebbero essere usate per giustificare un'azione militare unilaterale e portare all'introduzione di norme supplementari che autorizzino, *ex post*, queste stesse misure unilaterali. Bisogna però tener presente che esistono da tempo norme in materia di "legittima difesa" e possibili interventi umanitari e che i meccanismi delle Nazioni Unite per prevenire guerre, fermare aggressori, proteggere popolazioni e fornire aiuti alle vittime sono parte integrale di queste norme. Quello che bisogna fare è identificare un modo di mettere in pratica queste norme in modo efficace.

Inoltre non dobbiamo dimenticare che gli attacchi dell'11 settembre 2001 hanno accelerato il processo, già in atto, teso a definire e sviluppare gli strumenti legali necessari per combattere e prevenire il terrorismo internazionale aggiornando convenzioni in essere e introducendo nuovi strumenti internazionali. Le principali convenzioni internazionali contro terrorismo, traffico di armi e droghe, riciclaggio e crimine

organizzato sono state ratificate da quasi tutti gli stati membri delle Nazioni Unite. L'Assemblea Generale delle Nazioni Unite, il Segretario Generale e il Consiglio di Sicurezza hanno quindi elaborato un nuovo corpus di norme che hanno prodotto molti risultati positivi nella lotta contro il terrorismo condotta secondo i dettati della legge internazionale.

Oggi tutti gli elementi giuridici necessari per combattere il terrorismo e proteggere le popolazioni sono a nostra disposizione. Le condizioni che giustificano la legittima difesa sono enunciate nel Catechismo della Chiesa Cattolica e nelle norme dello Statuto delle Nazioni Unite per la prevenzione e risoluzione dei conflitti. Sono inoltre incluse nelle dettagliate regolamentazioni contro il terrorismo elaborate nelle ultime decadi, nelle Convenzioni di Ginevra per la protezione delle vittime di guerre nonché nell'enunciato delle Nazioni Unite in merito alla "responsabilità di proteggere"; espressione quest'ultimo della legge naturale, anche se non ancora formulato in veste di norma vera e propria. Prescindere a priori da questo *corpus iuris* vorrebbe dire combattere l'illegalità con mezzi illegali.

Quindi la Santa Sede sostiene che solo rispettando il quadro giuridico internazionale la comunità internazionale sarà in grado di confrontare questo nuovo insieme di circostanze. Infatti l'attuale ordine mondiale è formato da un gruppo di stati sovrani, organizzati giuridicamente in una solenne alleanza creata con l'obiettivo primario di prevenire le guerre e sostenere un meccanismo di sicurezza collettiva. Uno dei pilastri fondamentali di questa alleanza è l'osservanza del principio che ogni atto di guerra non sanzionato dalle Nazioni Unite è illegittimo.

Ne consegue il principio generale che l'uso della forza da parte degli stati è consentito solo all'interno del loro territorio e sempre nel rispetto delle leggi, dei diritti umani e della legge umanitaria inclusa nelle Convenzioni di Ginevra. L'unico caso in cui è consentito l'uso della forza al di fuori delle proprie frontiere è quando è in gioco il diritto naturale di autodi-

fesa enunciato all'Art. 51 dello Statuto delle Nazioni Unite. D'altra parte abbiamo constatato che le nuove forme di terrorismo sono più forti delle capacità operative delle forze di sicurezza di un singolo stato e che per offrire protezione a popolazioni disarmate è necessaria la forza congiunta di molti paesi. Ma poiché non vi è alcuna norma giuridica che giustifichi una azione unilaterale fuori dalle proprie frontiere, qualsiasi intervento contro il terrorismo condotto al di fuori delle frontiere di un paese richiede non solo il libero consenso della stato in cui tale intervento viene posto in atto ma anche l'autorizzazione del Consiglio di Sicurezza. Questo perché esiste il rischio, almeno potenziale, che non venga rispettata la sovranità della stato interessato. La situazione attuale, con tutta la sua gravità, è un occasione per gli stati membri delle Nazioni Unite di mettere in pratica lo spirito delle statuto delle Nazioni Unite, modificandone con il consenso di tutti, ove necessario, norme e meccanismi.

Guardiamo ora al tema dello sviluppo, che discuterete più in profondità domani. Vorrei porre alla Vostra attenzione due recenti dichiarazioni di Papa Francesco, che offrono alcune considerazioni fondamentali sull'attività economica e riflettono la continuità degli Insegnamenti Sociali della Chiesa. Mi riferisco al Messaggio al World Economic Forum del 17 gennaio 2014 e al discorso rivolto ai Membri del Consiglio dei Capi Esecutivi per il Coordinamento delle Nazioni Unite il 9 maggio 2014.

Nel primo intervento, rivolto soprattutto ai dirigenti di multinazionali, il Santo Padre ha riconosciuto l'importante contributo che il moderno imprenditore dà al progresso tecnico e scientifico dell'umanità "stimolando e sviluppando le immense risorse dell'intelligenza umana". Esprimendo la sua fiducia nelle capacità del mondo dell'impresa, il Santo Padre ha anche reiterato l'importanza dell'attività economica condotta da "uomini e donne di grande onestà e integrità personale, il cui lavoro è ispirato e guidato da alti ideali di giustizia, generosità e preoccupazione per l'autentico sviluppo della

famiglia umana". Ha sottolineato che l'attività economica, così concepita, dovrebbe contribuire ad un vero sviluppo della persona umana, esteso a tutti, in modo che "l'umanità venga servita e non dominata dalla ricchezza". In altre parole, pur riconoscendo la legittimità di un forte settore privato e i benefici che ne derivano, ha sottolineato che ci deve anche essere un fermo impegno dei privati ad adoperarsi per il bene comune. Quindi in ogni forma di attività economica le virtù personali e sociali di onestà, integrità, imparzialità, generosità e preoccupazione per l'altro dovrebbero prevalere sulla massimizzazione del profitto.

Il secondo discorso a cui mi riferisco è quello indirizzato ai Membri del Consiglio dei Capi Esecutivi per il Coordinamento delle Nazioni Unite. Qui Sua Santità ha ricordato che "lo sguardo, spesso senza voce, di quella parte di umanità scartata, lasciata alle spalle, deve smuovere la coscienza degli operatori politici ed economici e portare a scelte generose e coraggiose... al servizio di uomini e donne". In continuità con gli insegnamenti di Benedetto XVI nell'Enciclica *Caritas in Veritate* (24-40) e di San Giovanni Paolo II nelle Encicliche *Sollicitudo Rei Socialis* (42-43) e *Centesimus Annus* (43), Papa Francesco afferma la necessità di una collaborazione armoniosa tra tutte le forze sociali (imprenditori e imprenditrici, governi, società civile) in cui ciascuna di esse, a seconda del proprio campo di esperienza e responsabilità, si impegna al perseguimento del bene comune. A questo fine tutti dovrebbero "promuovere insieme una vera mobilitazione etica mondiale che, al di là di ogni differenza di credo o di opinione politica, diffonda e applichi un ideale comune di fraternità e di solidarietà, specialmente verso i più poveri e gli esclusi".

Il ruolo sussidiario dello stato e delle organizzazioni internazionali è anch'esso indispensabile al raggiungimento del bene comune. Deve però essere svolto in armonia con gli sforzi combinati della società in modo che agenti pubblici e privati siano aiutati a vivere le virtù cardinali di prudenza, giustizia, fortezza e temperanza e a promuovere una mobiliz-

zazione globale di risorse in favore dei più poveri ed emarginati. Il valore morale e l'efficacia dei sistemi economici non sono il prodotto di definizioni ideologiche a priori. Sono piuttosto il risultato del modo di vivere dei vari agenti economici – cioè semplici lavoratori, politici, imprenditori e imprenditrici, dipendenti del settore pubblico – che danno prova di vera dedizione e senso di responsabilità.

Perciò vi incoraggio a continuare ad approfondire la vostra conoscenza della Dottrina Sociale della Chiesa, in modo che possiate definire le sfide attuali alla luce dei suoi insegnamenti, consci che questo studio e questa ricerca, le cui radici affondano nel Magistero e nella Tradizione, offriranno un nuovo e significativo contributo non solo alla vita della Chiesa ma a tutta l'umanità.

Nel rinnovare il mio ringraziamento per il Vostro gentile invito e la Vostra ospitalità Vi assicuro le mie preghiere per il Vostro lavoro.

ISSUES OF IMMEDIATE RELIEF, LASTING DEVELOPMENT AND THE NEED FOR SOLIDARITY

His Excellency Msgr. Silvano M. Tomasi

1. Introduction: current crisis – 2. The MDG overview and limits – 3. New vision for a Post-2015 Development Agenda – 4. Immediate Relief – 5. A new framework based on the Social Doctrine of the Church

I am grateful to the CAPP-USA and Fordham University's Graduate Program in International Political Economy and Development for inviting me to contribute to the Conference on *Poverty and Development: A Catholic Perspective*. It is particularly a great honour and pleasure for me to return to the school where I received my Sociology Doctorate.

1. Introduction: persistence of inequality

In a moment in which the United Nations' post-2015 development agenda is taking shape, this Conference timely points out a theme that is at the core of discussions in the international arena: immediate relief for the poor, comprehensive and sustainable development and the need for solidarity.

In 2000, governments signed the Millennium Declaration and committed their nations to a new global partnership to reduce extreme poverty. The declaration also set out a series of time-bound targets. Since then, our world has undergone 'seismic' changes. Pope Francis speaks of epochal change set in motion by advances occurring in the sciences and in technology.[1] Many countries have experienced remarkable

[1] Pope Francis, *Evangelium Gaudium*, 52.

growth rates; scientific and technological advances have begun to transform lives; increased global financial integration and new trade agreements as well social movements such as the Arab Spring have prompted unforeseen political change. But inequality has worsened[2] within many developed countries and between the developed and developing countries. In both situations, developed and developing, there is an increasing gap between persons at the extremes of income distribution. We continue have stretched our natural bioregions and systems to their limits and to the point of doing irreparable damage to the earth. Our economies have been disrupted and destabilized as a result of one of the worst financial crises in nearly a century.

Francois Bourguignon, Director of the Paris School of Economics, has shown that inequality in the world is back to where it was a century ago. He says: "These worrying trends [on inequality] raise questions about the inclusiveness of growth and call for a re-examination of economic structures and growth models that contribute to skewing growth in favour of certain segments of societies or geographical areas and perpetuating inequalities"[3].

The world economy is just beginning to escape the growth doldrums in which it has been marooned for the past five years. Growth in the world economy has been experiencing a modest improvement in 2014, although it is predicted to remain significantly below its pre-crisis highs. There is a growing danger that this state of affairs is becoming accepted as

[2] Apostolic Nuncio – Permanent Observer of the Holy See to the United Nations and Other International Organizations in Geneva Bourguignon, 2013. The Globalisation of Inequality. Lecture at the European University Institute, Max.

[3] Weber Programme www.cadmus.eui.eu/bitstream/handle/1814/26496/MWP_LS_2013_02.pdf?sequence=1 Cf. Pope Francis, *Apostolic Exhortation Evangelii Gaudium: The Joy of the Gospel* (Washington: United States Catholic Conference, 2013), No. 59, 60. Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, MA: Belknap Press, 2014).

the "new normal", especially as it relates to job creation and wage growth. Policymakers everywhere, but particularly in systemically important economies and at international financial institutions, need to work collaboratively to assess current approaches and proposals, pay closer attention to signs of inclement economic weather ahead and work across multiple jurisdictions and through regional and collaborative bodies like the G20 and the Financial Stability Board.

As already highlighted by different scholars, a kind of blindness to the risks and dangers that were introduced into the financial system through the products, services and shadow banking practices that prevailed during the pre-crisis years of 'roaring' financial globalisation, by those institutions and practitioners who were at the heart of the global financial system was pervasive. This blindness to the mounting risks ignored long standing ethical and moral principles, trivialized the wisdom enshrine in the precautionary principle and allowed hubris and greed to proliferate. Regulatory mechanisms, due to rampant ideological deregulation and the inability of the public sector to adapt to an increasingly complex globalised financial system, proved inadequate, ineffective and compromised; they failed to either anticipate or recognize the forthcoming over-leveraged risk-taking, pervasive in the financial system and throughout the economy.

Abundant, available, and relatively cheap credit made it possible to weaken financial discipline and postpone otherwise necessary adjustments to future "better times". Financial markets came to disregard capital adequacy rules and welcome excessive leverage in the name of risk-taking and the hope for future returns. This was magnified by the conscious decision of many to self-interestedly manipulate the irrational packaging of debt that was too readily ratified by an over eager rating system. All this may explain both the short-term successes in the pursuit of wealth and the depth of the crisis that resulted.

But the problems go beyond any technical solutions which may be proposed to address these dysfunctions. As Pope Francis has observed, the financial crisis "makes us forget that its ultimate origin is to be found in a profound human crisis. In the denial of the primacy of human beings! We have created new idols. The worship of the golden calf of old has found a new and heartless image in the cult of money and the dictatorship of an economy which is faceless and lacking any truly humane goal."[4]

Over the last 15 years, the condition of many people living in poverty or near poverty has deteriorated as a result of processes that have displaced their livelihoods, severely impairing their ability to make a decent living. These processes include environmental degradation, violent conflict, forced resettlement, rapid fluctuations in the prices of commodities and agricultural products, stranded resources and natural disasters impacted by climate change, cyclical political and economic crises. The loss of benefits like insurance and pensions formally associated with employment in the developed world has further magnified the uncertainty and precariousness now faced by the middle class. In our globally interconnected world, people living in poverty are keenly aware from their exposure to mass and social media that their wellbeing is often determined by decisions of leaders and policy makers they have little opportunity to influence.

Such an individualistic economic ideology, "an economy of exclusion and inequality" (EG, 53), is anchored on a "belief" in the natural selfishness of human beings and the automatic ability of a free market, unhindered by regulations, to generate increased efficiency and aggregate growth. This ideology describes the future not in terms of uncertainty but in terms of risk based on probability. The consequences of any

[4] Pope Francis, *Evangelii Gaudium*, No. 55.

action may be rationally assessed, and all come down to utility maximisation. We have learned through the crisis that in real life the future is unknown; it is often shaped by actions based on incomplete or deliberately false information and even irresponsible speculation, which often produce unintended and unexpected consequences. Within this context, moral integrity and enlightened regulation and the precautionary principle must be the compass for decisions that will impact the lives of millions especially those living in poverty. When the consequences of specific decisions and actions are uncertain, reason demands that moral and prudential criteria be included in the regulatory process.[5]

In addition the financial crisis exposed the inherent weakness in a regulatory framework where individual sovereign nations or small groups of powerful nations, like the G20, expect to govern and regulate the globally integrated financial system without the participation of representatives from the Global South and from more vulnerable economies. A thorough examination and reform of the system that takes into account the structural and ideological barriers that fail to consider the needs of developing countries and communities must include all stakeholders and adopt an inclusive agenda. This agenda must specifically include an analysis of the role and purpose of globally systemic important financial institutions and if it is to achieve long term successful outcomes must take place at higher levels of authority.[6] The progress achieved by focusing the specific 2000 MDG has not yet overcome the causes that enlarge the gap of inequality and produce too many "leftovers" (EG, 53).

[5] Pope Benedict XVI, ***???????????***, No. 37.

[6] Cf. Benedict XVI, *Encyclical Letter, Caritas in Veritate: Charity in Truth* (Washington: United States Catholic Conference, 2009), No. 67.

2. A quick overview of the MDGs

In this current economic situation, despite progress on some issues, such as on eradicating extreme poverty, ensuring access to water, and tackling HIV/AIDS, the international community will fail to reach several of the Millennium Development Goals. In the face of the threats from climate change and the Ebola virus, greater competition for natural resources and uncertain economic times, the scale of the challenge now calls for a different approach — one that tackles the structural causes of poverty and environmental degradation rather than merely the symptoms; one that reflects a rapidly changing geopolitical landscape; and one that can respond to an uncertain future.

There is wide consensus that the MDGs have provided a unity of purpose. They put poverty firmly on the international agenda. There has been a global attempt to deliver coordinated development across issues of water, sanitation, health, education, gender and the environment. The MDG framework, based on a set of concrete goals and predominantly quantifiable targets, has been relatively simple and straightforward to understand, making it relatively easy to monitor progress. As such, the MDGs have become an advocacy tool with which to shape national development policies. The process has generated a huge amount of data to share across numerous constituencies while identifying important trends and emerging issues. And they are widely credited with dramatically increasing development aid funding at the beginning of the 21st century through their role in raising public and political support for global poverty reduction.

But the MDGs have had a hard time meeting the needs of the poorest people. Many organisations stress that the MDGs are an 'end and not a means' and that the process provided little guidance on how the goals could be achieved. The targets and indicators were formulated by international financial institutions and the governments of developed countries with

not enough sensitivity, consultation or negotiation between and within countries.

Finally, some institutions and strategies like the World Bank and the International Monetary Fund's Poverty Reduction Strategy Papers (PRSPs) relied too readily on a 'one size fits all' approach, which required low-income countries to set "rigid national policy agendas" that followed international benchmarks in order to qualify for international aid, rather than taking into account local conditions, and thereby "often ignoring the complexities of the development process".

3. The post-2015 process: a new vision inspired by the common good

The 2015 General Assembly deadline and the ongoing negotiation of the Sustainable Development Goals must be seen by people of good will as the best opportunity to bring the learnings from the MDG's experience to set clear and sustainable goals for the next 15 years and adopt a firm commitment to action on these goals. It is an opportunity to rediscover how creative and effective multilateral and multi stakeholder activities can be when guided by a common vision and motivated by a moral and pressing imperative.

The commitment to a more integrated, comprehensive, transformative and sustainable approach to development will play a key role in the adoption of new goals and targets for policymakers across all the levels of political organization. The 17 goals and multiple targets that have been agreed to at the United Nations Open Working Group on Sustainable Development have already demonstrated a level of aspiration and ambition well beyond the Millennium Development Goals.

The principle of the common good, to which every aspect of social life must be related if it is to attain its fullest meaning, stems from the dignity, unity and equality of all people. According to its primary and broadly accepted sense, "the com-

mon good is 'the sum total of all conditions which allows people, either as groups or as individuals, to reach their fulfilment more fully and more easily. The resulting rights and obligations are consequently the concern of the entire human race. Every group must take into account the needs and legitimate aspirations of every other group, and even those of the human family as a whole'"[7]

We have to interpret the common good not as the good of the abstract collectivity or the state, nor as merely the mixture of goods of individual members, but rather the good of every person both as an individual and as a social being in relation to others. "The common good does not exist only on the level of state or nation, however, but at the level of every human group or community."[8]

Human beings are not necessarily self-centred individuals geared toward maximising their own utility or satisfaction, unmoved by others who they consider only as trading partners. Human beings are persons, each of whom becomes fully her/himself through relationships with other human beings, autonomous but not independent from others. Human persons by nature care for others, for they can only flourish by giving and receiving love. The ideology of extreme individualism runs contrary to the Catholic understanding of a person as well as to classical philosophy and experience. We can offer to current public culture a more optimistic and creative view of the person and history.

Relationships are by their nature the space wherein incommensurability, gratuity, and spontaneity take root. In the short term, relations appear genuinely non-efficient in the market for they divert resources from other uses. In the longer term, however, the gratuity, risk-taking, spontaneity, and incommensurability which are embedded in any relation will

[7] *Gaudium et spes*, 26.1.

[8] Thomas D. Williams, "Global Governance and the Universal Common Good", in *Alpha Omega*, Vol. XIII, No. 2 (2010), pp. 272–273.

nourish a more sustainable society. While possible to anticipate or account for with quantitative precision these economic, spiritual, social benefits are absolutely crucial to the creation of the just order required to foster the common good. The ground for the common good has to be prepared step by step, day by day, by continuous and conscious efforts in two directions-one structural, the other one virtuous. First, the betterment of institutions is instrumental to the common good. Second, the virtuous behaviour of persons ultimately contributes to changing institutions. This is what is required to address the underlying questions related to the financial crisis and the policies aiming to tackle it. With the common good, "the degree of its realisation in any given historical moment depends on the readiness of members of the group to act according to their profound vocation of brotherly humanity."[9]

While a post-2015 framework will not by itself deliver the scale and scope of changes needed, it can and must contribute to the transformational shifts necessary in our approaches to development. It will ultimately be evaluated by its ability to promote a transformative development agenda that promotes integral human development[10] and to motivate the shifts that are needed across the perspectives, programs and activities of all sectors and stakeholders. This must also include a blended approach to the financing of development particularly as the official aid budgets of many donor countries are being markedly curtailed. As underlined by the WTO Director General, during the last WTO General Council in July, "a development agenda which is people-focused and forward-looking must

[9] Dembinski, *Finanzen und Fristen: Krise der Kongruenz zwischen Realität und Virtualität der Zeit, in Religion-Wirtschaft-Politik*, Vol. VIII: *Kapitalismus – eine Religion in der Krise I. Grundprobleme von Risiko, Vertrauen, Schuld*, eds. G. Pfleiderer & P. Seele, pp. 282-322, Zürich, 2013.

[10] Paul VI, *Populorum Progressio*, 1967; John Paul II, *Sollicitudo Rei Socialis*, 1987.

have a strong emphasis on the economic aspects of human development."[11] In other words, if the new goals are not rooted in an anthropology that sees realistically the person open to others and to transcendence, they will not serve the common good and will not close the distance between have and have not. This is also the basic insight of the Christian faith. "The kerygma, writes Pope Francis, "has a clear social content: at the very heart of the Gospel is life in community and engagement with others" (EG, 177).

4. Immediate relief

History has a tendency to repeat itself. There are always positive lessons to be learned from examining how earlier generations of policymakers dealt with big challenges. The need for reconciling the requirements of policy sovereignty at the national level with the imperatives of an interdependent world economy may seem today to be relatively new. In fact, it is a long-standing challenge that has been discussed extensively, and from many different angles, for almost two centuries, though none as compelling or significant as those arising from the crises of the mid twentieth century inter-war era.

The key objective of the architects of the Bretton Woods institutions was designing a post-war international economic structure that would prevent a recurrence of the opportunistic actions and damaging contagion that had led to the breakdown of international trade and financial payments in the 1930s. Accordingly, such structures were expected to support the new policy goals of rising incomes, full employment and social security in the developed economies. Included were measures that sought to expand policy space for State-led industrialization and to increase the level and reliability of the multilateral financial support necessary to meet the needs of developing countries.

[11] http://www.wto.org/english/news_e/news14_e/gc_rpt_24jul14_e.htm

Those results, due to their orientation to developed countries, however, set the stage for the North-South conflicts of the post-war period. In that context, the construction of a more development friendly international economic order was a much slower and more uneven process after the war than the Bretton Woods architects had anticipated. It took the growing voices of newly independent developing countries in the late 1950s and early 1960s to shift multilateralism toward a more inclusive footing. This led to the creation of UNCTAD in 1964, and to a subsequent broadening of the development agenda around a new international economic order.

In this year of the 50th anniversary of the UNCTAD, there are calls for changes in the way the global economy is ordered and managed. Few would doubt that, during the five intervening decades, new technologies have broken down traditional borders between nations and opened up new areas of economic opportunity, and that a less polarized political landscape has provided new possibilities for constructive international engagement. In addition, economic power has become more dispersed, mostly due to industrialization and rapid growth in East Asia, with corresponding changes in the workings of the international trading system. Yet today there are signs that this may be breaking down- evidenced by rapid increase in the polarization of the political landscape and the emergence of many disruptive non state actors.

We have learned that the linkage between these technological, political and economic shifts and a more prosperous, peaceful and sustainable world is not automatic. Indeed, growing global economic and power imbalances, increasing social and environmental challenges and persistent cyclical financial instability that result in full blown crisis are demanding continuous sustained analysis, reflection and debate by policy makers and leaders at all levels. Hunger alone, for instance, still remains a daily reality for hundreds of millions of people, particularly in rural communities, with children being the most vulnerable. The United Nations Food and

Agriculture Organization (FAO) estimates that 842 million people, or roughly one in eight, suffered from chronic hunger in 2011-2013, not getting enough food to lead active and healthy lives[12].

At the same time, rapid urbanization in many parts of the developing world has coincided with premature deindustrialization and a degraded public sector, giving rise to poor working conditions and deepening insecurity. Where these trends have collided with the ambitions of a youthful population, economic frustrations have spilled over into political unrest.

There is mounting evidence from a diverse range of sources, including the World Economic Forum[13], The Economist[14], the World Bank[15], that economic polarisation is undermining different attempts to respond to persisting development priorities. In the words of the global alliance of Catholic Development Agencies (CISDE), the post-2015 framework requires the international community to build a "a new global, legally binding, time-bound over-arching, cross-thematic framework that addresses the interlinked challenges of poverty eradication, environmental sustainability, economic equity, climate change, resilience and equitable distribution

[12] This figure is lower than the 868 million reported with reference to 2010-2012. The total number of undernourished has fallen by 17 percent since 1990-1992. Developing regions as a whole have registered significant progress towards the MDG 1 hunger target. If the average annual decline of the past 21 years continues to 2015, the prevalence of undernourishment will reach a level close to the target. Meeting it would require considerable and immediate additional efforts. http://www.fao.org/docrep/018/i3434e/i3434e.pdf

[13] World Economic Forum. 2012. Global Risks 2012 – Seventh Edition. www.weforum.org/reports/global-risks-2012-seventh-edition

[14] The Economist. 14 March 2013. Wealth Inequality: Your money, your life. The Economist blog. www.economist.com/blogs/democracyinamerica/2013/03/wealth-inequality

[15] The World Bank. 28 June 2012. Inequality of Opportunity Hampers Development. World Bank blog. http://go.worldbank.org/X1WUB80GN0

of limited national resources in ways that uphold human rights obligations"[16]. Such a comprehensive approach, however, needs to find its motor in order to move ahead, the human person as protagonist of change as she embraces inclusiveness of others.

5. Conclusion: A new framework based on the Social Doctrine of the Church

In the adoption of a new framework for development through the UN SDG process, Catholic Social Teaching often defined as too much "pie in the sky" on economic issues, can serve as a both an inspiration and an important guide. Recent challenges like the financial and food crises, the Ebola outbreak, climate change, persistent hunger and poverty, social and political unrest as well rising inequality have led to a profound questioning of conventional theories on the benefits of economic growth as well as prevailing development strategies. In documents and various addresses, CST has reminded all of us that a "business-as-usual" approaches have proven inadequate to address the major contemporary development challenges that the world faces.[17] In a recent publication the United Nations Research Institute for Social Development (UNRISD) has also emphasized that there is a need to "mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their interlinkages."[18]

[16] CIDSE Submission to the UN General Assembly Open Working Group on Sustainable Development Goals www.cidse.org/content/publications/rethinking-development/beyond-2015/cidse_submission_ec_post-2015-consultation.html

[17] Pope Francis, *Apostolic Exhortation Evangelii Gaudium: The Joy of the Gospel* (Washington: United States Catholic Conference, 2013), No. 57, 58; Pope Benedict XVI, *Caritas in Veritate*; Pope John Paul II, *Centesimus Annus.*

[18] http://www.unrisd.org/80256B3C005BCCF9/httpNetITFramePDF?ReadForm&parentunid=4FB6A60F1DBA5995C1257D1C003DAA2A&parentdo

As the prioritizing of sustainable development goals is entering the final stage of negotiation, the wisdom and the experience of Catholic Social Teaching can be an important moral voice, a source of insightful analysis and innovative recommendations on the concept of integral human and sustainable development and a strong proponent for the kind of reforms that are needed in the global financial system to promote and support sustainable development. This experience that is informed by the practice of the principles of solidarity and subsidiarity, a vision that is grounded in community, participation, transparency and the transcendent nature of the human person will be a valuable resource in the forthcoming negotiations.

The tradition that is also rooted in a reasoned philosophical foundation can also be a resource in the discussions of values and priorities that go beyond specific religious traditions and are focused on the journey that is common to all of humanity. In this regard it can also serve as a resource for the evaluation of innovative frameworks and new models on analysis that are being proposed for the achievement of a sustainable future.

Solidarity/Subsidiarity

Over the last three decades the church's teaching and understanding of the rich and enduring concepts of Solidarity and Subsidiarity have continued to deepen and grow. This has been particularly noticeable when we look at how the concept of solidarity has framed the church's response to the collapse of the east-west divide, to the HIV-AIDS crisis, the exponentially increasing numbers of refugees and migrants, religious and ethnic persecutions, the global financial crisis of 2008, climate change and the Ebola virus.

ctype=paper&netitpath=80256B3C005BCCF9/(httpAuxPages)/4FB6A60F1DBA5995C1257D1C003DAA2A/$file/Position%20Paper_TFSSE.pdf

The maturing appreciation of both of these principles has been obvious in the ways they have been used to analyse very complex changes and direct appropriate calls for action on numerous levels and in many different forums. This has been immediately noticeable in the first place in the many immediate calls for personal, organizational and institutional solidarity to numerous natural disasters across the globe while also appealing for greater sensitivity to local structures, communities, customs and environments. It has been noticeable in the more deliberate and targeted innovative and forceful calls for generous responses to the HIV-AIDS and Ebola viruses across numerous societal sectors including religious institutions and international political bodies. Finally these principles have more recently and more decisively been reflected in the calls for solidarity with religious and ethnic minorities, migrants, refugees and persecuted minorities by Pope Francis.

On the evolving and complex issue of development the tradition has, from the beginning, promoted the priority of an integral human development that embraces all aspects of human dignity and is not measured in economic terms alone. In supporting this priority there is implicit an acknowledgement and support of the large amount of financing from the public and philanthropic sectors that will be needed to achieve specific development goals. More recently this has also demonstrated in the recognition that a blended financing that comes from the official sector and the private sector as well as from the innovations of social entrepreneurs, including the emerging approach of impact investing.

The Catholic Social Tradition as we have discussed earlier has not been silent on the more macro and global issues like the near collapse of the global financial system and its impact on development. The exigencies of the virtue of solidarity in response to countless victims and destructive consequences that have been left in the wake of the crisis have been articulated by a number of official voices. From admonitions about the "globalization of indifference" that is a by-product of a

system rooted in self-interest and fed by greed and dishonesty, CST has reiterated the need to keep the poor, the marginalized and the suffering at the center of any reform agenda that is being proposed and debated by the G20 and the Financial Stability Board. This includes a close attentiveness to the deepening inequality across countries and regions that the current system has produced and a call for substantive adjustments and reforms to address the inherent corrosive tendencies of the system.

Solidarity's parallel principle of subsidiarity can be particularly helpful in examining the appropriateness of specific proposals and innovations and in processes chosen for their implementation. Subsidiarity is a reminder of the autonomy, richness and diversity of local communities where most families and people live each day that must be respected. It shelters these communities from an invasive centralizing and homogenizing trend that shows a proclivity to a "cookie cutter" approach that easily disregards the dignity, diversity and authority of these communities. While most frequently applied in the realm of politics, subsidiarity must also be respected and promoted when addressing the question of the appropriate size and authority of economic institutions and organisations.

Participation, Accountability, Transparency

Achieving transformational change for people living in poverty will depend on the success of a new framework that increases the ability of all people especially those who are impoverished to active participate in the conversation and to demand accountability and transparency from the institutions and governing mechanisms that are responsible for shaping the SDG process. Transparency and accountability mechanisms in a post-2015 framework must reinforce and reinvigorate existing mechanisms at local, national, regional and global levels and propose new ones when necessary. In particular, existing human rights accountability mechanisms should be

taken into account; their improvement when they are weak and their creation where they are lacking should be mandated and their objective enforcement enhanced. The Universal Periodic Review of the Human Rights Council or the Trade Periodic Review of the World Trade Organization provide examples of an existing 360° accountability mechanism which could enhance transparency and indicate the way for the implementation of the post-2015 commitments at the global level.

In addition, some research groups are exploring new models of analysis that seek to reconcile macro-visions of change with practical solutions and thereby reduce the dissonance that often exists between the macro and the local. We should welcome these innovations. The Independent Research Forum (IRF), a group of twelve research organisations from different disciplines and countries, describe a post-2015 development agenda, based on the principles of sustainable development recognizing "the mutual dependency of economic, social and environmental outcomes; […] grounded in local experience and needs; […] and adaptable to diverse contexts and capacities"[19]. The IRF is now testing its analytical framework against different themes, such as water, agriculture, food security and urban issues, to "define the policy frameworks and interventions that are needed to achieve those outcomes from different angles and at different scales of interventions."

The work of Johan Rockstrom and Jeffrey Sachs on an analytical framework that is founded on a series of 'transformations' in sectors also looks promising. To stay within planetary boundaries while continuing to develop economically, they argue, six transformations are required that would affect energy, food security, urban sustainability, population, biodiversity management and public and private governance. Each transformation will require different tactics but all will depend on "the deployment of new sustainable technologies

[19] *Caribbean Journal of International Relations & Diplomacy*, Vol. I, No. 3, September 2013, pp. 61-74.

and new global rules of the game", and "detailed strategies, major on-going R&D efforts and continued problem solving".

The combination of the political process to negotiate SDG continues while various proposals for the new framework will continue to emerge. Each of these proposals may stress different aspects and priorities while recognizing the need of a political will to globally implement them. The vision and direction provided by the Catholic Social Teaching will contribute to making the newly agreed goals, strategies and frameworks a creative and positive Post-2015 Development Agenda and ensure a sustainable future of greater equality and dignity for all-a reaffirmation of the "universal common good". Pope Francis graphically and compellingly portrayed the process of articulating and promoting such goals in the following manner: "Every economic and political theory or action must set about by providing each inhabitant of the planet with the minimum wherewithal to live in dignity and freedom, with the possibility of supporting a family, educating children, praising God and developing one's own human potential. This is the main thing; in the absence of such a vision, all economic activity is meaningless."[20]

In conclusion, also economic life demands that individual player and the international community be guided by the inherent dignity of every person that calls for their respect, love, inclusiveness, making them partners in the common human venture. "We need to grow in solidarity" reminds us Pope Francis, which "would allow all peoples to become the artisans of their destiny" since "every person is called to self-fulfilment."[21]

[20] Letter of Holy Father Francis to H.E. Mr David Cameron, British Prime Minister on the Occasion of the G8 Meeting (17-18 June 2013), http://www.vatican.va/holy_father/francesco/letters/2013/documents/papa-francesco_20130615_lettera-cameron-g8_en.html

[21] Pope Francis, *Evangelium Gaudium*, 190, where he quotes Paul VI, Encyclical Letter *Populorum Progressio* (26 March 1967), 65.

ABSTRACT

AIUTI IMMEDIATI, SVILUPPO DUREVOLE E IL BISOGNO DI SOLIDARIETÀ

Sua Eccellenza Mons. Silvano M. Tomasi

Il relatore esamina criticamente la strategia di sviluppo intrapresa con la Dichiarazione del Millennio delle Nazioni Unite nel 2000, che stabiliva una serie di obiettivi desiderabili da raggiungere entro il 2015. Egli afferma che, malgrado i progressi realizzati nell'eliminazione della povertà estrema, nell'accesso all'acqua e nella lotta contro l'HIV, la comunità internazionale non è stata in grado di raggiungere gli obiettivi prefissati. Le Nazioni Unite hanno già avviato le negoziazioni per presentare un nuovo programma di sviluppo post-2015 basato su 17 obiettivi da realizzare entro determinate scadenze. Tomasi afferma la necessità che questi nuovi obiettivi siano basati su un'antropologia che veda la persona umana realisticamente aperta agli altri e alla trascendenza, in quanto è solo su tali presupposti che si potrà realizzare il principio del bene comune e ridurre le diseguaglianze tra gli uomini. Il principio del bene comune, a cui ogni aspetto della vita sociale deve ispirarsi, scaturisce dalla dignità, unità ed eguaglianza di tutte le persone. Il bene comune infatti deve essere interpretato non come il bene di una collettività astratta o dello stato ma come il bene di ogni persona nella sua qualità di persona e di essere sociale in relazione con gli altri. Le relazioni possono essere nel breve periodo inefficienti dal punto di vista del mercato, ma nel lungo periodo, ogni relazione crea l'opportunità per una società sostenibile in quanto in esse sono insite la gratuità, l'accettazione del rischio, la spontaneità.

Tomasi sostiene dunque che la Dottrina Sociale della Chiesa può servire da ispirazione e guida al lavoro di negoziazione delle Nazioni Unite. Essa, infatti, propone valori che vanno al di là della tradizione cattolica e riguardano un percorso comune dell'intera umanità.

In particolare, Tomasi richiama due priorità che devono essere tenute in considerazione nella strategia di sviluppo post-2015. *La prima* è lo sviluppo umano integrale. Promuovere questa priorità ha significato sino ad ora l'implicito riconoscimento di considerevoli finanziamenti da parte del settore pubblico e delle organizzazioni filantropiche, e più recentemente del finanziamento misto pubblico/privato e delle innovazioni portate da imprenditori socialmente impegnati, nonché dell'impact financing. Nell'attuale contesto politico ed economico, caratterizzato da crescenti diseguaglianze sia all'interno dei paesi che tra i paesi, si richiede, tuttavia, l'introduzione di sostanziali aggiustamenti e riforme che ne correggano le tendenze corrosive. Il principio di sussidiarietà, parallelo a quello di solidarietà, può essere di aiuto quando si esamina l'adeguatezza di proposte e innovazioni specifiche e dei procedimenti scelti per la loro realizzazione. La sussidiarietà ci ricorda che l'autonomia e la ricchezza delle comunità locali, dove vivono la famiglia e le persone, devono essere rispettate, proteggendole da una centralizzazione invasiva e da una tendenza alla omogeneizzazione predisposta da un approccio allo sviluppo generalizzato (come spesso è accaduto nell'esperienza passata con gli approcci adottati da istituzioni internazionali come la Banca Mondiale e il Fondo Monetario Internazionale). *La seconda* priorità è il miglioramento delle condizioni di chi vive in estrema povertà. La nuova strategia deve puntare ad aumentare le capacità delle persone di partecipare attivamente alla società, di esigere la responsabilità e la trasparenza delle istituzioni e dei meccanismi di controllo che sono responsabili del perseguimento degli obiettivi di sviluppo sociale, con particolare attenzione a quelli inerenti i diritti umani.

INTRODUCTION TO THE EXAMINATION OF "RESPONDING TO IMMEDIATE EMERGENCIES"

His Em. Card. Theodore McCarrick

I cannot, in any way, follow the deep thinking and the universal aspect of the wisdom just expressed by Archbishop Tomasi (The Most Reverend Silvano Maria Tomasi, C.S., Nuncio to UN Organizations in Geneva), in his talk[1] so I am going to tell some stories which I think will take the very important points the Archbishop has given us and put them into the context of where we are in today's world.

Catholic social teaching (CST), and the whole, wonderful context given it in Saint John Paul II's *Centesimus Annus*[2], has been a great blessing for the Church and the world. At its heart, CST is basically about the question of the *common good*, which is based on the inherent dignity of the human person. If we do not accept that, then Catholic social teaching holds little value as a prescription for much of what 'ails us'. And, if we do accept that, the ramifications of CST can make all the difference – in everything our society does.

My topic is "Examination of *Responding to immediate emergencies*" and I will talk about that in the sense of the dignity of the human person.

We in the church have always been fascinated by the picture of the Blessed Mother after she had received the extraordinary information that she is to be the mother of God. She accepts it and, then, responds by going away; she responds by leaving Nazareth, rushing to do so! I say "rushing"

[1] Exposition of the Catholic view: "Issues of immediate relief, lasting development and the need for solidarity".

[2] Encyclical Letter *Centesimus Annus*, 1 May 1991.

because this is the key point I want to stress in the few things I will share with you.

The Latin word "festina" means hurry, going rapidly, and this is the way we have to respond to immediate emergencies. Our Lady took on this great charitable work of helping her cousin, Elizabeth, who was pregnant in her old age by not just 'going' to her. No, she goes "festina"; she goes hurriedly.

In a certain sense we cannot understand the obligation we have as Catholics without accepting this need to do things hurriedly, to move quickly. We do not have the luxury of holding back and waiting to decide. This is especially true in the case of immediate emergencies.

We all have had this experience: there's an emergency on the block, there's emergency in the family, there's emergency in the school. There are emergencies everywhere in the world. Our responsibility is not just to 'take care of it', but to take care of it quickly. I see this aspect (of responding to immediate emergencies "festina") as a platform for considering our response to immediate emergencies.

The dignity of the human person demands that we help each other. The dignity of the human person demands that part of our life must be spent looking out for the person who has difficulties – who has needs. Doing this (and we must do it) involves not only the theory and practice of our social teaching, of our economy, of our lives but, even more, is a necessary requirement of our being Christian – of our being Catholic.

We have to take care of these things "festina": quickly.

I want tell you some stories because I was, for a long time, a member of the board of Catholic Relief Services and also a member of the U.S.A. Catholic Bishops Conference Committees on Migration and Refugees. When problems came up (triggered by men or nature) the response of these two agencies were inspired by the brilliant understanding of Bishop Murphy (The Most Reverend William Francis Murphy, Bishop of Rockville Centre and past Chairman of the USCCB

Committee on Domestic Justice, Peace and Human Development) who knew we had to move quickly to help.

The first story is about the typhoon which hit Philippines last year (2013). The need to help was obviously there. The dignity of the human person was at risk: the dignity of these thousands of people who suddenly lost their homes, lost their families, lost everything they had. How do you 'look' at that?

I think you look at it as needing to respond to the *common good*; you have to help your neighbor. You look at it as a Christian: you are responsible for your neighbor, for your neighbor's health and welfare. You look at it from the point of view of expediency: if we do not help, the world will become worse – it will never have the Philippines back again. The dignity of the human person demands that we do things quickly. It demands we put a high priority on responding to the difficulties that these people are facing.

Catholic social teaching tells us we cannot just walk away from problems, from disasters. Indeed, it teaches us that unless we help when there is an emergency, and help quickly, situations will get worse. There is an insistence, a demand, to work quickly.

That is why I flew within 3 days into Leyte, in the central Philippine Islands, to see what the situation was. And all the issues Archbishop Tomasi so very brilliantly spoke of were there before us on this island: How do you take care of the people? Do you build a house right away? Do you plant a garden right away? You can't because the roads were all covered with debris; you can't even get through on these roads. So, as we look at responding to immediate emergencies there has to be a certain amount of careful planning.

Catholic Relief Services received $7 million – sent in great part by the extraordinary Filipino families in the USA, who were so worried about their neighbors that they gave not just from their profit, they gave them their substance. So, now we have all this money and people say: "Use it, use it!" Well, you

can't, because if you try spending money before there is a coherent plan – it will be wasted.

So, there is a need, as we do our work, to examine carefully what *subsidiarity*[3] entails in these issues. Does subsidiarity mean rushing right in and spreading money all around? Obviously not. Subsidiarity means that you plan, you organize and then - you work. You try to find a way in which relief can be provided as quickly as possible, but always with an eye to the long term. The dignity of the human person demands that we treat our brothers and sisters as wise, and good and intelligent people. We must talk to them and discover what they think. Now, they are not always going to think the 'right things' because they just passed through a trauma of terrible destruction, but they must be consulted.

Then there is the press, which always seems to try to denigrate the faith. I remember offering mass in the cathedral. It was a great cathedral and had just been finished. It lost ¾ of its roof so we all gathered under the ¼ that was covered, with the archbishop who built it along with his predecessor, to celebrate the faith of the people. But the press asked me: "The people must be so furious at God, right?" I said: "No. They are so grateful to God that they still gathered for Mass. Even though they regret with all their hearts that people were suffering they say, 'look, we still have this and we

[3] Subsidiarity means that decisions in society need to be taken at the lowest competent level. In other words, problems are best solved at the level where they arise or, if this is not possible, at the lowest competent level. Any activity that can be performed by a more decentralized entity – should be. Pope Pius XI best defined Subsidiarity when he said: "It is a fundamental principle of social philosophy, fixed and unchangeable, that one should not withdraw from individuals and commit to the community what they can accomplish by their own enterprise and industry. So, too, it is an injustice and at the same time a grave evil and a disturbance of right order to transfer to the larger and higher collectivity functions which can be performed and provided for by the lesser and subordinate bodies" (Encyclical letter *Quadragesimo Anno* [15 May 1931], 79).

still have that and, perhaps most importantly, we still have each other.'"

The dignity of the human person manifests itself in crisis. It manifests itself in the way people work with each other – understanding who they are and what they must do – aligned with God and their fellow man.

A similar thing happened after the Christmas day tsunami in Sri Lanka (2004). I went there and found many people trying to discern how we could help. The story I want to share demonstrates the real, deep understanding we must bring to the good deeds we do: it is one thing to help and another thing to help intelligently.

In Sri Lanka we found it was the children who were most hurt by the tsunami. They did not know how to handle it. They saw that their parents were not able to handle it. Many had even lost their parents and seen their brothers and sisters washed away in these extraordinary, rapid and huge waters.

We had to bring in a psychologist who had the children draw 4 cartoons or pictures. The first one was of what they remembered their house looking like. The second was what they remember about the waves coming in and destroying it. The third was what they saw today, in the terrible destruction they are facing. And the fourth one was what they hoped it would look like the tomorrow. This exercise gave us a chance to *see* the children where they were and their amazing understanding of God's goodness – of the fact that He had saved them and saved them for a reason – to rebuild; to rebuild their country, to rebuild their houses and to rebuild themselves. All of this is so extraordinarily important.

I also want to make the point that the dignity of a human person is not just a Catholic idea. I had the privilege of giving a three day retreat in Kuala Lumpur to the graduate faculty in Theology of the International Muslim University of Malaysia. I had the entire faculty there: 25 professors who were very, very bright men.

The 1st day we talked about: what is "success"; what is "truth"; what is "responsibility"; what is "authority"; etc., and we came to some common understanding of these important points.

The 2nd day I presented *Centesimus Annus* and *Laborem Exercens*[4] in the way these documents were understood by us; the important CST points they deliver. There were many, many questions and we went back and forth for about 12 hours.

The 3rd day, they came back to me and shared how all these major points are also found in the Koran. I was amazed at their ability to see all these extraordinary Christian doctrines present in their own religion; in the fundamental teachings of Islam. If we go back to the dignity of a human person we find it is not just the Christians who have dignity, everyone does. And, in dealing with others, we have to be aware of that. In this understanding Catholic social doctrine is a way in which we can dialogue with people of other religions.

There is an indescribable sorrow we feel when some people forget their humanity. This obviously happened in the Islamic State (ISIS): they have forgotten that in Islam (and, I think, in any of the major religions) there is always this dignity of the human person.

The unfortunate taking of the title, "khalīfah" (caliph in English) by the head of ISIS is so unfortunate because "khalīfah" in Arabic stands for someone who has the duty of succeeding – not in authority – but succeeding in wisdom and succeeding in understanding of the teaching of Mohammed. Obviously this gentleman, Abu Bakr al-Baghdadi, has no understanding of the teaching because he is violating it constantly.

I had the privilege of being among those bringing back to the USA the hikers who were imprisoned by Iran when they

[4] Saint John Paul II, Encyclical letter *Laborem Exercens*, 14 September 1981.

had crossed over its border: 3 Americans – 1 girl (who got sick and was released sooner) and 2 boys who were convicted of "illegal entry" and "espionage"[5]. I was sent to Iran to see what we could do about it.

The conversations that I had for about a week with the Ayatollahs were very interesting and they basically surrounded the whole notion of the dignity of a human person; that these kids had to be respected and given the chance to make their own lives. When we talked, we talked about the same thing: Human Dignity.

Now, I was anxious to apply this principle to these 2 these young men and the Ayatollahs were accepting – but were replying in a different, their own, way. However not one ever said, "They have no dignity"; that "they were worthless". No one said they are not made by Allah and, in that creation, given certain extraordinary rights.

The dignity of the human person is there: it is in Buddhism in its own way; it is in Taoism; it is in the great Chinese religions. Human Dignity is like a plane that we can use to move between faith traditions as we strive for a better world. We can use the concept of human dignity as an opportunity to develop a new understanding and a new solidarity[6]; a new solidarity which cannot exist unless we accept the dignity of the human person (and which cannot exist for us Catholics unless we are able to appreciate what we have in the spectacular magisterial body of work that is Catholic social teaching).

[5] On 31July 2009, three Americans were taken into custody for crossing into Iran while hiking near the Iranian border in Iraqi Kurdistan. One was released 14 months later on "humanitarian grounds". Two were convicted of "illegal entry" and "espionage" and sentenced to eight years in prison. They were released on 21 September 2011.

[6] Each person is connected to and dependent on all humanity, collectively and individually: "All men and women are called to live as one, each taking care of the other" (Pope Francis, *World Day of Peace Message*, 1 January 2014, 2)

I recommend you read the forward that Cardinal Sudano (Angelo Cardinal Sodano, then Secretary of State for the Holy See) wrote when he presented the *Compendium of the Social Doctrine of the Church* (which I am sure you are all familiar with) because he puts CST into a proper context with human dignity, which I believe is the context that we must deal with today.

This past year I had a lot of conversations in China. China is thinking of relocating 250 million people from farms to cities. Now, we might suggest that's the wrong way; they should be provided for 'in place' rather than disrupt the way of life they have enjoyed for millennia. (I certainly think that. I think the answer is to invite Catholic Charities, or something like that, to work out the possibilities.) The Chinese government feels they cannot serve the people in the countryside. They cannot provide for their education, plumbing or even clean water. So they bring them to the city. They are motivated by the need to ensure these people have the ability to "grow". They recognize their dignity.

However, there are also in China 300 million people over the age of 60. The government is terrified that since they do not have children to take care of them (due to their unfortunate one child policy – a policy which, at its base, violates human dignity) the social toll may be devastating to their society.

There are so many, many trials and difficulties in the world. While this is a challenge, if we face them with the understanding of human dignity, of each person's inherent worth, we also get, in a certain sense, a remarkable opportunity; an opportunity to work with each other sharing the same vision, the same terminology and even the same basic ideas of what we believe, what we stand for – who we are.

ABSTRACT

INTRODUZIONE ALL'ESAME DI "RISPONDERE ALLE IMMEDIATE EMERGENZE"

S. Em.za Rev.ma Card. Theodore McCarrick

A partire dalle esperienze vissute come membro del consiglio dei Servizi di Soccorso Cattolici e del Comitato sulla Migrazione e i Rifugiati della Conferenza Episcopale Statunitense, l'Autore propone una riflessione sulla gestione delle emergenze (di qualsiasi natura sia la loro origine) sviluppandola nella prospettiva della Dottrina Sociale della Chiesa, e con specifico riferimento al principio della dignità della persona.

Egli afferma che nelle emergenze è imperativo agire con immediatezza, in quanto ogni cattolico è chiamato ad essere solidale nei confronti di chi è in difficoltà. Al contempo, tuttavia, tale azione, quando è svolta da soggetti esterni al paese in stato di emergenza, deve essere organizzata in modo attento e coerente secondo un programma che tenga conto sia delle persone destinatarie dell'intervento sia del contesto politico-economico-sociale. Tali esigenze si imposero, ad esempio, in occasione del tifone che colpì le Filippine nel 2013 e ancora prima, dello tsunami in Indonesia nel 2004. Il principio di sussidiarietà, un pilastro fondamentale della Dottrina Sociale della Chiesa, è dunque essenziale nel definire l'azione di intervento e il principio della dignità della persona è fondamentale nell'indirizzarla. In particolare tale principio si è rivelato, nell'esperienza dell'Autore, un presupposto utile e promettente per realizzare una nuova comprensione e una nuova solidarietà tra le religioni. È sua convinzione che nel momento storico attuale, caratterizzato dall'avanzare del-

l'estremismo islamico, il dialogo tra le religioni, basato a partire dal riconoscimento della priorità della dignità della persona su ogni altro aspetto, può concretamente favorire la creazione di un mondo pacifico e giusto.

THE "OBLIGATION TO INTERVENE"

Roméo Dallaire

Well, there are challenges of speaking to a group right after lunch or speaking to a group before a delayed lunch. I am not too sure what is best or what is worse but we are going to work with that situation and also with the time constraint. I have to warn you though that as a retired general who has also been an apprentice politician, brevity is not my strength but I am going to do my best this afternoon to achieve the aim of this conference. Eminence and Excellencies thank you very much for inviting me here. I also want to particularly thank Mr. Lorenzo de Rossi who has become a friend during our meetings in Montreal and for opening up this invitation tonight. I thank him for the opportunity to be with all of you today.

Poverty and development, in fact we are seeing poverty as being a source of rage and even extremists while we are seeing development as too often turned into or being undermined by greed and corruption. That in sense ensures the dominance of the wealthy elites and imposes a continuum of poverty which results to mass abuses of human rights through the expressions and results of rage of the affected populations.

I am going to speak to you as a soldier who has field experience and who comes from not a very diverse background because I'm from a military family. In fact when my eldest son who was a captain of an infantry returned from Haiti after the terrible problem at **Thiotte**, I met him at the airport at Quebec City which is a garrison city. The journalists who were there came up to me and said "General, your son is also in the army?" My son said before I could respond, "**Yes, I am**

4th generation army on my father's side and I am 3rd generation on my mother's side and we are a family that lacks imagination" (laughter). He was doing pretty well for a while there.

The title of the portion of this conference is "The Obligation to Intervene". As an example, it is rather interesting how the international community responded to Indonesia when it was affected by a tsunami in the mid 2000s. They were tripping over each other, trying to respond from schools, to communities, to churches and to all kind of groups to meet that requirement. Extensive efforts were given and sustained in order to meet that crisis and they did their best to reduce the impact on the population and they also helped reconstitute the infrastructure. However at exactly at the same time, there is a genocide going on in Darfur. In fact there were more people killed, were injured, internally displaced, refugeed and raped nearly the same amount of time and yet nobody went to Darfur. We couldn't get anybody to go Darfur. We can't even get Darfur on the front page and yet a year later, everybody went back to the tsunami area to see how well they have done with the investment of their intervention and there was of course significant efforts that have been done. Nobody went back to Darfur. Not a plug nickel went into Darfur and yet we are talking about 2 ½ million people that were internally displaced and refugeed and over 200,000 people were killed. The rape, pillaging and killing is still ongoing until today.

The obligation to intervene seems to have a certain nuance to it. There is a certain perspective to when and why we would and why we should. I seat as a member of the genocide prevention advisory group for the Secretary General of the United Nations with people like **Gareth Evans** and Desmond Tutu who offer us great humility and great sense of humor and certainly with that subject it is needed. The interesting dimension why I bring up genocide prevention is because finally the United Nations has built a capability of trying to get

ahead of the game and potentially intervening by actually preventing something from happening. In so doing, this subject got looked at and was able to get approval in 2005 for a whole new conceptual framework which was called and is still called "R2P responsibility to protect". We introduced the concept of the responsibility to protect to the world and it got accepted in the general assembly this September. We actually finally made a massive reform to the **most valiant concept** of nation's state of sovereignty. Sovereignty has been an extraordinary tool for people to keep you out and for people to be able to work within their framework and to abuse massively as they wish their population as well as other countries to of course protect their population and permit them to thrive. This responsibility to protect, this change of the absolute nature of sovereignty has moved sovereignty of the state to the sovereignty of the individual, of the human being. This essentially states that if the leadership of a nation is massively abusing the human rights of its people or if the leadership of a nation cannot stop the massive abuses of human rights of its own people, then the rest of the international community has a responsibility to go in and protect those civil rights.

This triggered the establishment of 4 pillars of which prevention is the first one and the last one which is the most extreme is the use of force. To be able to do that, there are a **series of 4, 6 criteria** to be consider before using it. That has been the only real tool to try to talk about in a structured way, that we have a conceptual framework of intervention. It also brought forward the obligation and the responsibility that we have to intervene when other human beings are being massively abused which leads to mass atrocities and even genocide. That concept is the result of the catastrophic failure of the Rwandan genocide and the international community in 1994. It is true that the subtitle of my book, "The Failure of Humanity in Rwanda" is an indication of the international community's response to the crisis. Their response was nil, they did not respond. There was absolutely no response

throughout the 3 months of the genocide and the 6 months leading to it even when there was ample information provided. However, once again we have an interesting dilemma in how even international bodies and sovereign states that make them up, look at intervention as an obligation to do so. There were more people killed, injured, internally displaced, refugeed and raped in 100 days in Rwanda than the 6 years of the ex-Yugoslavian campaign which was also going on at the same time. We could not keep 450 soldiers that were left behind in the field nor sustain them or even provide ammunition for them. Yet, in ex-Yugoslavia we deployed 67,000 troops. Again the question came up, we intervened but what criteria that we used? What was the ultimate criterion used by the international leadership that was expressed through the United Nations? Why we went here and we didn't go there? Who is establishing that criteria? What are they basing it on in order to protect individuals and to permit societies to continue?

For this reason, I joined the Montreal Institute of Genocide Studies at Concordia University where a study was conducted. The study is called "The Will to Intervene" which we published and is an ongoing program. What we did because I wanted to understand the leaderships that were making those decisions and what nurtured them to ultimately make those decisions, was studied and interviewed the bulk of the leaders of the United States and Canada who at that the time intervened in Kosovo to prevent the situation from going catastrophic but did not intervene in Rwanda. We went with them to observe how they came up with their decisions and recommendations at different levels and apart from actually having the opportunity of interviewing President Clinton or **Prime Minister Chrétien** who declined, we got to talk to pretty much the bulk of the major players. In the end the response came down to something very simple, very close to home which overrides so often so many of the values and so many of the ethical references that we should have.

It was self-interest, what's in it for us? What are the risks? Why should we? That dominated and I was not surprised to think back in the first weeks of the Rwanda genocide, when the major nations of the world were sending recognizant teams to see what was up. Should they do anything? Every one of them particularly those nations that had the capabilities would debrief me before they left because they had to. Every one of them said "Sir we are going back and we are recommending that we don't intervene." I asked "Why not?" They said "Sir there is nothing here; there were no strategic resources, no oil or anything. The country is not even in a strategic location and it doesn't have any strategic infrastructure; there's really nothing here for us." One nation's representative, without even blushing or blinking, said that the only thing that was there are human beings and there are too many of them anyway. It is overpopulated. Humanity did not even enter the radar screen of the decision process. **It was not a factor, it was an interest but not a self interest** and so the killing went on.

In this era of enormous complexity and ambiguity in conflicts of which we have stumbled into, I mean we have actually stumbled into this era in the post cold war of these imploding nations and failing states and mass abuse of human rights, mass atrocity and even genocide. We didn't expect it. We thought as George Bush Sr. said, "We are entering a new world order." Well, we seemed to have stumbled into a new world disorder and we are sort of on the job training, still trying to figure out what to do. I guess it is not surprising that politicians don't get a warm and fuzzy feeling of wanting to intervene because we are not too sure exactly what to do and what tools to use. Do we use the classic use of diplomacy or the classic use of military force? Do we use the concept of the previous era where when nation's state against nation's state had frictions and would end up having to go to war?

The diplomats and politicians would turn into generals and the generals would then take the youth of the nations and

proceed to fight and hopefully win. At the end of that, we would then go in and help rebuild and reconstitute the nation. It was a very sequential series of events but as we stumbled into this new area, of these imploding nations, these civil wars, we discovered that it is not sequential anymore because everything is happening at the same time. The diplomatic is trying to rebuild or reconstitute a political process, bringing in human rights, rule of law, **gender equality** and education, trying to reconstitute a bureaucracy and trying to build infrastructure. We are doing that at the same time as we are fighting off a potential enemy who is trying in fact to undermine the process. So how do these different disciplines work together? How do they integrate their efforts in order to bring new solutions, a new methodology? Well, we have been doing very well because we seemed to be continuously caught off guard and seemed to be continuously responding. It is one thing to say "okay we are going to throw a whole rack of money at a problem after" and hopefully as in Rwanda when we "Pontius Pilate" our way out of our responsibility and washed the blood off our hands of 800,000 humans killed and over 3 million injured, sick and internally displaced and refugeed.

That is one way of doing it and another way is to intervene during the crisis which is often too late and the situation has gone catastrophic. The Syrian conflict is an example where we could have intervened early on but did not. We started to intervene then only to realize that it had inter-mingled the military and the civilians in urban areas, which is one of worse type of conflicts and where we never ever want to intervene because it turns into an urban warfare. It is impossible to separate them and we let it go catastrophic. In fact these are the movements we see that are going on right now. Another option is trying to get in when the thing goes catastrophic and hopefully not too late that we might be able to pick up some of the pieces and curtail it. However, there has not been anybody who demonstrated so far in this era of international

politics and not an era of international statesmanship because there is a terrible dearth of international statesmanship of people who got the flexibility, humility and have the willingness to take risks to want to intervene and intervene early before it goes catastrophic. To prevent it politically is probably the most difficult one to do because if you go in and you prevented something from happening, the questions will obviously be "Why we have to go in?", "Why did we use all those resources?" and nothing happened. The simplistic analysis that so much of our electronic media are really treating us all as grade 9 students and these will be the type of questions you get. The other question is "What happens if the thing went catastrophic while you were there trying to prevent it and then you get accused of maybe aiding and abetting the problem? This is a horrible risk and responsibility to carry.

So the idea of preventing the use of an intervention is not even being yet considered, let alone our learning of how to handle right now conflicts that are ambiguous, complex and exceptionally difficult. Why? It is because they are built on a whole set of rules, a set of rules in which the belligerents are not playing by the rules. The extremists are essentially not in any way, shape and form playing by any kind of rules that have taken centuries for us to build. Humanitarian law, the law of conflict and the basic premise of humanity, all of these have been spoken of so far this morning. It is just not on their plate at all. They are operating totally outside of that which is completely foreign to us who have worked under the guise of a possible belligerent. If you remember the cold war, we knew what their philosophy was, we knew what their doctrine, we knew what their ethos was and we knew what rules they would fashion under. Now we face somebody who doesn't play by any of those rules. One of the new dimensions of that is we even introduced in this new era of complexity, new weapons that throws another curve to our ethical, moral and legal dilemmas in the field of trying to respond through our interventions.

One of these new weapons is the use massively of children. We used children in previous wars in spite of their age because that was the only thing that was left. We certainly looked at the Hitler's youth scenario which is the extreme use of children. In fact now we use children because of their youth, because they are children and we are using them massively, in hundreds of thousands of which 40% are girls. **They only showed 47 boys in picture posters.** There are girls also used from the whole spectrum as crooks, as spies and ultimately as sex slaves and bush flies. This is the most sophisticated and low technology weapon system of our era, turning children into weapon systems, into weapon platforms making them the choice weapon of conflict in our era and yet we have not revolted against that. We don't want nuclear war and we don't want biological war. How is it that we permit to have conflicts based on this weapon called children and permit these conflicts to sustain themselves because the demographic of those countries are such as and eluded to where you can have under 18 year olds representing well over 50% of the population? We brought in rules and we brought in conventions in the international commission of children's rights and the optional protocol, parish principles, a whole series of shaming and by other means but it hasn't really stopped there. We see right now in Central African Republic where the **ISIL** are recruiting and using children. We saw in Nigeria where they took those 200 girls. While they also took a whole bunch of boys, the girls were not there simply because they want to rape them and use them and sell them. The girls were there to be trained because they are building up their force. They are turning them into child soldiers. So we can prevent that if we intervene. The question is "Do you intervene and how do you so intervene?" That brings me closer to home, to all of you here and I would like to read a small passage if I may and I will read it in this fashion. "Hostilities around the world have dominated the global conscience throughout **2014 in particular**. The horrific feature

of too many of these conflicts is the increasing use of children as weapons of war. Presence of children within armed groups test international policies and the will to act." I believe though that it was expressed extremely because of this abuse of children that we are obliged to intervene. I am working towards an argument that the presence of children as weapons of war is an obligation to intervene. If we are looking for a reason to intervene that goes beyond the self interest demands, the use of children, that concept of adults using children as weapons of war is enough reason to do so. In reference to the conflict in Iraq, his holiness Pope Francis [I must say and I hope I don't insult anybody but within my military community we are sort of enamored with the fine Pope and the troops have started calling him "Big Frank" but anyways we won't go down that route.] He said and he spoke poignantly about the military intervention of the United States in particular. He said the following, "In these cases where there is an unjust aggression, the question of just and unjust war, I can only say this it is licit to stop the unjust aggressor. I underlined the verb "stop", I did not say bomb or make war, but said "stop" by some means. With what means can they be stopped? These have to be evaluated. To stop the unjust aggressor is licit." He said that on August the 14th. I am in full agreement with him and I would go even further in saying that certain unjust actions especially the recruitment and use of children as weapons of war must oblige nations to act early and not wait until a full blown conflict breaks out.

The catechism of the Catholic Church which brings us closer to home, laid out the conditions for a just war. I would like to examine each of these conditions as they relate to the use of child soldiers and the need to take early and prevention oriented action as a just response to the crime against humanity. Because of time constraints, I won't read all the definitions. There are 4 conditions to a just war.

The first one, the damaged inflicted by the aggressor on the nation or community or nations must be lasting, grave

and certain. Using the youth of the nation as instruments of war, to conduct some the most horrific atrocities is mortgaging that country for decades to come. I think that meets the first criteria.

Second condition, all other means of putting an end to it must have been shown to be impractical or ineffective. We have demonstrated that we are lacking in a new concept of conflict prevention, of even conflict resolution. We are using the old **contract**, the old diplomatic, the old military and the old development. We are keeping them separate and we are not trying to integrate them. Even the 3 D's: defense, diplomacy and development don't seem to be able to get it together. With all these separate bodies going around, it is not surprising that we are not bringing solutions to the field and we are making it horribly complex for politicians to engage. We asked General Patraeus when he was in Afghanistan and I was the deputy chair of the defense committee, what he was doing with the NGO community, the different NGO's, both religious and non-religious that are running around in Afghanistan in the thousands. What is he doing with the campaign? He said, "I am not doing anything with that." He said "I can't do anything with them because they don't want to talk to me." The NGO community has created sort of a humanitarian space, their neutrality as an instrument to keep them separate from the security forces. As such, they are sustaining the operations because the belligerents are using one against the other and the information is not being passed on. We haven't figured out how to bring the NGO community in that neutrality and the security forces and their responsibilities together in synergy. On the contrary, they keep fighting among themselves because it is very personality based. **There's no fundamental doc**, no final change in those disciplines to make them multi-disciplined and integrated into something completely new. We haven't invented anything new to intervene. We are still horribly caught up in on the job training from Afghanistan to the reactions we are doing now

and to what we have seen ever since the catastrophic failure of Rwanda which has been 20 years now.

The third condition is there must be serious prospect of success. Well, getting into preventing the recruitment and use of children in conflict can be critical to a mission's success since it is a security problem. Even identifying them in the mandates where they were used massively might be an instrument that you can use in order to intervene early. The mere fact that you know they are using children. We knew they were recruiting children in Central African Republic nearly a decade ago. We are arguing that the recruitment of child soldiers by adults is an indication, an early warning that they were prepared to go to extreme of mass atrocities, even genocide because there is no limit to what they do with children. The whole construct of right and wrong can be so significantly influenced. The mere fact of seeing that should be a trip wire for us to want to intervene, to want to engage early on and to prevent it going catastrophic.

The fourth condition and now that we come to a close, is that the use of arms must not produce evils and disorders greater than the evil to be eliminated. This is rather extraordinary because some have been using this argument to not intervene. So the whole construct as you remember Libya, people said that they intervened. The Russians and the Chinese argued that by intervening, we made the situation worse. My question is what can be worse than what is what and did we intervene properly? Did we know how to intervene? Did we know how to make those different disciplines work together? Did we go in early enough? Did we go in appropriately enough? Did the middle powers participated or was it only the world powers who participated in spite of having so many stigmas attached to them when they decide to intervene. Why not use all those middle powers? Why not use countries like my own, Canada to push it to the forefront? What we are seeing right now is a reason to attempt and even undermine. The only major reform that the world has come

up with since Rwanda genocidal 20 years now is we are seeing it being attrited and prevented from being operational because it was so ineptly applied once. When Kadafi said "I will crush these cockroaches", those were exactly the words used by the extremist militia in Rwanda and that's how they turned human beings into insects and slaughtered them with impunity. So when Kadafi said that, **we stopped dropping bombs from 10,000 feet. Today, when we responsibly put boots on the ground we are prepared to pay maybe the ultimate price in some of the blood of our own in order to protect others.** That is part of intervention in this complex and difficult era. The slaughter in Rwanda 20 years ago was done not by adults but by a youth militia. Young people are indoctrinated into a political party nurtured by a radio station who was brought in and given opportunities to empower and slowly affect their minds to the extent that in that 90% Catholic country where the Pope have visited 2 years before, they are turned into primary instruments with machetes to slaughter other 800,000 Catholic youths.

So, ladies and gentlemen the obligation to intervene is evident. The tools are complex. The solutions don't seem to be coming very rapidly but shooting from the hip, these spontaneous responses and the overreactions and maybe even the catastrophic failures are indications that we have an enormous amount of work to be done in order to establish an atmosphere of security and serenity. There cannot be any development and there cannot be any elimination of poverty if there is not an atmosphere of security. You will never have sustained security if you continue to have poverty and no developmental capabilities of increasing the quality of life of the people.

Thank you very much!

ABSTRACT

L'OBBLIGO DI INTERVENIRE

Roméo Dallaire

Dallaire si interroga sui criteri in base ai quali uno stato o la comunità internazionale decide di intervenire rispetto ad azioni lesive della dignità della persona commesse da uno stato sovrano nei confronti dei suoi cittadini e/o di cittadini stranieri che risiedono all'interno dei suoi confini.

Comandante delle forze delle Nazioni Unite durante il genocidio degli Hutu e dei Tutsi in Rwanda (esperienza raccontata nel libro Shake Hands with the Devil. The Failure of Humanity in Rwanda, 2003) e, successivamente, collaboratore del progetto sulla tragedia ruandese, "The Will to Intervene", condotto dall'Istituto di Studi sul Genocidio della Concordia University, Dallaire sostiene che le ragioni che spingono uno stato straniero ad intervenire sono principalmente legate ad interessi di carattere strategico mentre considerazioni umanitarie sono assenti dal processo decisionale. Egli richiama, inoltre, il concetto della "responsabilità di proteggere". Introdotto dalle Nazioni Unite nel 2005 in seguito al lavoro di consultazione che lo ha visto coinvolto personalmente, con tale concetto si stabilisce la responsabilità della comunità internazionale a protezione dei diritti dell'uomo violati da uno stato. Infine, condividendo le parole di Papa Francesco sulla liceità di intervento nei casi di ingiusta aggressione di uno stato nei confronti della persona e l'importanza di valutare i mezzi con cui attuare tale intervento (14 agosto 2014), Dallaire indica quattro condizioni che possono concorrere a giustificarlo: i danni inflitti dall'aggressore su una comunità, una nazione o più nazioni devono essere durevoli, gravi e certi; altri strumenti per mettervi fine devo-

no dimostrarsi non praticabili o inefficaci; l'esistenza di una prospettiva di successo; l'utilizzo delle armi non deve provocare danni e disordini più grandi dei danni e dei disordini che si devono affrontare. Dallaire conclude affermando che la sicurezza in un paese è essenziale per il suo sviluppo, e viceversa, lo sviluppo di un paese e le possibilità di crescita della qualità di vita di chi vi abita è essenziale per mantenere la sicurezza in esso.

PAUVRETÉ ET DÉVELOPPEMENT. PERSPECTIVES D'HAÏTI

Son Éminence le Cardinal Chibly Langlois

Distingués membres de cette Assemblée,

Je voudrais avant tout exprimer ma gratitude à la Fondation Centesimus Annus Pro Pontifice de m'avoir invité à venir partager à la Conférence CAPP/Fordham University les perspectives d'Haïti sur la Pauvreté et le Développement qui réunit les experts internationaux, les autorités académiques et religieuses, et les professionnels du monde économique. C'est le signe d'un grand intérêt et d'une vive attention manifestés vis-à-vis du peuple haïtien, quatre ans après le séisme du 12 janvier 2010 qui a rudement frappé ce pays. Le chemin parcouru depuis est long et difficile. Les défis demeurent encore de taille mais le peuple haïtien est toujours rempli de détermination et d'espérance.

Mon intervention s'articule autour de trois axes fondamentaux :

– D'abord, je présenterai le contexte d'Haïti en termes de défis les plus sérieux que ce pays confronte actuellement sur le chemin de son développement.

– Ensuite, j'exposerai les réponses offertes jusqu'ici par l'Église d'Haïti en termes de contributions face à ces défis.

– Enfin, je conclurai par un appel à la solidarité nationale et internationale.

1. La mise en contexte

Il est clair que les défis sont évidents et divers dans l'Haïti de 2014. Cependant, je veux tout d'abord vous exposer quelques heureuses opportunités et bonnes nouvelles qui émergent de l'Haïti du post-séisme, à partir de certains faits et indicateurs relevés dans quelques secteurs.

Il est heureux de signaler que selon le dernier classement des compétiteurs des sites touristiques du Forum Economique Mondial Haïti est désormais présente sur la carte touristique mondiale. Haïti est aussi depuis l'année dernière, 2013, un membre à part entière de la Communauté économique de la Caraïbe (CARICOM). Elle a aussi occupé la présidence de cette institution régionale.

Il convient aussi de mentionner que selon l'Association Haïtienne des Economistes pour le bilan de l'année 2012-2013, les investissements ont eu une croissance réelle de 6,02%. Les investissements directs des étrangers ont augmenté de 7%. Les exportations se sont améliorées avec une croissance de 3,5%. La branche Transports et Communication du secteur tertiaire a, de son côté, enregistré une hausse de 4,9% en termes réels, les entreprises offrant des services de communication (téléphonie) dominant cette branche. Soixante dix sept pourcent (77%) des ménages haïtiens possèdent un téléphone portable et 55% détiennent une radio.

A cette liste de bonnes nouvelles, s'ajoutent la réhabilitation et la construction de nouvelles routes, de places publiques, l'installation de lampadaires dans quelques rues, un appui remarquable à l'agriculture par la subvention des engrais, et une volonté affirmée d'investir qualitativement et quantitativement dans l'éducation. Il n'est pas superflu de rapporter qu'à deux ans de l'échéance des Objectifs du Millénaire, Haïti a fait des progrès considérables en matière d'accès universel à l'école primaire. Le Programme Scolarité Universelle Gratuite et Obligatoire (PSUGO), mis en place par l'Etat Haïtien a permis de scolariser gratuitement plus d'un

millier d'écoliers dans les deux premiers cycles de l'école fondamentale.

Malgré ces indicateurs positifs porteurs de bonne nouvelle, Haïti est loin d'atteindre son développement économique en vue d'accorder plus de bien-être à la population. Des défis sérieux constituent des obstacles absolus au développement réel de ce pays. The Global Energy Architecture Performance Index Report 2014 rapporte qu'Haïti est le seul pays de la région qui fait face à des défis d'accès à l'énergie aussi importants avec 70% de la population qui n'a pas accès à l'électricité. Selon les résultats de la dernière Enquête Mortalité, Morbidité et Utilisation des Services (EMMUS 2012), un tiers des ménages haïtiens (34%) doit consacrer chaque jour au moins 30 minutes pour s'approvisionner en eau potable. Cette même enquête révèle près de la moitié des ménages (44%) disposent de toilettes non améliorées. En milieu rural, 38% des ménages n'ont pas de toilettes contre 7% en milieu urbain et dans les camps. Le taux de chômage reste très élevé avec environ 60% de la population active sans-emploi. La vie chère frappe un nombre de plus en plus grand de personnes dans toutes les catégories sociales. La dernière version de la Carte de Pauvreté d'Haïti révèle que plus d'un tiers de la population vit en situation de pauvreté dont plus d'un million de personnes en extrême pauvreté.

En définitive, à la lumière de ce diagnostic sommaire et rapide, il est evident que Haïti accuse un retard dans son développement économique par rapport aux autres pays de la région. Certes, certains progrès sont réalisés ou sont en cours de réalisation. Pourtant, la nation haïtienne est encore très loin d'être un pays où chacun puisse vivre de façon digne, parce que 70% de la population vit toujours avec moins de 2$ US par jour.

La réduction de la pauvreté est aujourd'hui une des composantes essentielles des politiques nationales de développement durable et des politiques de l'aide publique au développement. En effet, consciente de cette réalité, l'Église

Catholique d'Haïti continue à affronter ces défis de taille qui interpellent notre conscience de chrétiens en vue de selon les termes du Saint Père à (cf. Message pour la Journée Mondiale de l'Alimentation de 2013).

2. Les réponses offertes par l'Église d'Haïti

Nous voulons limiter notre intervention concernant les réponses offertes par l'Église d'Haïti à trois secteurs. Il s'agit du secteur de l'Education, du celui de l'Agriculture et de la Santé.

a) *Au niveau de l'Education*

Au niveau éducatif, pour la période 2011-2014, la Commission Episcopale pour l'Education Catholique (CEEC) a comptabilisé dans le pays 2,400 écoles catholiques dont 2,037 au niveau fondamental et 363 au niveau secondaire. On a dénombré 72 écoles techniques catholiques.

A travers tous les diocèses, la CEEC, avec le concours des partenaires nationaux et internationaux , a réalisé différentes activités visant à améliorer la qualité de l'éducation et à augmenter l'effectif des élèves. Cela se fait par :

a) la formation continue des Professeurs et des Directeurs,

b) la structuration de la communauté éducative constituée d'élèves, de parents et de professeurs,

c) la mise sur pied des comités diocésains et paroissiaux d'éducation,

d) la promotion d'une éducation accessible à tous les enfants en âge de scolarisation,

e) la promotion d'un juste salaire aux enseignants. En ce sens, la solidarité entre les Églises sœurs et l'apport de certains organismes ont beaucoup aidé.

b) *Au niveau de l'Agriculture*

Dans ce secteur, la Caritas Haïti, grâce a la solidarité nationale et internationale, a donné des réponses appropriées à certains défis. Cela se constate dans divers diocèses à travers ses interventions pour la période 2010-2013. Elle a intensifie ses actions dans la formation des agriculteurs sur les techniques d'agriculture qui respecte les normes techniques et prend en compte le bien-être de l'environnement.

La Caritas a réhabilité certains systèmes d'irrigation :

(*BERRETE/Jérémie = amélioration la distribution d'eau d'irrigation et d'assainissement des parcelles : 3,000 ml de canaux primaires et 2,000 ml de canaux secondaires ont été curés ; 580 ml de canaux primaires construit s; 160 m³ de gabions mis en place et 3 rencontres de sensibilisation ont été réalisées*).

Elle a procédé à l'amélioration de l'accès à l'eau potable :

(*L'exemple de Jacmel : construction de 130 citernes familiales ; distribution de $ 144.000 US de chlore et de tablettes de purification pour le traitement de l'eau, distribution de 800 de bidons Jerrican à 6,000 familles*).

Elle a aussi travaillé pour la réduction de l'effet de l'érosion :

(*Dans cette perspective, ces activités ont été réalisées : tenue de 24 séminaires de formation en renforcement organisationnelle ; établissement de 300 parcelles de fougères ; stabilisation de 2,482 ha de terre ; production de 72,000 ml de rampes vivantes ; appropriation et application des thématiques traitées par 300 agriculteurs ; transplantation de 404,150 plantules forestières et fruitières ; construction de 1,931 jardins agro-écologiques ; mise en pratique par 1,950 agriculteurs des compétences apprises ; mise en place de 13,698 ml de structures antiérosives*).

Des impacts positifs indiquant une amélioration de la condition de vie ont été constatés :

(*Réduction du taux de maladies dues à l'insuffisance de l'eau, l'utilisation de l'eau de mauvaise qualité, la négligence ou l'ignorance des principes sanitaires ; diminution de la pollution de l'environnement par la présence de matières fécales délaissées à même le sol, réduction de la quantité de sol érodé par le ruissellement; meilleure distribution de l'eau au niveau des parcelles*).

c) *Au niveau de la Santé*

L'Église Catholique d'Haïti, avec la solidarité nationale et internationale, fournit un appui considérable au système de santé haïtien. Cela se vérifie à divers niveaux :

1. La formation médicale et sanitaire. L'implantation de l'Université Notre Dame d'Haïti (UNDH) regroupant des facultés de médecine, des sciences pharmaceutiques, de biologie médicale, et une école de Sciences Infirmières dans presque chaque diocèse, constitue un facteur favorable à la croissance des Ressources Humaines dans le domaine de la santé.

2. Les structures et infrastructures médicales. Il a été mise en place une Commission Episcopale de Santé (CESA), qui a suscité la formation des Commissions Diocésaines de Santé (CDS). Notre plus grande infrastructure ecclésiale de santé est l'Hôpital Saint François de Sales qui sera très bientôt prêt à offrir tous les services médicaux. Dans plusieurs paroisses il existe un dispensaire dirige par l'Église.

3. Les soins médicaux. La CARITAS HAITI dispose déjà d'un service de santé qui permet à l'Église d'offrir des soins de santé à la population. Aux côtés du Ministère de la Santé Publique et de la Population l'Église, à travers ses structures sanitaire, intervient au niveau de la prévention et du traitement des cas d'épidémies.

Ayant conscience que sa mission est de sauver tout l'homme, l'Église d'Haïti, fidèle à l'enseignement du Magistère, fait siennes les peines, les joies et les souffrances du

Peuple Haïtiens. Récemment, elle s'était engagée comme médiatrice dans le dialogue entre les acteurs politiques dans l'objectif de créer le climat favorable au développement du pays. Solidaire à l'homme et la femme haïtienne, l'Église continue de poser concrètement des actions pouvant l'aider à répondre aux besoins de toutes les dimensions de son être. Dans cette lutte contre la pauvreté, il y a le grand défi de la reconstruction que doit relever le Peuple Haïtien. C'est pourquoi, la solidarité nationale et internationale s'avère plus que jamais nécessaire.

3. Recommandation : Appel à la Solidarité

Seule, Haïti ne peut résoudre l'ensemble de ces défis. Haïti ne peut pas, non plus, de façon solitaire parcourir la route du progrès et faire ce saut quantitatif et qualitatif vers son développement. Le Saint Père le dit si bien dans son message pour la Journée Mondiale de l'Alimentation : « Ce n'est qu'en étant solidaires de manière concrète, en dépassant les visions égoïstes et les intérêts partisans que l'objectif d'éliminer les formes d'indigences pourra enfin être atteint ».

A l'instar du Pape, et au nom de l'Église d'Haïti, je lance un appel à la Solidarité Nationale et Internationale pour s'attaquer aux problèmes de la pauvreté. Haïti a encore besoin de l'accompagnement de la communauté internationale comme elle a besoin de la solidarité nationale pour chercher et apporter des réponses adaptées au problème de la pauvreté qui touche à la dignité de ses fils et filles. Au nom de la fraternité véritable prônée par le Saint Père dans son message pour la journée Mondiale de la Paix de 2014, fraternité qui doit être expérimentée, annoncée, et témoignée, Haïti demande instamment à la communauté internationale « un pas de plus », une persévérance dans la solidarité. Je suis convaincu que la communauté internationale continuera a accompagner Haïti sur le chemin exigeant du développement.

Au terme de mon intervention je voudrais plaider pour la solidarité nationale et internationale. Bien évidemment une solidarité qui n'est pas une forme d'assistance, ni circonstancielle, ni ponctuelle avec quelques petites activités de riposte suite à des désastres. La solidarité que je proclame et que je viens défendre ici doit être :

1. Nouvelle : en ce sens que les changements profonds sont appelés à être apportés dans les comportements et attitudes des uns et des autres.

2. Durable : Haïti s'attend à ce que la communauté internationale réitère son engagement à accompagner à long terme ce pays dans sa refondation.

3. Participative : où les autorités et communautés sont impliquées dans la recherche de solutions où les compétences locales sont renforcées et utilisées.

4. Continue : Haïti s'attend à ce que la communauté internationale mobilise ses ressources financières et humaines non seulement dans des situations d'urgence, mais aussi de manière constante tout en visant l'autonomie du pays.

5. Coordonnée : dans le but d'obtenir de meilleurs résultats, nos actions se voudraient être concertées.

6. Active : que les acteurs concernés s'assoient ensemble pour définir politique, priorité et stratégies de développement durable.

7. Citoyenne : dans le sens que la société civile soit pleinement engagée et assume ses responsabilités.

A vous participants, participantes de cette conférence, je vous exprime mes vœux les plus cordiaux afin que cette assise soit fructueuse. Selon les expressions du Saint Père pour la Journée Mondiale des Migrants et des Refugiés, qu'à travers vous, Haïti continue de faire «l'expérience de la solidarité fraternelle et la chaleur de l'amitié» Sur vous, j'implore la Bénédiction de Dieu tout-puissant. Merci.

ABSTRACT

SULLA POVERTÀ E SULLO SVILUPPO. PROSPETTIVE DI HAITI

S. Em. Rev.ma Card. Chibly Langlois

Il relatore illustra le prospettive di sviluppo di Haiti, a partire da una descrizione delle sfide rispetto alle quali il paese si sta misurando e dal contributo fornito dalla Chiesa Cattolica di Haiti per far fronte ad esse. A quattro anni dal sisma, alcuni dati mostrano delle opportunità incoraggianti. Tuttavia, permangono alcuni ostacoli nel raggiungimento dello sviluppo economico necessario a garantire un miglioramento del benessere della popolazione e a colmare il ritardo rispetto agli altri paesi della regione. La Chiesa di Haiti, con il sostegno anche della solidarietà nazionale ed internazionale, ha contributo ad importanti iniziative in particolare in tre ambiti: l'educazione scolastica (formazione continua dei professori e direttori scolastici; creazione di comitati diocesani e parrocchiali dedicati all'educazione; promozione di un'educazione accessibile a tutti i bambini in età scolare; promozione di uno stipendio adeguato per gli insegnanti); l'agricoltura (attività per la formazione degli agricoltori sulle tecniche agricole nel rispetto delle norme tecniche tengano conto del benessere dell'ambiente; ricostruzione di alcuni sistemi di irrigazione; miglioramento dell'accesso all'acqua potabile; riduzione dell'effetto di erosione); la sanità (formazione medico sanitaria presso l'Università di Notre Dame di Haiti e scuole di Scienze Infermieristiche in quasi tutte le diocesi; creazione di commissioni episcopali dedite alle tematiche e rafforzamento della infrastruttura sanitaria ecclesiastica; offerta di cure sanitarie alla popolazione attraverso il servizio sanitario della Caritas Haiti).

Langlois conclude con un appello alla solidarietà, nazionale ed internazionale. Egli insiste affinchè tale solidarietà sia: 1) nuova, nel senso che devono essere attuati cambiamenti profondi nei comportamenti e nelle attitudini delle persone; 2) sostenibile nel tempo; 3) partecipativa; 4) continua, ovvero oltre l'emergenza; 5) coordinata; 6) attiva; 7) che coinvolga la società civile.

THE SUFFERING AND HOPE OF A TERRORIZED COMMUNITY

His Excellency Msgr. Jean-Clement Jeanbart

Again and again and for over six months now, the electricity and the telephone lines have been regularly interrupted, there is a lack of water and for over ten weeks Aleppo had been under siege and cut off from the rest of the world. The 17th of April, on Holy Thursday, the city was the scene of terrible attacks and people, horrified by the bombings, were unable to leave their homes to go to church. We cannot begin in these tragic circumstances to enumerate the sufferings and difficulties which the people of Aleppo have had to endure: humanitarian problems, material and social difficulties which they must face every morning with each sunrise. Aleppo is not alone to suffer in this country, where Saint Paul on his road to Damascus, turned to become the elected One of Jesus and the tireless defender of the church.

Everybody talk about the war in Syria which has been going on for more than three and a half years now, we hear about the strategic consequences, the geopolitical influences in that region, the violence, the affronts endured by the innocent population of a country which is pulled apart mercilessly. Though I do not underestimate the political stakes of what is going on in our country, in the following lines I would like to draw attention to the fate of Christians who are caught in this turbulence and the issues of this war and its consequences for the future of Christians in this region. For the Church, what is most important is that peace may be restored as soon as possible and with that peace we hope to see established a non-confessional and pluralistic democracy, guaranteeing to all Syrians a space of religious freedom which all the

minorities composing this country need in order to live serenely and be full-fledged citizens in a country where they were born and where their ancestors are buried.

1. A Great Martyr's Mother

I have been frankly in admiration, when I heard this fantastic American martyr's Mother saying to the journalists: "We have never been so proud of our son, he gave up his life while trying to unveil to the world the sufferings of the Syrian people". Diana Folley the mother of James said these wonderful words, one month ago, on Wednesday the twentieth of August, just a few days after the salvage murder of her beloved son (translated from French. AFP).

This declaration is a very significant witness to the truth, in these awful times in which the public opinion is in pray of an invasion of disinformation and dreadful lies. How the world would be different if the truth is respected, and the media wisely monitored.

Truth, we need it, more than anything else, in these terrible times! Everything and many capital issues seem to be manipulated in an inacceptable way, and the global human atmosphere becomes more and more polluted every day by an assault of wild media. This dreadful phenomenon reminds us the Tour of Babel: everybody speaks his own language, nobody understands nobody and the world seems confused and disoriented. The ephemeral building of human pried, the huge Tour they had constructed, collapsed with all their selfish ambitions. What is going on in the suffering Middle-East in these sad days, has much to do with the overflow of today's Media. Hundreds of television channels and newspapers have been mobilized and several news agencies has organized a propaganda campaign to divert and mislead the public opinion. The most disappointing of all what is happening is that a number of NGOs meant to monitor facts and provide the Media with exact news and informations has been un-

faithful to their duties. We noticed this defect in the behavior of what is supposed the to be a "Human Rights Watch", eventually established, for that precise purpose, by the Syrian Opposition, a few years ago in London.

I would say more than that, the world could be much better and more human if eminent scholars and people of good will find places on decision makers sittings. It will be certainly very helpful if they are allowed to share in the political planning assemblies. Humanity needs now a day: truth and justice more than anything else.

2. Horrible Acts in the Name of God

By the way and on the same distressing argument, it was just a few weeks ago, the day of sorrow in Mossul, the city in Irak wich witnessed the departure of all the Christians belonging to its long history and peaceful life for thousands of years! At the same time we had very bad news coming from Rakka, a city in Syria, where a large number of people has been murdered for religious reasons by a group of Jihady muslems actually ruling with the Coran laws this area, close to the Eufratus river. We had a lively parish of over one thousand people in this city . The hurtful actions toward the Christians in Syria are innumerable in the country since the contestation movement turned to radicalization and violence.

On September 14th of this year, has been published in the city of Rakka, a statement of ISIS (Islamic State in Irak an Syria) declaring that now on, has begun the Era of ISIS under the caliphate of Abou Bakr Al-KORCHI prince of the muslims. A number of laws and regulations has been decreed. Among these laws we can see: – the interdiction to deal with wines tobaco etc. / – the interdiction of any meeting or gathering of groups of people. / – No place for pluralism or diversity because God wants cohesion and unity among his people. / – All no muslim shrines, sanctuaries, monuments or statues has to be destroyed. / – The woman must cover herself with

large coats and stay at home. / – Finally the statement makes this conclusion: we say to all of you: "You have already experienced the secular republic and suffered, now you are in times of the Islamic State and you will see with it all the difference."

You have certainly heard about the execution of Father Frans VAN DER LUGT sj, on the sixth of april of this year in the old city of Homs, where he had chosen to stay despite the dangers, among a small group of Christians remained in midst of the muslims, under the domination of rebels army, where he has been for more than two years, helpful and friendly with everybody without any discrimination. He has always been, for over 40 years, a brilliant actor of the interfaith dialogue in Syria which he promoted among young people, and had become a symbol of Christian-Muslim friendship.

This death is indeed a great misfortune striking us in Syria, but it is neither the first nor the only one! When we consider Christians, we can speak without exaggeration of several hundreds of dead, many of whom were martyrs or innocent victims. We know of at least 10 priests assassinated, without speaking of the three martyrs, confessors of the faith, in the village of Ma'aloula last April. This community, refuge of Christians since the time of the roman persecutions, was attacked by Jihadists who vandalized churches and convents and kidnapped twelve Sisters to terrorize the population even more. We do not have precise statistics about the wreckage done to churches and convents throughout the country. These are heart-rending images that are shown us, unimaginable in this XXIst century and that you only see in films of terror and movies perhaps. Should we forget the bishops and priests who have been kidnapped two years ago and of whom we have no news? All of this is terrible and we do not know what to tell our faithful who are in great distress.

To all of these tragedies are added the indescribable suffering of hundreds of thousands of families in mourning,

millions of refugees and all those who have stayed in their homes and labour night and day to find food for their children. All we are doing to help them remains precarious and very little in the face of what they really need in order to live with dignity. This inhuman war, with its barbarian scorched earth strategy, leaves nothing in its wake. Thousands of factories have been laid waste; goods have been stolen and sent out of the country; the contents of grain silos have been sent to Turkey as well as huge quantities of oil, stolen in the North of the country. Thousands of schools have been destroyed, tens of hospitals demolished and hundreds of dispensaries and medical centers all the same. It is catastrophic, a rampant tragedy that is annihilating this country, a country that was one of the most open to pluralism in this region and in which were reduced to utter misery millions of innocent human beings.

Whether we recognize it or not, Christians are presently living through painful days. They are disorientated by the explosion of a situation which in the recent past was rather quiet and safe. They lived peacefully in a society with a Muslim majority which was tolerant and even benevolent. There was a cordial living-together which gave many of them hope for a future ever more serene, bathed in an atmosphere of mutual acceptance and friendship. Today, it seems that everything has changed dramatically. The protest movement which began peacefully was rapidly transformed into an armed revolt which spread terror and insecurity everywhere in the country. People are afraid to leave their houses, they avoid going out of their cities or villages, or do so only to move to other regions where they hope to find a safe refuge. In the perilous zones like Aleppo and the villages close to Turkey, what terrorizes the population more than the fighting and the bombing, are the kidnappings, the snipers, car-bombs, the shelling and the looting which numerous armed gangs inflict upon the civil population in areas where the army is not present.

3. Syria is the Prey of a Devastating Invasion

This being said, it is evident that some plot has been set up to destroy and dismantle the country. At the beginning of these events, we did not want to believe this but now we have more and more evidence that this is not a protest movement of the population but in reality a war of destruction led by a certain number of nations who, using the unrest of certain parts of the Syrian society, have implicated the population in a fratricide war into which they have injected arms, money and tens of thousands of fighters, Jihadists (Quaida), fundamentalists, foreigners and mercenaries, recruited in many different countries. Everybody recognize, now a day, that thousands of European terrorists have joined the troops. Some people speak of a war between great nations or a world war three, taking place on Syrian soil for strategic advantages; but it is not the place to develop this here.

Nevertheless, we must never accept to join a nominated former ambassador of USA to the UN, Mr. Andrew Young, when he says: "Politics do not control the world, money does". We would rather look for a liberated, strong and meaningful politic, concerned first of all, by the dignity and wellbeing of human society. This proved to be the teaching of the Church, and the sayings of the Popes, all along the last century and this has been the message of our beloved Pastor the Pope Francis, since he set on the Chair of St Peter in Rome one Year ago. His Holiness stressed clearly in his first Message in the World Day of Peace on January first of this year:

> *"The necessary realism proper to politics and economy cannot be reduced to mere technical know-how bereft of ideals and unconcerned with the transcendent dimension of man. When this openness to God is lacking, every human activity is impoverished and persons are reduced to objects that can be exploited. Only when politics and the economy are open to moving within the wide space ensured by the One who loves each man and each woman, will they achieve an ordering based on a genuine spirit of fraternal charity and become effective instruments of integral human development and peace."*

On the other hand what is happening in our country, seems some time like if it was a bargain between some muslim states and the western countries at the expenses of the Christians and others minorities in Syria and in the whole region. Some people would say that the Middle-East had been sold by the West, in exchange of billions of dollars and plenty of economical advantages and huge amounts of financial investments to the promoters of an expected teocratic and totalitarian Islamic State. This state would be fully run by the Charia, (the muslim law), where you wouldn't find any place for the minorities in the citizenship. The Christians of course in such a situation would be considered as zimmis without any civil right, with the conditions of slaves or foreigners, just tolerated and submitted to arbitrary rules and dues.

What I can give as tangible elements which make us doubt the good intentions of this protest movement are:

– repeated massacres, savagely perpetrated against peaceful populations in isolated areas of the country. The latest of which is Mossul's tragedy and the attack against Maan, a small village situated north of the city of Hama in Syria, where 42 christians, women, children and old people were murdered;

– kidnapping of Bishops, priests and religious in their own convents;

– refusal to engage in dialogue or in any peaceful resolution to the conflict;

– finally, the massive destruction of infrastructures and the annihilation of all that made this country live and progress. As an example, we can point to the ravages inflicted on Aleppo, the main economic center of this country.

I do not know whether or not Aleppo has yet been designated as a "disaster zone" by international powers. But what I do know is that it is truly a disaster zone: a human disaster zone, a material and economic disaster zone. The citizens of

this great and beautiful city, with its seven thousand years of history and enlighted human culture, find themselves after more than three years and a half of senseless war in a desperate situation. The prosperity which Aleppo enjoyed and which placed her among the most important cities of this region has lost its aura. The innumerable attacks which have destroyed its factories and its flourishing industry, its infrastructure and social and administrative institutions, its commercial area and its legendary «souks», its ancient homes, its schools, and its hospitals have reduced the city to misery and its population to extreme poverty. Through the destruction of this city, Syria has lost one of its main sources of economic growth and social improvement. We can add the countless frustrations which the people of Aleppo have had to face lately because of the siege, without precedent, which the rebels have imposed upon the city last summer for almost two months. The lack of supplies has created penury of food and other products of first necessity... In a word, our population has suffered and been the innocent target of a war that is unjust and devastating. Aleppo was not alone to suffer, many other cities in the country has been the target of a similar dreadful disaster.

We cannot see anywhere, in all of these events, the evidence of a revolution or a search for betterment and the improving of the life of the citizens of this country. Rather, we ask ourselves every day increasingly, if this revolution is really a movement of Syrian citizens looking for freedom and democracy and a better life, or is it not a devastating invasion of our land, more terrible than the invasion of the Huns in the 5th century and the Tartars in the Middle-Ages. This pretense of a revolution for liberty and betterment does not care about the life of the people it purports to serve, nor about the security of its inhabitants, nor about their subsistence nor the future of their children.

On our side bishops and in spite of all, we have done everything possible to ensure that our schools, the hope for the future, continue their education and cultural mission.

E.G. there are 7 seven schools at present in my diocese, three of these schools are professional institutes training students for tourism, nursing and management. Another one for the building skills, has to start next October in order to prepare our youth to find some work in the expected reconstruction after this devastating war. We have been at the same time very close to our people, providing all kinds of material help they may need in their unexpected dramatic poverty. We offer them: Food and provisions baskets every month, health care and medication, scholarship subventions, housing assistance for those who lost their homes and a small salary for the families without any income due to the inactivity of the parents who have no more any employment in the destroyed city.

4. The Hard Choice of Christians

After all what we have seen, we believe that there and in this spot that lies the core of the problem which torments Christians and their pastors in Syria, and If some opponents are wondering how it is that religious leaders and bishops are not the first ones to support the rebels, who, apparently, are fighting for freedom and democracy for their country? We need no more arguments to respond, the facts are evident and we have convictions that allow us to say that this uprising has nothing to do with freedom and democracy. If this were the case, it is undeniable that the Church would have been the first to become an ally of the unrest and the leader of those asking for substantial reforms in political governance and in the administration of public goods, beginning with the suppression of dictatorship followed by a democratic passage of power.

What Christians want for the short term and for the future, is to arrive at a non-confessional and pluralistic political system enabling each citizen, whatever his religious beliefs, to live in peace in his country and to participate in public life, with all the duties and rights which real citizenship requires.

5. Our Pastors, Instruments of Integral Development and Peace

On this matter the Holy Father Pope Francis, concluded his memorable letter of September 2013 to President Vladimir Putin, reminding everybody that the thoughts of a spiritual leader could be of significant help to the decision makers. Economy will only develop if it allows a dignified way of life for all human beings, from the eldest to the unborn child, not just for citizens of the G20 member states but for every inhabitant of the earth, even those in extreme social situations or in the remotest places saying: "*Mr. President, in the hope that these thoughts may be valid spiritual contribution to your meeting, I pray for the successful outcome of the G20's work on this occasion*".

In his speech on the opening of the 2nd Congress of the Patriarchs and Catholic Bishops of the Middle-East on December 3, 2012, his Beatitude Pariarch Mar Bechara Rai, speaking of social interaction in the M-E. said: "Far from political considerations and in order to distinguish between religion and the state, Christians, Jews and Muslims are invited to rediscover the will of God in union and in harmony within the human family; they are invited to consider the believer of another faith as a brother worthy of respect and love... In the frame work of this union, it is the right and the duty of Christians in the country, to enjoy full citizenship." He added that this implies, on one hand, that believers have a deep faith which inspires them for the common good, for peace, fraternity and justice; and on the other hand, it supposes that the national community has a "positive secularism" which frees religion from the domination of politics and enhances the community with the contribution proper to religions. All of this is in keeping with a recent Apostolic Letter of Pope Benedict XVI to the Church in the Middle-East.

For us, the disciples of Jesus-Christ in Syria, witnesses of the birth of the Church at the time of the Apostles, this «momentum» of our two-thousand year-old history, which

we are now living, remains dramatic. It could, God forbid, deal a fatal blow to our presence and to our apostolic mission in our countries in these times of great change! The misfortunes which are upon us relentlessly have inflicted great suffering and are enough to discourage a great number of people. If the war continues and if peace is not restored in the streets and in our hearts, all our hopes may be lost, for the misery **to all Syrians, Christians and Muslims alike.**

NAHAR newspaper published, on the 29th January 2002, on that purpose an important declaration issued by his highness prince TALAL BIN ABDUL AZIZ AL SAOUD and it states:

> "The Arab world is exposed to a human, social, cultural, political and economic exhaustion which shows a critical aspect: The immigration of Christians that has not stopped for many years.
>
> It is a harsh reality which will result in long term effects in the future of our Arab world. If the Arabs, both Muslims and Christians, do not take a decision to face and stop this phenomena.
>
> As in times of world crisis, such as ones the world flows through generally and especially the Arab world today, there must be a pause to review the reasons for this fatal immigration of the Arab multiculturalism.
>
> The Arab Christians formed one of the pillars of both old and modern Arab construction...
>
> …Their survival, last but not least, is to prevent draining an important section of the creative scientific, cultural and intellectual potential of the Arab world. They are also keen elements of economic power in trade, industry, finance, professional specialization and workmanship.
>
> In short, if the immigration of Arab Christians continues, it will be a deep blow pointed to the core of our future. Our urgent task is to prevent this immigration by consolidating the survival of this category in our east and looking forward to the opposite immigration if possible."

6. Geneva a Ray of Hope

Since the beginning of this senseless war, the Church, all the while encouraging the regime to establish the reforms desired by the majority of citizens, has called for an end to armed conflict, has called for dialogue in order to come to a concerted political solution to this crisis that has plunged this country in blood and fire. The Patriarchs of the Middle-East as well as the General Assembly of the Bishops of these Middle-Eastern countries, together with the Holy See and most particularly His Holiness Pope Francis, have not ceased to call the believers to prayer, the fighters to calm and the nations to military non-interference, and have given their support to a peaceful resolution of the situation. No one can forget the prophetic call of Pope Francis to fasting and prayer to spare Syria the throes of a fatal attack threatened by the United States.

The Lord answered the prayers of his Church! He spared the people of Syria and opened perspectives of dialogue and reconciliation; the Geneva talks, has been a first sign. "Geneva" is for us a great source of hope; we are praying day and night so that it may do more efforts trying again and again to attain its objectives and call for a third meeting in order to promote dialogue and reconciliation between belligerents. We ask all our Christian brothers of the world to join with us, praying and acting so that the instigation to war will end and so the process of dialogue may succeed, for the greater good of all Syrians.

The tragedy which struck Mossul in Irak and the violence perpetrated by the Islamic State, persecuting and slaughtering Christians in the worse salvage way, has been a shocking spectacle for the whole world and depressing for the Christians in this suffering Eastern Church, in prey of incredible discrimination. No wonder if we see our people trying to leave the country by all means. They are scared and anxious about the future. This is a terrible spectacle for us Pastors in

charge of that terrorized community, we share in the suffering of our faithful and we do whatever possible to help them resist and be confident in a better future in their country. We try to let them share our Ecclesial preoccupations, and be aware of the mission the Lord has given us, we have to bear witness in this blessed country where the Church has begun, twenty centuries ago, its apostolic wonderful march in direction of all the nations!

The emigration problem is one of the greatest we have to confront now a day. You consider without any doubt the preoccupations and sadness of a Bishop of Aleppo, actual successor of the *apostles, designed* on a very long list of recorded predecessors, going on without stop from the third century until now, and you understand, I am sure, his suffering when he see the departure and, God forbid, collapse of this secular (let us say millennium) Community, and in a way or another the disappearance of the Christian presence in this holy land blessed with the blood of hundreds of thousands of martyrs.

Why this relentless harassment and opposition by the West against our country? Why all these obstacles to the Geneva process? Why throw oil on the fire and supply arms to the warring factions instead of working for peace and engaging in dialogue in order to come to an agreement and reconciliation as promoted by His Holiness Pope Francis? All of these questions haunt the Christians of our country and we would beg that this honorable assembly ask these same questions to the personalities who make decisions in this wonderful Nation whose humanitarianism and generous dedication for needy people we have always admired. Could you please submit this proposition to your colleagues and friends, that they may act with all men of good will, in order to establish peace and serenity in our beloved country. May all the decisions makers join His Holiness Pope Francis in his concern toward suffering people in this world as he says in his Message on the World day of Peace last January:

"Many conflicts are taking place amid general indifference. To all those who live in lands where weapons impose terror and destruction, I assure you of my personal closeness and that of the whole Church, whose mission is to bring Christ's love to the defenseless victims of forgotten wars through her prayers for peace, her service to the wounded, the starving, refugees, the displaced and all those who live in fear. The Church also speaks out in order to make leaders hear the cry of pain of the suffering and to put an end to every form of hostility, abuse and the violation of fundamental human rights".

In short it is useless to insist: if the civil war in Syria is prolonged, it will necessarily overflow on the neighboring territories. Unfortunately we notice that happening, day after day. You can imagine the cruel picture ahead with the tragic consequences to the Christian presence in Syria and in the surrounding countries. I am actually convinced that our first task is to struggle for peace in our land and in our region and we need in that your support and help. We know the task is arduous and difficult but we Christians also know that He in whom we have put our trust is faithful and never abandons his own, He who came to stay with his own, will never leave them to fend for themselves.

Finally, we look forward with a great hope that this Calvary which cuts through our country will soon end and that peace will return so that our faithful can return to work in peace and find once again a normal life, in security and in an atmosphere of serenity and mutual understanding among all the citizens of this beloved country.

ABSTRACT

LA SOFFERENZA E LA SPERANZA DI UNA COMUNITÀ TERRORIZZATA

S.E. R.ma Mons. Jean-Clement Jeanbart

L'Autore dà testimonianza della difficile situazione in cui si trova la città di Aleppo, la Siria e il Medio Oriente a causa dei conflitti civili e religiosi che da alcuni anni le caratterizzano.

In particolare, egli si sofferma sulla condizione dei cristiani, che sono perseguitati o giustiziati o costretti ad emigrare. Sia la protesta dei ribelli in Siria, con la conseguente distruzione della città e riduzione in estrema povertà della popolazione, sia l'avanzata dell'ISIS (Stato Islamico di Iraq e Siria), con l'obiettivo di eliminare il pluralismo religioso e sopprimere i diritti fondamentali dell'uomo e della donna, hanno inciso in modo drammatico su una situazione precedente di convivenza ed accettazione reciproca tra le religioni. La Chiesa cattolica ma anche le altre cristiane, tramite le loro autorità religiose, hanno denunciato le barbarie dell'ISIS e sempre sostenuto la necessità di porre fine al conflitto ed avviare il dialogo per giungere ad una situazione politica concordata della crisi siriana. Esse hanno inoltre esortato alla creazione di un sistema politico non confessionale e pluralistico che consenta ad ogni cittadino, qualsiasi sia il suo credo religioso di vivere in pace e partecipare alla vita pubblica, con tutti i diritti e i doveri che comporta una vera cittadinanza. Infatti, la crescente emigrazione degli Arabi cristiani dalla regione sta impoverendo il multiculturalismo arabo, inaridendo un importante potenziale creativo, scientifico, culturale ed intellettuale che in passato ha contributo alla prosperità e allo

sviluppo della regione. L'Autore conclude auspicando che le trattative avviate a Ginevra, fattore di speranza per la pace nella regione, possano proseguire e che i paesi Occidentali possano sostenerle.

MIGRATION, ECONOMIC DEVELOPMENT AND POVERTY

Father Richard Ryscavage, S.J.

Professionally my life as a Jesuit has moved back and forth from policy and direct service work in the area of migration refugees and immigration to academic teaching and research work on global migration.

I did this as head of the United States Catholic Conference of Bishops Office of Migration and Refugee Services and then as Director of the Jesuit Refugee Service USA as well as the Social and International Ministry Office for the American Jesuits. I also taught and did research at the Refugee Studies Center of Oxford University for 4 years.

I shall draw on both those career areas – academic and operational experience for my talk today. I would like to explore the relationship between poverty, migration and development particularly from a perspective of Catholic Social Teaching.

About 7 years ago I was invited to join the Holy See delegation for the high level dialogue on migration convened by the UN Secretary General. For hours I listened as one foreign minister after another stood at the podium in the General Assembly complaining about the negative impact of migrants and refugees on their individual countries both poor countries and rich countries. Every government seemed to have problems with migrants. When the Nuncio took to the podium he spoke of migrants as human persons with God given dignity and rights. He pointed out that they come bearing many gifts – such as their strong family values, their cultural richness, even their food, and how their children can help to off – set the seriously declining birth rate in most economi-

cally developed countries. Migrants of all types, of course, face terrible challenges in rooting themselves up from their homelands and they do often bring difficult challenges to the societies in which they try to resettle. But the catholic perspective is to remember the words of Jesus urging us to welcome the stranger. Our first response to migration should be positive not negative attitudes while always protecting the social conditions that allow human beings to flourish in our societies.

So what is the connection between development migration and poverty?

Let me start with poverty and I will begin with a statement that might surprise you.

We often make the assumption that escaping from extreme poverty is what generates the most migration. But if that were true then we should see the greatest migration from the poorest countries but that is not the case. Research has shown that people living in extreme poverty migrate the least. In order to migrate you need money or at least some form of social capital to facilitate the journey. In some areas of the world smugglers are even called "facilitators".

I once helped a young girl I found being detained in the Los Angeles juvenile facility. Her Chinese family had to pay the smugglers 25,000 dollars to get her into the United States illegally.

Currently there are over 60 thousand of unaccompanied children in the United States who entered without authorization and unaccompanied by a parent or adult. I am told that to smuggle one child up from central America costs the family at least 5,000 per child and thousands more if they want special protections for their children. That amount might represent a family's life savings but my point is that these families do have life savings unlike the poorest of the poor.

Please note that I am not saying that the poor do not migrate. They do but they are normally not the poorest of the poor around the world. So the connection between poverty

and migration is complex. There is no question that many migrants around the world migrate in order to make more money and lead a better life. But I say it is complicated because research shows that their motivations are always mixed: they might feel that they cannot develop their full human potential because of social conditions in their home countries; those social conditions might include violence, persecution, poor education for their children. Uprooting and leaving your culture, your extended family, leaving your home behind can often be traumatic. So the decision to migrate is not simply about making more money.

But money is important and I would like to offer two distinct global phenomena as concrete examples.

The first example is the phenomenon of remittances – this is the money migrants earn in countries and then send back to their families who stayed behind.

I will use the example of migration to the United States because we are truly a nation of immigrants, immigrant labor was key to our economic development. Yes we do have indigenous peoples, the native Americans, but they too migrated here from other places. In general the United States has been very successful at integrating immigrants into American life. But historically there have been periods in U.S. history where there were severely high levels of anti-immigration. We are in one of those periods today. Even though there exists bipartisan understanding in Washington that our immigration system is broken, immigration reform has stalled because anti-immigration groups are particularly upset by the large numbers of illegal immigrants living in the United States and the lack of security on our southern border.

Since the early 1990's we have been taking in approximately 1 million legal immigrants a year plus 50,000-70,000 refugees a year. On top of that large number of legal immigrants and refugees, nearly one million undocumented immigrants have been entering every year although currently the numbers seem to be in decline. Some come legally with a

Visa and then overstay the Visa. Others sneak into the country without authorization.

Returning to the issue of money and migration, I will concentrate as examples the remittances being sent back to central American nations of El Salvador, Honduras and Guatemala from the United States. Remittances around the world have reached an enormous level. The world bank projects that global remittances will soon reach half a trillion dollars a year.

Most of the immigration into the United States right now is coming from Mexico but if you take the 3 poor countries South of Mexico, well over 10 billion dollars a year is being sent back to those three countries by migrants. Remittances are now 17% of the gross domestic product of Honduras, 16% of the GDP of El Salvador and 10% of the GDP in Guatemala. The total amount of remittances outstrips all foreign aid and all foreign direct investments combined.

Because this money is sent directly to families it avoids governmental corruption and bureaucratic red tape. It enables families to buy food, housing clothing, education and health care. The money mostly goes into consuming things so it is in general good for the very local economy. I know some Salvadoran immigrant workers around Washington DC from the same town in El Salvador who have collaborated with each other to send remittances for the purpose of building a school for the whole village and better water sanitation. Such a project is a good example of working for what the catholic teaching would call the common good.

But there are serious problems with remittances not just in central America but globally. This money sent back to families usually is spent on consumption: buying food, clothes, improving a house, educational fees and health care. While meeting those needs is immediate and important and the money probably does support local businesses, the remittances generally are not being used for projects that would provide long term employment and sustainable economic

development. In fact the evidence is weak that the 10 billion a year being sent back to central America by the migrants living in the USA has had any effect on the countries' economic development. Efforts are underway to leverage remittances and diaspora savings for development goals.

The Dodd Frank act which the U.S. Congress passed in 2010 in response to the financial crisis created a financial consumer protection bureau which has made it easier and cheaper for migrants to send money back to their families. It is the first time the remittance process has been regulated in the United States. This is important because after the migrants have sent their monthly checks back to their families and pay for the cost of the money transfer, they must live in the U.S. on even less money. So remittances make them poorer.

Complicating the problem President Obama has dramatically increased the number of deportations of unauthorized migrants mostly from Mexico and central America. 368,000 people were sent home last year. Even more are being deported this year. Ultimately President Obama has deported more migrants than any other U.S. President. This puts huge strains especially on the smaller countries. Jobs are limited and reintegration is often non existent. The youth being deported because of criminal offenses often end up in violent gangs that are wreaking havoc in all three countries.

Because almost one out of seven people in the world today are either internal migrants or transnational migrants there is I think a growing perception that migration is important for the global common good. I note the recent creation of what is called the knowledge partnership on migration and development (KNOMAD) is producing a guide book on migration data and its connections with development.

There are calls after last year's UN high level dialogue on migration and development for recognizing explicitly that migration be part of the post 2015 development agenda. This is a recommendation that the church could and should strongly support.

I should also like to point out that aside from development, remittances could have a major role to play in emergency humanitarian assistance. Look at the Syrian refugee crisis with more than 2.5 million Syrians living in neighboring countries. International calls for assistance has only brought in 14% of what is needed. Lowering the cost of money transfers to Syrians in Jordan or Turkey by Syrians in the international Syrian diaspora could help these refugees.

For those internally displaced in side Syria the Syrian government has been deliberately blocking remittance inflows saying remittances would be used to support the rebel terror groups.

Now I would like to turn to a connected but quite different migration issue: unaccompanied child migrants.

Around the world there has been a startling rise in the number of children under the age of 18 trying to migrate into other countries travelling without an adult family member parent or adult caregiver more than 25,000 child asylum applications have been filed this year in 77 countries and many children do not file for asylum .

When I was running the US Bishops Office for Migration and Refugee Services we were used to dealing with around 5,000 children entering the USA every year. Right now this year 66,000 have entered the country I recently visited a facility in Chicago where I saw children as young as 4 years old. Mostly from those same 3 countries I used as examples for remittances: Guatemala, Honduras and El Salvador.

Why are they coming? The growing numbers may have been triggered by President Obama's announcement a couple years ago that he was giving deferred action status to childhood arrivals (DACA – see post scriptum). That is he deferred deportation to persons brought in to the USA illegally by parents when they were still children. They have been given authorization to work, deferred any deportation proceeding and in most states they can qualify for drivers licenses. This action by the President may have sent a mistaken message to

central Americans that if they sent their children to the USA the children too would be given some kind of status that allowed them to stay.

But I think the larger answer to the question of why this is happening lies in the enormous violence that is ripping through all three countries right now. Much of the violence comes from gangs often linked to the drug cartels. Young people often find themselves attacked by gangs and so their families want them to seek a safer country. In all 3 countries there is a great deal of internal displacement because of the violence. Unless the violence is dealt with the child migration is unlikely to end.

My friend, the highly competent Archbishop Silvano Tomasi, the Holy See's Nuncio to the United Nations in Geneva told the UN human rights council in June 2014 that "children on the move constitute a humanitarian emergency that calls for immediate remedies".

From a catholic perspective what remedies should we suggest? Our focus and starting point for social problems should always be the human person – in this case the young person. Too often the children primarily are seen through the eyes of immigration law or border enforcement or politics or as an economic problem or even as a trafficking victim when in fact they need to be seen primarily as children. As children they are by virtue of their age, level of mental or physical development, more vulnerable than other migrants. Although it is highly complex this child centric approach makes the most sense. The first question to ask is what is in the best interests of the child? Impossible to answer that question without answering many other questions: such as who are the children? How old are they? Do they speak any English? Why are they here? Who is responsible for protecting them? What role did violence, including domestic violence play in their decision or family decision to migrate? Who should make the decisions around what is in the best interests of the child?

Much of the money being paid to smugglers to bring the child to the USA is probably coming from the remittances being sent by family members already inside the USA. So you see once again how big a role remittances play even in the situation of unaccompanied minors. We estimate that 65%-70% of the children have a relative in the USA. 4.5 million immigrants in the USA are mixed status. That is there is one part of their family who is undocumented and another part with legal citizenship. I would not be surprised to find out that parents here are sending for the children they left behind with grandparents in order to protect the young ones from their violent environment in the home country. And they are using remittances to hire the smugglers. Whether the children will qualify for refugee status is another matter. Processing for asylum status is difficult and there is a huge waiting line of people who have applied for asylum in the USA. It often takes many years, so there is talk of giving most of children some form of humanitarian parole, a way of letting them legally stay in the USA. So many children managing to cross the border has deeply exposed the weaknesses in the US border control system despite all the money and man power that has already been spent on that southern border.

Ultimately the answer to the unaccompanied child migrants is to unite them with their families and keeping families together. If the U.S. Government decides to send them back to their home countries there needs to be a national international and regional effort to control the violent gangs, the criminal drug rings and bring peace and security and jobs to these countries. It should be the first step in any development aid program. The countries on their own are simply unable to cope with the problems they face. They need help. Regional countries like the USA, Canada, Panama and Mexico should show more solidarity with their neighbors. If they do not step up then we will see more migration crises on all our borders.

Post scriptum:

The phenomenon of migration by its very nature is always changing. Several months after the conclusion of the September 2014 FCAPP conference at Fordham university in New York City, President Obama gave a very brief beautifully scripted oration stressing the key role immigration has played in U.S. history and how today's migrants contribute to the life of the country. Without giving specific details he confirmed his intention to take executive action to expand his previous initiative of Deferred Action for Childhood Arrivals (DACA) which will give temporary legal status to immigrants brought to the USA when they children, no matter how old they are today. This deffered action could be renewed every 3 years. The number of immigrants eligible could be 4 million. His bold action, without the support of the U.S. congress, could further polarize the American public and it may make fundamental long range changes to the U.S. immigration system even more difficult.

ABSTRACT

MIGRAZIONE, SVILUPPO ECONOMICO E POVERTÀ

Padre Richard Ryscavage, S.J.

L'Autore esamina la relazione tra povertà, migrazione e sviluppo nella prospettiva della Dottrina Sociale della Chiesa, prendendo spunto dagli studi accademici effettuati in materia e dall'esperienza operativa presso organi che si occupano della problematica migratoria.

Egli dimostra come la relazione tra i tre aspetti sia complessa. La decisione di migrare infatti è dettata non esclusivamente dall'estrema povertà che contrassegna alcune persone, ma piuttosto da una commistione di ragioni, tra le quali le scarse prospettive di poter sviluppare il proprio potenziale nel paese natio e le difficili condizioni politiche e sociali dello stesso. L'autore si sofferma poi su due aspetti che caratterizzano il fenomeno migratorio, esaminandoli con specifico riferimento agli Stati Uniti, paese di forte immigrazione da paesi centroamericani (come Salvador, Guatemala e Honduras), e alle sue politiche: 1) le rimesse e 2) la migrazione dei minori stranieri non accompagnati. Le rimesse rappresentano un'entrata importante per i paesi di emigrazione; esse servono a coprire i bisogni di consumo primari ed immediati (cibo, educazione, salute) e, in pochi casi, a sostenere il business locale delle famiglie cui sono destinati, evitando di essere dispersi nella corruzione del governo e della burocrazia locale. A fronte di questo loro positivo apporto, l'autore richiama però alla necessità di soluzioni politiche ed economiche che permettano alle rimesse di contribuire ad uno sviluppo economico sostenibile, di lungo periodo, e a favore della persona. La rapida crescita della migrazione dei minori stranieri non accompagnati da figure parentali richiede un'attenzione par-

ticolare, dal momento che essi sono per età, sviluppo fisico e morale la parte più vulnerabile nel fenomeno migratorio. È convinzione dell'Autore che tale problematica richieda l'adozione di strumenti politici che mettano al centro la persona e si sviluppino attraverso la cooperazione e la solidarietà internazionale.

WHAT CAN ECONOMICS ADD TO A CATHOLIC PERSPECTIVE ON POVERTY AND DEVELOPMENT?

Henry Schwalbenberg

1. Introduction

I would like to talk about what economics can add to the Catholic perspective on poverty and development. As pointed out so clearly by Professor Paolo Carozza, we know that Catholic Social Teaching can add much to economic thinking.[1] For example, mainstream economists have an undeveloped philosophy of the person with our almost exclusive focus on the individual and our limited focus on the social nature of the person. Also an economist's view of the common good is frequently reduced to an overly simplified utilitarianism of achieving the most good for the most people. While we economists may have a limited understanding of the human person and the common good, I still feel that we still have something to contribute. My thesis is that economics can highlight the importance of two fundamental concepts of Catholic Social Teaching, namely the principles of subsidiary and solidarity, in the development and application of policies designed to address concrete economic problems associated with poverty and development. Furthermore, economists can also give a more nuanced understanding of how to integrate these two principles into the service of the common good.

While subsidiarity and solidarity are not words that economists normally use, the concept of the common good is,

[1] Paolo G. Carozza, "Talk on A Catholic View of Development," CAPP Conference on Poverty and Development: "A Catholic Perspective," Fordham University, September 27, 2014.

however, at the heart of what economics is all about. Both economics and Catholic Social Teaching share a serious interest in promoting the common good. Economics was founded by a moral philosopher, Adam Smith. His aim was to organized society is such a way that best promotes the common good and not the narrow interests of a few. The common good is the ground where both economics and Catholic Social Teaching can have a very serious conversation. While Catholic Social Teaching has a longer and deeper tradition of defining the common good and motivating the pursuit of it, economics has devoted much effort to developing concrete economic proposals on how best organize contemporary society to promote the common good, or more concretely for the purposes of this conference, economic policies designed to transform impoverished and violent communities into prosperous and peaceful societies.

In the rest of my talk I will first give some theological reflections on the common good and then I will view it from the perspective of an economist. Traditionally economists have focused on five different areas – growth, equity, pluralism, order, and governance – as the essential factors needed to promote a peaceful and prosperous society.[2] Given the constraints of this short essay I will have only have enough space to focus on the first two – growth and equity. I will argue that mainstream economic thinking on growth aligns with the principle of subsidiarity, while mainstream economic thinking on equity aligns with the principle of solidarity. In my conclusion I will summarize my contention that economics can give us a better grasp of how to achieve the common good through a more nuanced integration of the Catholic Social Teaching principles of subsidiarity and solidarity.

[2] These five areas of concern are based respectively on the five books of Adam Smith, *The Wealth of Nations*, The University of Chicago Press, 1976.

2. Theological Reflections

I hope to present here a short theological reflection on the common good based on my reading of the Beatitudes. It would be impossible to summarize the richness of the theology and the philosophy behind the Catholic understanding of the common good in such a small space. But perhaps just a short reflection on the heart of Catholic Social Teaching, the Beatitudes of Our Lord, will allow us some insight into the depth and breadth of what Catholic Social Teaching understands when it speaks of the common good.

I see the Beatitudes as the fruit of our Lord's prayer with his Father. Given his location in history and in time, I believe that Our Lord frequently prayed over the Psalms. In particular, because of their strong ties to the Beatitudes, I believe that Our Lord paid particular attention to Psalms 37 and 73. These two psalms reflect a very important development in the theology of the Old Testament, the tension between the older literatures of Traditional Wisdom versus the newer literatures of Speculative Wisdom.[3] Traditional Wisdom sees an ordered world where injustice is punished and the righteous are vindicated. In many ways this view parallels a mainstream economist's view of a properly incentivized and competitive market system where individuals striving to actualize their own potentialities through the acquisition of food, shelter, clothing and other material goods are also able to achieve what is optimum for society as a whole. But Psalms 37 and 73, in the tradition of Speculative Wisdom, address a broken and disordered world where the "wicked prosper" (*Psalm* 73:3). In many ways, this view also parallels a mainstream economist's view – not of a properly functioning economic system, but rather of a disordered system where the few dominate the

[3] E. Murphy Roland, O.Carm., *The Tree of Life: An Exploration of Biblical Wisdom Literature*, 3rd Edition, William B. Eerdmans Publishing Company, 2002.

market for their own gain and at the expense of the wider society, namely economic systems of monopoly, oligopoly and cronyism.

Our Lord's Beatitudes certainly stand in this Wisdom tradition, addressed to those harmed by a disordered society and economy – the poor, the mournful, the hungry and the persecuted. But the Beatitudes also expands the Wisdom tradition with its particular call to action – be meek, merciful, pure, and peaceful in the face of a disordered world. The Beatitudes can also expand our understanding of the common good. They privilege the poor, the mournful, the hungry and the persecuted in our definition of the common good. And the Beatitudes privilege the way of the meek, the merciful, the pure and the peaceful in achieving the common good or, in the deeper words of Our Lord, the Kingdom of God.

But the concept that I find the most fruitful in the Beatitudes is "righteousness." Among the eight Beatitudes, Our Lord uses it more than any other concept besides "blessed" or "happy." It appears to be the New Testament concept that is the closest to describing what we his followers today might call the common good. Depending on which English translation of the Bible you are using, "righteousness" may be translated as "justice" or as "truth," adding additional dimensions of what we mean by the common good.

How our Lord's call to "righteousness" is implemented today varies around the world. After the Second Vatican Council and for many dioceses throughout the world as well as the Vatican, Our Lord's call to "righteousness' has been focused through commissions named "Peace and Justice." Among the Jesuits since their 32nd General Congregation it is the mission of integrating both "Faith and Justice." In Africa, I have noticed the common use of the phrase "Peace and Development" and in South Africa the phrase is "Truth and Reconciliation." And there is an older, but still a very vibrant tradition of naming most Catholic charitable organizations by the Latin word "Caritas" or as I like to translate it – tender

loving mercy. And now perhaps Pope Francis, with his emphasis on the "Joy of the Gospel," would want us to focus on the word Our Lord uses the most in the Beatitudes – "Happy" or "Blessed." From Pope Francis' writings, an essential component of the common good would be joy.[4] Clearly in Catholic Social Teaching there is a rich tradition that informs our understanding of the common good beyond a narrow technical economic understanding of a mathematical aggregation of individual measures of welfare based on material consumption.

3. Economic Reflections

I now intend to give some economic reflections on the common good. While we economists may be limited in our understanding of what the common good is and why we desire it, I believe that we might have something significant to contribute on how to achieve it in our contemporary world, or namely how to maximize what economists traditionally call social welfare. Mainstream economists in the tradition of Adam Smith have focused on the following five activities to promote the transformation of violent and impoverished communities into prosperous and peaceful societies – economic growth, equity, political pluralism, good order, and good governance. Let me now speak to the two more closely associated with economics – growth and equity – and leave the other three that are more closely associated with political science – pluralism, order and governance – to another paper.[5]

[4] Pope Francis, *The Joy of the Gospel*, Apostolic Exhortation on Vatican website, 2013, www.vatican.va

[5] For a description of what happens to development when there is an extreme breakdown in order and governance see Romeo Dallaire, *Shake Hands with the Devil: The Failure of Humanity in Rwanda*, Da Capo Press, 2003.

Growth

In the Anglo-American tradition economic growth is focused on the individual person. Starting with Adam Smith and in the view of many mainstream economists, economic growth begins with labor productivity. How do you make a person as a worker more productive? Increases in labor productivity are certainly facilitated by access to a larger market and a regime of stable prices and sound macroeconomic policies. And economic growth can be severely damaged by conflict and the absence of a well governed society. But the key driving force of growth in this tradition is the individual's pursuit of well-being. Or as a Thomist philosopher might put it, the actualization of a person's potentialities is the key driving force behind the economic advancement of society.[6] This view of economic growth is an argument in favor of subsidiarity. Individuals require a sphere of freedom where their human energy for creativity and innovation can flourish.[7]

Such a view of economic growth, however, was seriously challenged during much of the 20th Century. Among economists it was known as the Cambridge-Cambridge debate and it drove much of the ideological thinking behind the Cold War between the United States and the Soviet Union. Many of the proponents of the then dominant Harrod-Domar model of growth[8] were based at Cambridge University in the UK. They argued that the process of growth was extremely unstable as evidenced by the Great Depression of the 1930's. They also argued that the key source of growth was increased sav-

[6] W. Norris Clark, S.J., *The One and the Many,* University of Notre Dame Press, 2002.

[7] The great original scholar on entrepreneurship and "creative destruction" is Joseph Schumpeter, *Capitalism, Socialism and Democracy*, Harper & Row, 1950.

[8] Roy F. Harrod, "An Essay in Dynamic Theory," *The Economic Journal* XLIX (1939) and Evsey D. Domar, "Capital Expansion, Rate of Growth, and Employment," *Econometrica* 14 (1946), 137-147.

ings that would lead to the formation of larger stocks of capital capable of producing more and more of the material needs of society. Since economic growth was inherently unstable, the market needed to be replaced by a system of centralized planning. And at the expense of present day consumption, the state planners would set high levels of savings to insure high capital formation thus ensuring economic growth and future economic prosperity. If you know your history, you know that this view of central planning and capital formation was adopted by the Soviet Union, China, and India and became the dominant economic view after World War II in most of the developing world. You also know that this system of forced savings also created severe deprivation among large segments of the population living under Soviet and Chinese rule.

The alternative view had its home in another Cambridge, namely at the Massachusetts Institute of Technology in Cambridge, Massachusetts. Its leader was Robert Solow who will go on to win the Nobel Prize for his work.[9] He argued that a market economy was flexible and could adjust to external shocks. This led to the conclusion that growth was a stable process and did not require a state controlled system of central planning. He also argued forcibly that innovation and not capital formation was the key source of growth. Capital formation would lead to only a temporary spurt of growth. Growth over the long run required innovation and new technology. Once you say that innovation and new technology are the key source of growth, it has implications on how you organize society. You no longer need a large state bureaucracy to implement a system of centralized planning. Instead, society needs a limited government that creates space for individuals and small groups to innovate and come up with new ideas from transistors and semiconductors to personal computers and

[9] Robert Solow, "Growth Theory and After," *American Economic Review* 78 (1988), 307-317.

new apps. In 1989 with the fall of the Berlin Wall the role of free markets has come to dominate most economic thinking.

While the important role of free markets and individual incentives are well recognized, there still continues to be a contemporary debate on the proper role of government in development, should it be in the foreground or the background of development efforts.[10] The two primary protagonists in this debate are Jeffrey Sachs at Columbia University and William Easterly at New York University. Dr. Sachs' famous book, *The End of Poverty*, argues for large international efforts to fight world poverty.[11] He sees a great need for infrastructure and other large scale projects in the developing world. His writings would be very supportive of contemporary efforts at the United Nations in support of the UN's Millennium Development Goals. Dr. Easterly, on the other hand, does not have much confidence in large scale government development efforts. His most famous book, *White Man's Burden*, argues for the correct setting of incentives and the vital role that individuals and small groups play in attacking the roots of poverty around the world.[12] While there is a role for government at the national and international levels, the importance of individuals and small groups operating freely in civil society according to the concept of subsidiarity has become the dominant idea championed by many mainstream economists as the critical factor needed to ferment economic growth for the wider society.

[10] Economists argue for a limited government not only to provide space for the private sector, but also for civil society. Many economists do not fully appreciate the invaluable role that civil society plays in supporting the common good. An important contribution in this field is Luigino Bruni - Stefano Zamagni, *Civil Economy: Efficiency, Equity, Human Happiness*, Peter Lang Press, 2007.

[11] Jeffrey Sachs, *The End of Poverty: Economic Possibilities for our Time*, The Penguin Press, 2005.

[12] William Easterly, *White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*, The Penguin Press, 2006.

Equity

The fair distribution of the material goods of the world is another major concern of economics. The contemporary popularity of Picketty's book, *Capital in the Twenty First Century*, is the latest in a long line of economic writings with a strong interest in inequality dating back to at least Adam Smith.[13] In 1776 Smith wrote that "[the] oppression of the poor must establish the monopoly of the rich." Just as Smith's *Wealth of Nations* is a defense of free and competitive markets, it is equally also an attack against monopolies or what today many would call crony capitalism where access to lucrative markets is restricted to a few with the needed political connections. For more than two centuries, mainstream economists have railed against such monopolistic practices detailing how these practices benefit only a privileged few by harming the poor and usually at a very high cost to society overall. Monopolistic practices not only harm society's present welfare by unnecessarily limiting the provision of needed goods and services, but also its future welfare by distorting investment decisions. Monopolies provide a profitable safe haven for poor managers and inefficient businesses that then attract scare investment funds into inefficient activities that undermine future gains in productivity and in economic growth.

The solutions to crony capitalism are all very much in the spirit of the Catholic Social Teaching principle of solidarity, when society needs to unite to defend human dignity and the common good in the face of a systematic injustice. Solutions have ranged from the more passive action of simply removing government imposed restrictions on market entry so that the natural pursuit of business opportunities among competitors can blossom and lead to the widespread provision of

[13] Thomas P. Piketty, *Capital in the Twenty-First Century*, Harvard University Press, 2014.

needed material goods. Or it may require the more active action of government enforcement of anti-monopoly laws. In more complicated situations that economists label as market failures, governments have had to accept the existence of monopolies but find innovative ways to mitigate their damage. Government agencies regulate natural monopolies to prevent price gouging and use patent law that allow temporary monopolies to promote innovations in science and medicine while eventually enabling the widespread distribution of these new technologies at their lowest cost. In all these cases, acting under s spirit of solidarity, society as a whole, usually through government, acts to defend the common good of society.

Not all societies have the ability to confront the entrenched interests of unjust economic systems like crony capitalism. Hence there is also a growing interest in promoting political pluralism (frequently called "democratization"), conflict resolution and good order, and in good governance. Along with growth and equity each of these three factors are seen as critical in promoting the transformation of impoverish and violent communities into prosperous and peaceful societies.

4. Conclusion

In this essay I have aligned the pursuit of economic growth primarily with the principal of subsidiarity, the need to create a sphere of freedom where creative individuals and small groups have the incentive to experiment with innovative ideas. I have also aligned the pursuit of economic equity primarily with the principal of solidarity, the need for society as a whole to unite and act against systemic economic injustice. In this way economics can suggest many concrete applications of these two principles of Catholic Social Teaching. But what might be of more significance is how economics can also shed light on how these two principles are mutually reinforcing.

From an economic perspective subsidiarity or solidarity is not a principle that checks or counters or opposes the excesses of the other principle. Rather, society achieves the common good when the principle of subsidiarity or solidarity is used in a way to strengthen the other principle. For example, aligned with the principle of subsidiarity, economists argue in favor of free and competitive markets to provide the sphere of freedom needed for individual and small groups of entrepreneurs to be creative and innovative. The resulting increases in productivity and economic growth should benefit all of society and strengthen the foundations of solidarity. Aligned with the principle of solidarity, economists argue for society to unite and implement appropriate government policies, laws, and regulations against crony capitalism and the monopolization of markets. The resulting breakup of special monopolistic privileges serves the principal of subsidiarity by also creating the space for individual and small groups of entrepreneurs to take advantage of the opening of these markets to actualize their own individual potentialities. Ideally, while solidarity is strengthening subsidiarity, subsidiarity should be strengthening solidarity all in pursuit of the common good at the service of human dignity.

ABSTRACT

CHE COSA PUÒ AGGIUNGERE L'ECONOMIA ALLA PROSPETTIVA CATTOLICA SULLA POVERTÀ E LO SVILUPPO?

Henry Schwalbenberg

L'Autore dimostra che la teoria economica può rappresentare un valido supporto alla prospettiva cattolica sulla povertà e sullo sviluppo, soprattutto rispetto alla declinazione di due principi fondamentali della dottrina sociale della Chiesa, la sussidiarietà e la solidarietà, nella formulazione e attuazione pratica di politiche per promuovere il bene comune.

In una prospettiva economica il perseguimento del bene comune può intendersi rispetto a diverse dimensioni, tra le quali, la crescita e l'equità. Egli afferma che sostenere la crescita economica è un atto che può essere assimilato al principio di sussidiarietà, e dunque al riconoscimento di sfere di libertà nelle scelte produttive da parte degli agenti economici, in forma autonoma o associata, che possono incentivare la concorrenza e la sperimentazione di idee innovative; mentre, la promozione dell'equità economica si può associare al principio di solidarietà, ovvero alla necessità della società nel suo insieme di agire contro l'ingiustizia economica che caratterizza un sistema economico-sociale. Una società persegue il bene comune, tuttavia, quando il principio di sussidiarietà e di solidarietà sono applicati parallelamente in modo da rafforzarsi in modo vicendevole. In linea con il principio di sussidiarietà, forme di mercato concorrenziali dovrebbero prevalere nel sistema economico. L'aumento della produttività e della crescita economica che ne conseguirebbe per l'economia nel suo complesso, dovrebbe essere a beneficio di tutta

la società e rafforzare i fondamenti della solidarietà. Mentre, l'adesione al principio di solidarietà implica l'introduzione di leggi e politiche che smantellino monopoli, così favorendo il principio di sussidiarietà. Idealmente, dunque, la solidarietà rafforza la sussidiarietà e la sussidiarietà dovrebbe rafforzare la solidarietà di tutti nel perseguimento del bene comune a servizio della dignità della persona.

FRATERNITY AND SOLIDARITY: WITHOUT WHICH "IT IS IMPOSSIBLE TO BUILD A JUST SOCIETY AND A SOLID AND LASTING PEACE"[1]

Robert A. Nalewajek

1. Introduction

I stand before you a true "miserable servant". This final block was not intended as a "presentation" but, rather, a meditation, offered by a prelate, on what Pope Francis means when he tells us: "Without fraternity it is impossible to build a just society and a solid and lasting peace".[2]

That you now have me in front of you may serve as penance – for both us.

However, as it is the laity who are called upon to implement the gospel in the world, perhaps it is fitting that one of its members makes an attempt to unlock what Francis is telling us.

So, with that in mind, I beg your forbearance.

2. No Fraternity – No Development or Peace

The Holy Father tells us that without fraternity (which I will use as synonymous with the CST principle of *solidarity*) all our responses to immediate emergencies and efforts towards integral development are "impossible".

Is this rhetoric – a mere device to make a point? Or, are we being called to something quite different – and special?

It is exactly here, in grasping this point, that we – whether business people, military leaders or NGO workers – often

[1] Pope Francis, *Message for the World Day of Peace*, 1 January 2014, 1.

[2] *Ibidem.*

stumble. We fail to comprehend that fraternity/solidarity is fundamental to the Christian view of social and political organization; that "action" without solidarity can be futile.

Each person is connected to and dependent on all humanity, collectively and individually. As Pope Francis says, "[A]ll men and women are called to live as one, each taking care of the other".[3] We are all interdependent. We are "our brothers' keeper".

"In fact, it is quite impossible to separate the response to people's material and social needs from the fulfillment of the profound desires of their hearts... It is clear that no economic, social or political project can replace that gift of self to another through which charity is expressed... He who does not give God gives too little".[4]

3. Fraternity Flows From Faith and Fatherhood

And we should remember that solidarity flows from faith: "Love of neighbor... consists in the very fact that, in God and with God, I love even persons whom I do not like or even know." [5] How is this possible? "This can only take place on the basis of an intimate encounter with God."[6]

This encounter with God as the basis of fraternity is a key point because, "[t]rue brotherhood among people presupposes and demands a transcendent Fatherhood."[7]

Why? Because: "a fraternity devoid of reference to a common Father as its ultimate foundation is unable to endure."[8] "[T]he love of God, once welcomed becomes the most formidable means of transforming our lives and rela-

[3] *Ibidem*, 2.

[4] Benedict XVI, *Message for Lent*, 2006.

[5] Benedict XVI, Encyclical Letter *Deus Caritas Est*, 25 December 2005, 18.

[6] *Ibidem.*

[7] Francis, *Message for the World Day of Peace*, cit., 1.

[8] *Ibidem*, 1.

tionships with others, opening us to solidarity and to genuine sharing." [9]

Note the syllogism the Holy Father creates: without fraternity our efforts at development and alleviating poverty are "impossible"; without God, fraternity cannot "endure; therefore: without God, our efforts to create a better world are futile.

"In the final analysis, if creatures are deprived of their reference to God as a transcendent basis, they risk being at the mercy of the will of man who, as we see, can make an improper use of it."[10]

4. Catholic Social Theory

This makes it clear that what the Church proposes is not just an alternative sociological, economic or anthropological view of the world, albeit a prescriptive one.

What our Church offers stands in marked contrast to the social theory of Hobbes and Locke. Church teaching assumes we are inherently social – reflecting our Trinitarian God, in whose image we are created, and whose own being is irreducibly social.

By contrast, social contract theory assumes we are inherently autonomous, committed to no higher moral grounding than our own self-interest.

In fact, I would posit it is in this inherently social versus autonomous anthropology that Church teaching provides such a compelling answer to the multiple problems of modernity, many of which were discussed during this conference.

So, while it is quite useful as a guide for living in and creating a civil society – it should be remembered that Church

[9] *Ibidem*, 3.

[10] Pope Benedict XVI, *Homily at Parish of Saint Anne*, Vatican City, 5 February 2006.

teaching on poverty and development is, first and foremost, Christian teaching.

This is 'signature point' and one that has received a great deal of attention by Popes Benedict and Francis.

5. Solidarity – What does it *Mean*?

Let's try to better understand this key precept: *Solidarity*.

Solidarity is not "a feeling of vague compassion or shallow distress at the misfortunes of others. It is a firm and persevering determination to commit oneself to the common good".[11] It implies a dedication to the poor and disadvantaged through individual actions and collective initiatives to make social, political, and economic structures more just and fraternal.

And, the same duty of solidarity that rests with individuals exists for nations:[12] "Peace and prosperity, in fact, are goods which belong to the whole human race",[13] and; "Concern for our neighbor transcends the confines of national communities and has increasingly broadened its horizon to the whole world."[14]

6. Who is Solidarity 'for'?

Perhaps, more importantly, we should note that Solidarity is for our own good – and is a necessary component of our faith. As Pope Benedict explained, "love of neighbor is a path that leads to the encounter with God, and that closing our eyes to our neighbor also blinds us to God."[15]

[11] Saint John Paul II, Encyclical Letter, *Sollicitudo Rei Socialis*, 30 December 1987, 38.

[12] Pastoral Constitution on the Church in the Modern World, *Gaudium et Spes*, 7 December 1965, 86.

[13] Saint John Paul II, Encyclical Letter *Centesimus Annus*, 1 May 1991, 27.

[14] Benedict XVI, Encyclical Letter *Deus Caritas Est*, cit., 30.

[15] *Ibidem*, 16.

And later, "Only my readiness to encounter my neighbor and to show him love makes me sensitive to God as well."[16]

That papal statement probably is the best "definition" of Solidarity – That love of God and love of neighbor are, in fact, linked and form one, single commandment.

7. Solidarity is the 'Solution'

Our Church holds that the cause of the issues that plague man-kind, such as underdevelopment (of all kinds: consumerism, famine, greed, poverty), are found "first of all, in the will, which often neglects the duties of solidarity."[17] Indeed, "In the last analysis, they are to be found in a current self-centeredness and materialistic way of thinking..."[18]

"*The development of peoples depends, above all, on a recognition that the human race is a single family* working together in true communion, not simply a group of subjects who happen to live side by side."[19]

8. Radical

I'm not sure we have adequately gotten across how radical the principle of solidarity/fraternity really is.

At the Last Supper Jesus said: "A new commandment I give to you, that you love one another: just as I have loved you, you also are to love one another."[20]

This is a much more radical charge because how does God love us? Unremittingly.

[16] *Ibidem*, 18.

[17] Pope Benedict XVI, Encyclical Letter *Caritas In Veritate*, 29 June 2009, 19.

[18] Pope Benedict XVI, *Address to Vatican Diplomatic Corps*, 11 January 2010.

[19] Pope Benedict XVI, Encyclical Letter *Caritas In Veritate*, cit., 53.

[20] *John* 13:34.

It is no longer love our neighbor as our self but, rather, love our neighbor as God loves us. As Pope Francis says, "What is needed is the willingness to "lose ourselves" for the sake of others".[21]

Indeed, "[t]ruth and justice must stand above my comfort and physical wellbeing or else my life itself becomes a lie." [22] Think about that for a moment... If the principles we are describing do not stand above our own comfort – let alone our physical wellbeing – we are told that our life becomes a "lie"!

And a bit later Pope Benedict said, "Let us say it once again: The capacity to suffer for the sake of the truth is the measure of humanity"[23] while Pope Francis says: "I distrust a charity that costs nothing and does not hurt."[24]

This also makes it clear that solidarity and fraternity are not ideological or political principles. They are Catholic principles – based on and emanating from faith.

Absent that, it is not the fraternity of Church teaching.

9. Solidarity – A Path to God

Perhaps even more importantly, Pope Benedict – and this is very deep insight – points out that "solidarity has the potential to place men and women on the path to discovering their supernatural destiny." [25]

What an amazing insight. Catholic social teaching offers not only a prescription for "living our lives together" in society but, simultaneously, points us to God.

[21] Francis, *Message for the World Day of Peace*, cit., 4.

[22] Benedict XVI, Encyclical Letter *Spe Salvi*, 30 November 2007, 38.

[23] *Ibidem*, 39.

[24] Pope Francis, *Message for Lent*, 2014, 2.

[25] Benedict XVI, *Address to the 14th Pontifical Council on Social Sciences*, May 2008.

10. What must I do? Much!

I have begged the question: "What must I, as a lay person, do?"

As we have heard throughout this conference, "[t]he decisions which create a human environment can give rise to specific structures of sin which impede the full realization of those who are in any way oppressed by them",[26] be they children addicted to internet porn or the residents of a 4th world country condemned to poverty and violence.

There are structures of society that need to be destroyed. There are structures that need to be built. As Saint John Paul II said, "[t]o destroy structures and replace them with more authentic forms of living in community is a task which demands courage and patience."[27]

This is what CAPP's efforts in the USA are about: to help lay Catholic leaders form their consciences on Church teaching so they may change their own lives first, and then, change the world. Church Teaching is not a theory, it is "above all else a basis and a motivation for action."[28]

Lay Catholic leaders are called to implement Church teachings in the world.

As Benedict asked during his visit to Washington: "Is it consistent to profess our beliefs in church on Sunday, and then during the week to promote business practices or medical procedures contrary to those beliefs? Is it consistent for practicing Catholics to ignore or exploit the poor and the marginalized, to promote sexual behavior contrary to Catholic moral teaching, or to adopt positions that contradict the right to life of every human being from conception to natural death? Any tendency to treat religion as a private matter must be resisted. Only when their faith permeates every aspect of

[26] Saint John Paul II, Encyclical Letter *Centesimus Annus*, cit., 38.

[27] *Ibidem.*

[28] Saint John Paul II, Encyclical Letter *Centesimus Annus*, cit., 57.

their lives do Christians become truly open to the transforming power of the Gospel."[29]

Our challenge is to develop a strong, committed group of lay women and men, rich in faith and theologically prepared to be present in public life to explain, develop and implement Catholic Social Teaching.

We are "faced with the challenge of recapturing the Catholic vision of reality and presenting it, in an engaging and imaginative way."[30]

11. Conclusion

In a moving and in hind sight last will and testament to the lay organization he founded to help evangelize the world, Saint John Paul II told CAPP just four months before his death:

> "I therefore urge the Members to spare no effort to ensure that the Foundation seeks to pursue these goals"[31]

I propose to you that is our common goal.

[29] Benedict XVI, *Celebration of Vespers and Meeting With the Bishops of the United States of America*, National Shrine of the Immaculate Conception in Washington, D.C., 16 April 2008.

[30] Pope Benedict XVI, *Response to Questions from US Bishops*, 16 April 2008.

[31] Saint John Paul II, *Address to the Members of Centesimus Annus – Pro Pontifice*, 4 December 2004.

ABSTRACT

SOLIDARIETÀ E FRATERNITÀ, SENZA LE QUALI "NON È POSSIBILE COSTRUIRE UNA SOCIETÀ GIUSTA E UNA PACE DUREVOLE"

Robert A. Nalewajek

Nalewajek propone una riflessione sul principio di solidarietà nella dottrina sociale della Chiesa, prendendo inizialmente spunto dall'affermazione di Papa Francesco: "Senza fraternità è impossibile costruire una società giusta e una pace solida e durevole".

Il principio della solidarietà è fondamentale nell'ispirare la visione e l'azione del cristiano nell'organizzazione della società. In tal senso, la Chiesa con la dottrina sociale non propone solo una visione – sociologica, economica, antropologica – alternativa del mondo ma anche una serie di prescrizioni e motivazioni per l'azione. In particolare, riprendendo alcuni passaggi fondamentali delle Encicliche, l'Autore dimostra come la solidarietà chiama ogni persona ad agire individualmente o collettivamente per il bene comune e a rendere le istituzioni politiche, sociali ed economiche in grado di realizzare l'equità e ridurre la povertà. Lo stesso dovere vale per le nazioni. Il principio della solidarietà, infatti, non è da intendersi come ideologico o politico ma come essenzialmente proprio dell'essere cattolico, in quanto basato sulla fede in Dio e da essa emanato. L'amore per Dio (ovvero l'apertura al trascendente) e l'amore per il prossimo (ovvero l'apertura all'altro) sono strettamente collegati e formano un unico comandamento.

L'Autore conclude rivolgendosi ai membri della Fondazione per invitarli a proseguire nell'impegno che è stato affidato loro da Giovanni Paolo II, ovvero aiutare i leader

cattolici a modellare le loro coscienze sugli insegnamenti Dottrina sociale della Chiesa in modo tale che attraverso di loro si possa cambiare il mondo. L'insegnamento sociale della Chiesa infatti non è una teoria ma soprattutto una base e una motivazione per l'azione, l'azione della persona.

FINAL REPORT

Brian A. Strassburger

> "*While encouraging the development of a better world, we cannot remain silent about the scandal of poverty in its various forms. Violence, exploitation, discrimination, marginalization, restrictive approaches to fundamental freedoms, whether of individuals or groups: these are some of the chief elements of poverty which need to be overcome.*"
>
> Pope Francis, *Message for the World Day of Migrants and Refugees,* 5 August 2013

> "*In order to achieve a just and lasting solution... It is not just a question of responding to immediate emergencies.*" Rather, the solution requires "*an effort to ensure that an ever greater number of persons are economically independent.*"
>
> Pope Francis, *Message for World Food Day,* 16 October 2013

> "*Without* fraternity *it is impossible to build a just society and a solid lasting peace... This entails weaving a fabric of fraternal relationships marked by reciprocity, forgiveness and complete self-giving, according to the breadth and depth of the love of God offered to humanity.*"
>
> Pope Francis, *Message for the World Day of Peace*, 1 January 2014

1. Introduction

The two-day conference of **Poverty and Development: A Catholic Perspective** on September 26-27, 2014, brought together Church prelates, international specialists, business professionals, and academics to highlight poverty and development issues raised by Pope Francis. The Fondazione Centesimus Annus – Pro Pontifice organized the conference in the

spirit of the foundation's goal to help promote the study and diffusion of the social doctrine of the Catholic Church. To that end, the conference aimed to address the implications of the issues raised by the Holy Father and suggest specific responses in how the ideals might be realized. Three key themes served as the focus of the conference:

1. The world's response to immediate emergencies
2. From economic development to integral human development
3. Spirit of solidarity and fraternity

This report attempts to summarize the outcomes, discussions and conclusions reached in regard to these key themes. It aims to capture the spirit of the conference, which was infused with a sense of hope and optimism for the role that integral human development and solidarity play in reshaping global situations of poverty and violence. The summary of the conference can be framed in the image of Mary at the Annunciation. After the angel greeted her, Mary was greatly troubled. The angel spoke to her, "Do not be afraid" (*Luke* 1:30). There is much in our world that greatly troubles us: members of the conference offered firsthand accounts of the genocide in Rwanda, the earthquake in Haiti, and the violence in Syria. Yet the words of the angel prevailed during the conference: do not be afraid. Inspired and challenged by the words of Pope Francis, the conference was not gathered in fear or despair, but as a people of hope.

The problems of poverty and development are complex and can be characterized as "wicked problems" (Labonte). The problems are difficult to define and tend to be symptoms of other problems. While there are frequent explanations for wicked problems, the appropriateness of the solution is typically based on who defines the problem. Thus the authors of the solutions to the wicked problems, at the national and international level, need to take responsibility for their solutions. For these solutions are never just true and false, but

also good or bad: there is a normative dimension (Labonte). The Church is called to embrace its role in defining the problems of our world and working towards creative and effective solutions. "Blindness to the mounting risks ignored long standing ethical and moral principles, trivialized the wisdom enshrined in the precautionary principle and allowed hubris and greed to proliferate" (Tomasi). Self-interest is at the heart of these wicked problems. Short-term successes in the pursuit of wealth have been overly valued. As Pope Francis has observed, "We have created new idols. The worship of the golden calf of old has found a new and heartless image in the cult of money and dictatorship of an economy which is faceless and lacking any truly humane goal" (Pope Francis, *Evangelii Gaudium*, No. 55).

We need change, and reason demands that morality be included. We need a radical revolution of values, at which the Church must stand at the forefront. There must be a shift from the thing-oriented culture to person-oriented culture (Labonte). This is at the heart of the call for integral human development. Solutions to these problems require participatory approaches that are inclusive in their involvement. It is this inclusivity which will bring legitimacy and authenticity to the solutions reached (Tomasi). This must be re-invigorated by the Church. Catholic Social Teaching offers clear value-added to seeking out the solution. It can serve as the "critical yeast" (Labonte). In the baking of bread, the yeast is not the mass. Likewise, the impact of Catholic Social Teaching does not need to be reflected in a groundswell movement of the masses. More importantly, it is about the critical placement of actors that promote the growth of long-term change. Catholic Social Teaching can be this critical yeast in developing solutions to the wicked problems we face in poverty and development.

2. The world's response to immediate emergencies

The suffering of the world cry for help in the face of immediate emergencies. The poor and marginalized are those who suffer most acutely and most severely. The Gospel calls us to the service of our neighbor. Tragedies in our world today are varied and complicated, but we will generalize the emergencies into two categories: natural disasters and man-made humanitarian crises.

a) *Natural Disasters*

In cases of natural disasters, we have the obligation not only to act in response to these emergencies, but also to act quickly. We do not have the luxury to hold back in deliberation when immediate lives are at stake. Urgency relates to both the scope and the scale of the crisis. Our action and our response must be done with a focus on the human person, and it is the dignity of the human person that demands a quick response. We encounter Christ manifested both in the community affected and the response to the emergency (McCarrick).

Our response rises from attentiveness to the common good and our call to help our neighbor. After the typhoon in the Philippines, people were giving not only from profit, but also from their sustenance (McCarrick). We are all called to this great generosity. Careful concern must also be given to the use and distribution of these resources. It is not simply about rapid distribution in the urgency to respond. Our response must be tempered by intelligent planning, which services the greatest good with attention to the dignity of the human person. An anecdote was offered from the earthquake response in Haiti. An NGO was throwing huge bags of rice off a truck into a crowd to respond quickly to the immediate needs of the community. One such bag was thrown onto a pregnant woman in the crowd who was knocked unconscious

under the weight of the blow (Ryscavage). This case marks an example of inattentiveness to human dignity in the urgency to respond. We must not only act quickly, but also act intelligently. In emergency situations, we are called to ask questions without presuming the answers. We must ask, "What are the needs of the community?" Our response must involve the community, which has an essential role in rebuilding, particularly in constructing long-term solutions to the destruction caused by large-scale disasters.

Oftentimes the aid given to provide assistance in the wake of natural disasters is poorly managed and improperly coordinated. Aid can come from a variety of places around the world and a vast diversity of organizations. A lack of collaboration on the ground among different responders can lead to a significant waste of finances. This often results in repetition of projects and reduplicating efforts. Organizations that arrive at the site of the emergency without adequate knowledge of the local reality are particularly prone to making mistakes in the immediacy of the response. Too often, these organizations are looking for results that are measureable and that illustrate the impact of the response. However, many projects that create sustainable change in the wake of natural disaster cannot be measured easily or quickly. After pressing human needs of food, water, and sanitation are met, the greatest needs can involve long-term investments and construction. The response in Haiti in the aftermath of the earthquake can help to illustrate this point. The United States Conference of Catholic Bishops (U.S.C.C.B.) collected a large amount of money for Haiti, much of which went to Catholic Relief Services to focus on social programs. Some of the money was earmarked for the reconstruction of churches, with the diocese's intention to slowly open up this financing as projects arose. Too date, not many churches have been rebuilt through these efforts. In part, this is due to the time it has taken to create an organization that could coordinate these reconstruction efforts. The funds have been used for the purpose intended,

but that has taken time (Langlois). When efficiency is preferred to sustainability, this can look problematic, but our focus cannot be so narrow.

In situations of immediate emergencies, the Catholic Church identifies and unifies the people in need. The Church works with political actors to move better towards development in answer to the needs of the people. In the face of great obstacles, the search is for solutions that are fair and honorable. The Church in Haiti, for example, focused its long-term response to the challenges facing the country on three primary sectors: education, agriculture and health (Langlois). This response was formulated with attentiveness to the needs of the community and a focus that went beyond the immediate needs after the earthquake and turned to lasting and sustainable change. Immediate emergencies are often indicators of underdevelopment: urgent responses must be accompanied by long-term commitments to development.

b) *Man-made humanitarian crises*

The obligation to intervene in man-made humanitarian crises requires greater nuance filtered through attention to international norms. The simultaneous timing of the tsunami in Southeast Asia (a natural disaster) and the genocide in Darfur (a man-made humanitarian crisis) illustrate the competing norms in the response to these generalized types of immediate emergencies. The international response to the tsunami involved extensive efforts to meet the needs of the crisis, reduce the immediate needs of the community, and ultimately rebuild lost infrastructure. Meanwhile, the violence in Darfur resulted in even more death, displacement and human rights violations, and yet gave rise to no global response. The attention of the international community to the tsunami recovery was extensive and enduring. One year later, there were continued efforts to track the recovery of communities affected by the tsunami, but still no attention or inter-

vention for the crisis in Darfur. This provides a perspective on the impetus for intervention: unpacking when and why governments intervene, and the reluctance to intervene in man-made humanitarian crises (Dallaire).

The United Nations has built a capability towards genocide prevention: responsibility to protect. This framework was built, in part, in response to the Rwandan genocide. In 1995, an international response to the genocide was entirely lacking. Information on the crisis was provided in the build-up and in the midst of the genocide, but there was no action or intervention. What nurtured the leadership to make this choice? What motivated the will to intervene? A close study of the political actors supports the response that the will to intervene is self-interest dominated (Dallaire). Major nations sent reconnaissance to Rwanda to gather information and the resulting reports recommended non-intervention based on a lack of strategic interests, resources, infrastructure and location (Dallaire). The drastic amount of human casualties was a non-factor; it did not weigh in on self-interested motivations. The formulation by the United Nations of the responsibility to protect is in response to this self-interest based approach. If a state is not protecting its people, then the international community has a responsibility for intervention (Dallaire). Perhaps what is needed is a reform of the idea of sovereignty. Presently, this is a principle that limits cases of intervention. In respect for the sovereignty of a nation, intervention is not pursued. Sovereignty could be reformed from the nation-state to the sovereignty of the individual, the human being (Dallaire). This is the sovereignty the international community has the responsibility to protect.

There are clouded answers to what intervention actually entails which contribute to the wariness of politicians. Intervention can be diplomatic; it can involve the military. Does intervention involve bringing the rule of law? Education? Does it entail a long-term commitment to rebuilding? We are part of a new era where these methods of intervention do not

follow the sequential approach of the past, but must all happen at the same time: rebuilding while engaging diplomatically and perhaps militarily (Dallaire). How do these methods work together? Further reflection is necessary. Intervention often happens late, which increases the scope and scale of an emergency to the point that it becomes catastrophic. Nonetheless, earlier preventative intervention invokes greater hesitation, which translates into a lack of international statesmanship towards preventative intervention. It is too dangerous politically, bringing questions of the use of resources and the danger of fallout if greater catastrophe follows preventative intervention. While late intervention allows the crisis to exacerbate, there is still too much risk to give consideration to preventative intervention.

A lack of intervention entirely can be even more dangerous. The civil war in Syria, for example, might yet spill over to other neighboring countries. The Church in Syria is already facing a crisis of tragic proportions. There is a need for truth, particularly in the media (Jeanbart). Acts are being done in the name of God, including acts of violence, destruction and terror. The country is now experiencing a general loss of history and culture. The crisis in Syria is not just a destruction of people, but a destruction of a civilization (Jeanbart). Greater dialogue is needed for peaceful resolution. Demonization and vilification of the opposition are not useful to the process or appropriate to our Catholic faith. A lack of intervention entirely could be the greatest danger facing the people of Syria as the civil war continues.

Our world today faces new dimensions that deepen our reflection on when to intervene. The introduction of new weapons has created new ethical and legal dilemmas. One such development is the increased use of child soldiers. Child soldiers are no longer being recruited as a last resort, but simply because they are children and thus viewed as a sophisticated and affordable weapons system (Dallaire). There have been some measures to curtail or advocate against the prolif-

eration of child soldiers, but there has been no intervention and ultimately little success. Examples include the Central African Republic, where there are high levels of recruitment and use of child soldiers, and Nigeria where kidnapped children are turned into combatants. This crisis of child soldiers tests international policies for non-intervention and challenges our will to act. Does it create an obligation to intervene? Does it go so far as to meet the conditions of a just war?

Discussions over the application of intervention in international crises must be situated in the context of the United Nations. Pope Francis recently recalled, "It is licit to stop the unjust aggressor." The operative word is "stop," which is not to be equated with bombing or invading or other aggressive military actions. The means of any such intervention require proper evaluation. Intervention for the responsibility to protect is a duty that has shifted away from individual countries and has been entrusted to the international community (Parolin). The norms of the international community, codified in the United Nations, preclude justification for unilateral military action with the only exception being a case of self-defense. Policing actions undertaken unilaterally outside one's own borders constitute a violation of sovereignty of the state concerned. Should this view of sovereignty continue to be protected? The international legal framework provides the international community the ability to confront the changing circumstances of security in light of terrorism. The ultimate purpose of the United Nations was the creation of an alliance to avoid war and to sustain a mechanism for collective security. A foundational pillar of this alliance is adherence to the principle that every act of war not sanctioned by the United Nations is illegitimate (Parolin).

The current operative norms of the United Nations were reached over time and adjusted to the changing circumstances of the world, especially with the current rise of terrorism. The United Nations has worked to define and develop the legal instruments to combat and prevent international terror-

ism, which includes updates to various conventions (Parolin). According to juridical procedure, the international conventions have been ratified by almost all of the United Nations member states and have produced positive results in the fight against terrorism in accordance with international law (Parolin). Identifying the ways to apply these norms affectively remains a challenge today. The dynamism of immediate emergencies calls forth a continual reflection on these norms and their application in the global arena. "The present situation, therefore, for all its gravity, is an occasion for the member states of the United Nations to actualize the spirit of the UN Charter, reforming, with the consensus of all, the norms and pertinent mechanisms, where necessary" (Parolin). There is a need for reformed norms built on international consensus, which will lend to its credibility and contribute to peace, security, and the defense of human dignity. There will be neither development nor the elimination of poverty without an environment of security (Dallaire).

3. From economic development to integral human development

> *"The necessary realism proper to politics and economy cannot be reduced to mere technical know-how bereft of ideals and unconcerned with the transcendent dimension of man. When this openness to God is lacking, every human activity is impoverished and persons are reduced to objects that can be exploited. Only when politics and the economy are open to moving within the wide space ensured by the One who loves each man and woman, will they achieve an ordering based on a genuine spirit of fraternal charity and become effective instruments of integral human development and peace."*
>
> Pope Francis, *Message for the World Day of Peace*, 1 January 2014

The fundamental concern of all issues of poverty and development is the dignity of the human person. We cannot talk about development in economic terms without focusing our-

selves on total integral human development. In his address to the World Economic Forum, Pope Francis reiterated the importance of economic activity, which should contribute to integral human development. In every business activity, the personal and social virtues of honesty, integrity, fair-mindedness, generosity and concern for others should prevail over the maximization of profits (Parolin). As the Holy Father concluded, we are called "to ensure that humanity is served by wealth and not ruled by it" (*Message to World Economic Forum*, 17 January 2014).

Catholic Social Teaching calls us to look at the structural issues of development. Constructing the structural elements of development is fundamentally a task of politics, but the Church offers principles of judgment that help us to understand the truth about human beings that must lie at the heart of this:

> "*Building a just social and civil order, wherein each person receives what is his or her due, is an essential task which every generation must take up anew. As a political task, this cannot be the Church's immediate responsibility. Yet, since it is also a most important human responsibility, the Church is duty-bound to offer, through the purification of reason and through ethical formation, her own specific contribution towards understanding the requirements of justice and achieving them politically*" (Benedict XVI, *Deus Caritas Est*, 28).

Catholic social thought is about the structure of the human person, and this is the lens through which it brings to bear on political and economic life. The fullness of truth about human persons is necessary for the building up of the structural elements of development. A Catholic perspective suggests that any structure is, by itself, inadequate to create just, lasting solutions unless these structures take into account the need for a fully human dimension, including freedom, moral agency, goodness, virtue, and vocation (Carozza). Institutional structures will never be enough to achieve development:

> "*In reality, institutions by themselves are not enough, because integral human development is primarily a vocation, and therefore it involves a free assumption of responsibility in solidarity on the part of everyone. Moreover, such development requires a transcendent vision of the person, it needs God*" (Benedict XVI, *Caritas in veritate*, 11).

While the Church affirms the importance of political and economic structures, these do not encompass the total vision of development, nor are they even the primary focus, which must rest on the structural dimensions of the human person.

We have experienced a growth of positive trends in international development that are making significant contributions to the impact of development work and alleviation of poverty. However, these trends will remain incomplete and insufficient without a more integral understanding of human persons. For one, there has been a growing evolution in the understanding of what poverty is, with the many elements that must be taken into account. Development is moving beyond terms that were restricted to economic development, specifically GDP and economic growth. For example, the "Human Development Index" has brought into our thinking and policies attention to other aspects of human flourishing and social well being missed by economic growth, such as levels of education and access to health care (Carozza).

This trend towards a multi-dimensional approach to human development offers a positive first impression within the call of Catholic Social Teaching. John Paul II goes a step further and more explicitly calls our understanding of development to go beyond economic terms to the human level. This manner of development involves the building up of a decent life marked by creativity and dignity, but it also includes a person's ability to respond to his or her personal vocation. "The apex of development is the exercise of the right and duty to seek God, to know him and to live in accordance with that knowledge" (John Paul II, *Centesimus annus*, 29). We must adopt a substantive view of what it means to live a full human

life. The anthropological theory of human flourishing is necessary, but it tends to be relentlessly individualistic and thus ignores the relational dimensions of the human person. The implicit view is that a good life is constructed through isolated autonomy and that the definition of human flourishing is the maximization of individual choice (Carozza).

The Catholic Church takes issue with this multi-dimensional approach, which is not in fact an integral approach. Instead it becomes a fragmentation of approaches, which lack integration and causes practical issues. Multi-dimensional does not mean integral. The Catholic approach is integral precisely because it is centered on the human person and the human person is integral (Carozza). Important dimensions are systematically ignored in current practices. The words of John Paul II on personal vocation as the apex of development suggest that the religious structure of a person is part of integral human development. Yet religion is rarely discussed, considered or evaluated in practices of development.

Another positive trend in development is the strong move to rigorous application of quantitative analysis of development issues. This type of analysis, such as randomized controlled trials (RCTs), offers ways to assess and measure outcomes and the impact of development project. Development funding agencies are demanding more and more of these results, which is increasing accountability and transparency and leading to a better use of resources. Catholic social thought offers suggestions about the limitations of our increased dependence on quantitative analysis. Many elements of integral human development are not measureable: hope, desire, solidarity, and generosity. There have been some attempts to quantify these things, but this much is clear: human beings are beyond measure (Carozza). The vocational aspect of integral human development is not something that can be measured by a survey. Relationships to culture, to history, to context, to community: these dimensions grow over time, often over entire generations (Carozza). There is a need for

caution in any approach that demands measureable outcomes that can be evaluated in short amounts of time. We recall the example of the response to the earthquake in Haiti. The Church has received criticism from its slow use of funds earmarked for the reconstruction of churches. When efficiency is preferred to sustainability, and quantitative analysis fails to capture integral human development, then real change is hampered through an incomplete understanding of development.

Sustainability continues to be a focus of development practice when looking at the time needed for development to take root and grow. "Resilient development" has become the new buzzword for accounting for time-bound development. A Catholic approach toward total integral development likewise has a concern for inter-generational solidarity and care for the created environment (Carozza). Sustainability and resiliency cannot be achieved in structures alone. Rather, sustainability and resiliency in development must be generated by human beings who become "artisans of their own destiny" (Paul VI, *Populorum Progressio*, 65). Development is not about a mass-production process, but instead involves art, beauty, uniqueness, freedom, and moral agency (Carozza). Through promotion of this creative and vocational approach, the Catholic Church must inform the nature of long-term development.

We can look at the issue of migration as an example of the need for greater focus on the vocation of the human person towards their integral development. An important approach to begin with is to see the positive aspects of migration: the gifts it brings. Migrants need to be treated according to the principles of human dignity, and respected for the family values, religious faith and cultural diversity that they bring. A pervading misconception assumes that escaping from extreme poverty creates the largest amount of migration. In fact, the poorest countries have the lowest levels of migration. In order to migrate, you have to have some money because

migration is not cheap (Ryscavage). The decision to migrate typically includes an economic calculus about the possibility for making more money. However, the decision is more complicated than that. There are mixed motivations that go beyond economics. Usually, the decision to migrate is family-oriented, to escape unsafe social conditions or to increase educational opportunities for children (Rsycavage). Any remedy to issues of migration must start with the human person. The centrality of the human person is paramount, which includes helping and respecting individuals and not treating migrants as numbers or statistics. The issue of unaccompanied minors has become particularly acute in the United States. Children involved must not be treated as illegal or delinquent, but as children and human beings above all else. The legal issues can be dealt with secondarily. What is in the best interest of the child? This opens up many other questions with complicated answers, but the need for safety and security is clear (Ryscavage). The search for solutions must go beyond the seeking of justice. It is not only a question of a just solution, but also of a loving solution: "Charity is at the heart of the Church's social doctrine" (Benedict XVI, *Caritas in veritate*, 2).

To take a full understanding of human person into the world of development, we can identify themes that make such change possible. Education at all levels has continually proved to be an important motor of development. This includes primary, secondary and even higher education. The Catholic Church must continue in its rich history of the promotion of education. Educating women, in particular, has been closely linked to development, as this is where understanding emerges for prospects of the future. Given the vocational nature of integral development, greater attention is needed in the promotion of religious freedom. In active lives of faith, people discover that dimension of the human person that cannot be reduced to a number, measure or income figure. Faith fosters the conditions that bring the meaning of the

human person to bear. The only forces capable of changing history are those capable of changing the human heart (Carozza). A comprehensive approach to development, "needs to find its motor in order to move ahead: the human person as protagonist of change as she embraces inclusiveness of others" (Tomasi). Recent trends in development, while positive in several respects, are fragmented and partial, and this presses us towards the need for total integral development centered on the human person.

4. Spirit of solidarity and fraternity

> "*Effective policies are needed to promote the principle of fraternity, securing for people – who are equal in dignity and in fundamental rights – access to capital, services, educational resources, healthcare and technology so that every person has the opportunity to express and realize his or her life project and can develop fully as a person.*"
>
> Pope Francis, *Message for the World Day of Peace*, 1 January 2014

Economics can make a contribution to the Catholic perspective on poverty and development in the way that it highlights the importance of subsidiarity, solidarity, and the integration of both in service of the common good. Subsidiarity, commonly misunderstood, teaches that social problems should attempt to be solved at the lowest level from which they arise. This gives people the power to solve problems at the most local level. Subsidiarity allows people to give input on what needs to be done to find solutions. Economics, tracing back to Adam Smith's *Wealth of Nations*, highlights the importance of individual responsibility for innovation and individual responsibility for a well-governed society and an active civil life (Schwalbenberg). This emphasis on individual responsibility is contained in the idea of subsidiarity. Economics also stresses the integration between subsidiarity and solidarity, which work both for the purpose of each other and both for the common good (Schwalbenberg).

Subsidiarity is indispensible in achieving the common good, but it must be "harmonized with the combined efforts of society so that public and private actors may be supported in living out the cardinal virtues... and foster a worldwide mobilization of resources in favor of the poorest and marginalized" (Parolin). Economic systems provide incentives towards these ends, but this is not where the moral value and effectiveness lie. This comes, rather, as a result of the lifestyles of different economic actors, from simple workers to politicians to business men and women, who reveal true dedication and responsibility (Parolin). Subsidiarity and solidarity are necessary for development in a structural sense, but also for human subjects to carry their own development forward. They are not merely about increasing efficiency or the devolution of authority. Rather, subsidiarity and solidarity provide assistance for people to control their own destiny and development, that people might be given a voice and accompanied as they realize their destiny (Carozza). Development grows through the virtue of integrated human beings working together in an economic system built on principles of subsidiarity and solidarity.

The financing of development has shifted in recent years as large aid projects have been replaced by private financing in the business sector and the growth of private-public partnerships. This shift has helped to avoid corruption and inefficiency that often marks state-driven aid. It fosters the involvement of business and leverages market forces to involve local communities (Carozza).

The Church offers a caution over the reduction of development to a partnership between the state and the market alone: "The exclusively binary model of market-plus-State is corrosive of society... the market of gratuitousness does not exist" (Benedict XVI, *Caritas in veritate*, 39). In the binary model, where does civil society fit in? In particular, the Church calls attention to those forms of civil society often ignored, namely religious communities and the family.

The family is too often an absent factor in development, evidenced by the lack of family-based approaches (Carozza). The participation of civil society in development works through increased solidarity.

The international community is called to greater solidarity both within nations and across the world. Solidarity, as Pope John Paul II writes, "is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, it is a firm and persevering determination to commit oneself to the common good" (*Sollicitudo rei socialis*, 38). This points us in the direction of those with the greatest need in the human family. To this end, we are called to "work together in promoting a true, worldwide ethical mobilization which, beyond all differences of religious or political convictions, will spread and put into practice a shared ideal of fraternity and solidarity, especially with regard to the poorest and those most excluded" (Pope Francis, *Meeting with the UN System Chief Executives Board for Coordination*, 9 May 2014).

A plea for solidarity is one on behalf of the poor and excluded. It is not just a call to short-term assistance or action in post-disaster situations. The solidarity that Catholic Social Teaching calls us to must be new, sustainable, participatory and continued (Langlois). It must be new: profound changes must be brought to behavior and attitudes. It must be sustainable and not just focused on a short-term response to a crisis. It must be participatory and coordinated, with the involvement of local authorities and the reinforcement of local competencies. It must be continued: the international community should mobilize financial and human resources not only in cases of emergencies, but in a conscious aim at the growth of undeveloped countries. These continued efforts must be coordinated to achieve more lasting results. They must be active and proactive, with actors working together to define strategies for development with a focus on responsible citizenship (Langlois).

Solidarity calls us to greater consultation and collaboration between nations and through the working of international organizations. There are pitfalls when strategies are developed without consultation or relying too heavily on a "one-size-fits-all" approach to development. For example, the World Bank has rigid national policy agendas in order for countries to qualify for international aid. Greater concern must be given to the local realities and issues facing particular countries. We must "rediscover how creative and effective multilateral and multi stakeholder activities can be when guided by a common vision and motivated by a moral and pressing imperative" (Tomasi). Subsidiary calls us to evaluate the appropriateness of policy. It serves as a reminder of autonomy, richness, and diversity in local communities. Subsidiarity shelters communities from centralized trends that disregard the dignity and diversity of communities.

We must look to the adoption of a new framework of development and the Church must play an active role in its formulation. Catholic Social Teaching "can be an important moral voice, a source of insightful analysis and innovative recommendations on the concept of integral human and sustainable development and a strong proponent for the kind of reforms that are needed in the global financial system to promote and support sustainable development" (Tomasi). Solidarity and subsidiarity, participation and transparency, attention to the transcendent nature of the human person, all of these serve as a valuable resource to the formulation of a new framework for development. We must work to increase the ability of all people to actively participate in the conversation. Institutions must be held accountable and called to transparency. An international mechanism of transparency must reinforce those on national, regional, and local levels. Innovations are required to explore new models that can achieve practical solutions. The vision and direction of Catholic Social Teaching can contribute to make the new framework creative and positive, to ensure a sustainable fu-

ture of dignity for all, and contribute to the universal common good (Tomasi).

The spirit of solidarity and fraternity are rooted in God and futile without God. The problems with the current framework of development are found, first of all, in the will. The problems are rooted in self-centeredness and materialism. Social contract theory promotes the autonomy of individual persons. Church teaching offers the answer to the problems that grow from this approach. The Church brings us back to our inherently social nature, in reflection of the Trinitarian God. "It is in this inherently social versus autonomous anthropology that Church teaching provides such a compelling answer to the multiple problems of modernity" (Nalewajek). Fraternity and solidarity are for our own good in the promotion of love of God and love of neighbor. Thus, these are not just ideological or political principles; they are Catholic principles, based on and emanating from faith (Nalewajek). The spirit of fraternity and solidarity echoes the radical charge from Jesus, "Love one another just as I have loved you" (John 13:34). This presents the absolute indispensability of fraternity and solidarity as a necessary response in our lives of faith in imitation of Christ.

5. Conclusion

The challenge of Catholic Social Teaching is the call to change our own lives first and then the world. "The social message of the Gospel must not be considered a theory, but above all else a basis and a motivation for action" (John Paul II, *Centesimus annus*, 57). The challenge for us is follow this call to action. We must work to implement Catholic Social Teaching in the world on a practical and immediate level. With the conclusion of the conference, the task is to go out from it. To return to the image of Mary at the Annunciation, we recall that after encountering the angel, Mary departed *cum festinatione* ("in haste"). Our call is to depart from the

conference with a sense of urgency, in haste. The going out is often the greatest task of all. As the founder of the Society of Jesus, St. Ignatius of Loyola, wrote in the Spiritual Exercises, "love ought to manifest itself in deeds rather than words" (SE 230). Many powerful words were spoken at the conference. The call now is for us to go out and bring those words into action, in our own lives and in the world.

An element for creating this change is the development of a strong, committed group of lay and religious Catholic leaders to recapture and promote the Catholic vision. This is the goal of the Fondazione Centesimus Annus Pro Pontifice: "To help lay Catholic leaders form their consciences on Church teaching so they may change their own lives first, and then change the world" (Nalewajek). John Paul II urged the foundation "to spare no effort to ensure that the Foundation seeks to pursue these goals" (*Address to Participants in the Congress of Centesimus Annus Pro Pontifice*, 4 December 2004). This conference was conducted in the spirit of this urging, and this report was produced to continue the pursuit of the goals to which the Foundation is called. Members of the Fondazione Centesimus Annus Pro Pontifice are compelled to contribute to the change we are called to initiate in the world. The discussion begun at this conference is a starting point. Now it must be spread and continued in order to help create a movement of opinion. Participation includes influencing politicians and exercising solidarity through business practices and financial resources. Let the words of St. John Paul II draw us to respond in urgency to the signs of our times and bring the message of the Gospel and the principles of Catholic Social Teaching into action in our lives.

SPEAKERS

Professor Paolo G. Carozza

Director, Helen Kellogg Institute for International Studies; Director, JSD Program in International Human Rights Law; Concurrent Professor of Political Science, Notre Dame University

General Roméo Dallaire

Founder of the Roméo Dallaire Child Soldiers Initiative; Former Canadian Senator and Senior Fellow at the "Montreal Institute for Genocide and Human Rights Studies" and Co-Director of the "Will to Intervene Project"; Retired Canadian General and UN Force Commander during the Rwandan Hutu-Tutsi genocide

Metropolitan Jean-Clément Jeanbart

Archbishop of Aleppo, Syria (Melkite Greek Catholic Church)

Professor Melissa Labonte

Associate Professor of Political Science at Fordham University

His Eminence Chibly Cardinal Langlois

Bishop of Les Cayes, Haiti

His Eminence Theodore Cardinal McCarrick

Archbishop Emeritus of Washington DC

Mr. Robert A. Nalewajek

President & Director, Centesimus Annus Pro Pontifice-USA

His Eminence Pietro Cardinal Parolin

Secretary of State, Holy See

The Reverend Father Richard Ryscavage, S.J.

Director, Center for Faith and Public Life, Fairfield University; Past Vatican representative to the UN's "High Level Dialogue on Migration"; National Director, Jesuit Refugee Service; Executive Director, USCCB's Office of Migration and Refugee Services

Dr. Henry Schwalbenberg

Director, Graduate Program in International Political Economy and Development, Fordham University

The Most Reverend Archbishop Silvano Maria Tomasi, C.S.

Nuncio to UN Organizations in Geneva; Past Nuncio to Ethiopia, Eritrea and Djibouti and Secretary of the Pontifical Council for the Pastoral Care of Migrant, Itinerant People

RELAZIONE CONCLUSIVA

Brian A. Strassburger

"*...mentre incoraggiamo lo sviluppo verso un mondo migliore, non possiamo tacere lo scandalo della povertà nelle sue varie dimensioni. Violenza, sfruttamento, discriminazione, emarginazione, approcci restrittivi alle libertà fondamentali, sia di individui che di collettività, sono alcuni dei principali elementi della povertà da superare*".

Papa Francesco, *Messaggio per la Giornata Mondiale del Migrante e del Rifugiato*, 5 agosto 2013

"*Non si tratta solo di rispondere ad emergenze immediate... per giungere ad una soluzione giusta e duratura*". Piuttosto è necessario uno sforzo "*per assicurare che un sempre maggior numero di persone possano essere economicamente indipendenti*".

Papa Francesco, *Messaggio per la Giornata Mondiale dell'Alimentazione*, 16 ottobre 2013

"*...senza* fraternità *diventa impossibile costruire una società equa e una pace solida e duratura...*". "*Ciò comporta tessere una relazionalità fraterna, improntata alla reciprocità, al perdono, al dono totale di sé, secondo l'ampiezza e la profondità dell'amore di Dio, offerto all'umanità...*".

Papa Francesco, *Messaggio per la Giornata Mondiale della Pace*, 1º gennaio 2014

1. Introduzione

Il Convegno su **Povertà e Sviluppo: una Prospettiva Cattolica**, svoltosi il 26 e 27 settembre 2014, ha riunito prelati, esperti internazionali, imprenditori e accademici per richiamare l'attenzione internazionale sui problemi inerenti povertà e sviluppo messi in luce da Papa Francesco. La Fondazione Centesimus Annus Pro Pontifice ha organizzato questo convegno nello spirito degli obiettivi istituzionali che essa perse-

gue: promuovere lo studio e la diffusione della dottrina sociale della Chiesa Cattolica. A tal fine il convegno si proponeva di analizzare le implicazioni delle problematiche sollevate dal Santo Padre e proporre soluzioni specifiche che consentano di realizzarne gli ideali.

Il convegno ha concentrato l'attenzione su tre temi chiave:

1. La risposta internazionale a emergenze immediate
2. Come passare dal mero sviluppo economico allo sviluppo della personalità umana in tutta la sua complessità
3. Come esaltare lo spirito di solidarietà e fraternità

La presente relazione cerca di riassumere le discussioni e le conclusioni raggiunte su questi temi chiave. Si sforza di catturare lo spirito del convegno, che è stato permeato da un sentimento di speranza ed ottimismo nei confronti del ruolo che sviluppo complessivo della personalità umana e solidarietà hanno nel trasformare situazioni globali di povertà e prevenire violenza e può essere riassunto con un richiamo all'immagine dell'Annunciazione a Maria. Quando l'Angelo la saluta, Maria è molto turbata. L'angelo allora le dice: "Non aver paura" (*Luca* 1,30). Ci sono tante cose nel mondo che ci turbano: i partecipanti al convegno hanno raccontato esperienze vissute in prima persona del genocidio in Rwanda, del terremoto ad Haiti, della violenza in Siria. E tuttavia le parole dell'angelo hanno prevalso durante il convegno: non abbiate paura. Ispirato e spronato dalle parole di Papa Francesco, non si è svolto in uno spirito di paura e disperazione, ma di speranza.

Povertà e sviluppo sono problemi complessi che Labonte ha definito "problemi perversi". Sono difficili da definire e tendono a essere sintomi di altri problemi. Ne sono state offerte molte spiegazioni ma l'adeguatezza delle soluzioni proposte è tipicamente legata alla visione di chi ne formula la definizione. Perciò gli autori di soluzioni a questi "problemi perversi", a livello nazionale e internazionale, devono assumersene la responsabilità. Poiché queste soluzioni non sono

semplicemente vere o false, ma anche buone o cattive: esiste una dimensione normativa (Labonte). La Chiesa è chiamata ad svolgere il suo ruolo nel definire i problemi del mondo e ad impegnarsi nella ricerca di soluzioni creative ed efficaci. "Ignorare i rischi crescenti ha significato ignorare antichi principi etici e morali, trivializzare la saggezza insita nel principio di precauzione e favorire la proliferazione di avidità e arroganza" (Tomasi). L'interesse personale è alla base di questi problemi perversi. Il successo a breve termine nella ricerca del benessere economico è stato sopravalutato. Come Papa Francesco ha osservato, "*Abbiamo creato nuovi idoli. L'adorazione dell'antico vitello d'oro* (cf. *Es* 32,1-35) *ha trovato una nuova e spietata versione nel feticismo del denaro e nella dittatura di una economia senza volto e senza uno scopo veramente umano*" (Papa Francesco, *Evangelii Gaudium*, 55).

Abbiamo bisogno di un cambiamento e la ragione impone che esso includa moralità. Abbiamo bisogno di una rivoluzione radicale dei valori, nella quale la Chiesa deve assumere un ruolo di prima linea. Bisogna passare da una cultura orientata alle cose a una cultura orientata alle persone (Labonte). È questo che è al cuore della pressante richiesta di uno sviluppo integrale della persona umana. La soluzione di questi problemi richiede approcci partecipativi, aperti all'inclusione. È questa inclusione che darà legittimazione e autenticità alle soluzioni raggiunte (Tomasi) e che deve essere propugnata dalla Chiesa. Nella ricerca della soluzione la Dottrina Sociale della Chiesa offre un evidente valore aggiunto. Può servire come "lievito essenziale" (Labonte). Nella preparazione del pane il lievito non è la massa. Analogamente l'impatto della Dottrina Sociale della Chiesa non significa necessariamente movimento travolgente di masse. È più importante l'intervento in chiave critica di attori che promuovano un cambiamento a lungo termine. La Dottrina Sociale della Chiesa può essere lievito essenziale nello sviluppo di soluzioni ai problemi perversi che dobbiamo affrontare nella lotta alla povertà e per la promozione dello sviluppo.

2. La risposta internazionale a emergenze pressanti

Quando si presentano emergenze pressanti i sofferenti del mondo implorano il nostro aiuto. I poveri e gli emarginati sono quelli che patiscono di tali sofferenze in modo più acuto e severo. Il Vangelo ci chiama al servizio del nostro prossimo. Le tragedie attuali sono diverse e complicate, ma si possono raggruppare le emergenze in due categorie: disastri naturali e crisi umanitarie provocate dall'uomo.

a) *Disastri naturali*

In presenza di disastri naturali abbiamo l'obbligo non solo di agire in risposta alle emergenze, ma di agire rapidamente. Non possiamo permetterci di perdere tempo in ponderate riflessioni quando vite umane sono in pericolo immediato. L'urgenza è proporzionale all'ampiezza e intensità della crisi. Il nostro intervento e la nostra reazione devono essere focalizzati sulla persona umana ed è la dignità della persona umana che richiede una risposta rapida. Incontriamo Cristo sia nella comunità provata dalla crisi che nella risposta all'emergenza (McCarrick).

La nostra risposta è conseguenza dell'attenzione al bene comune e delle sollecitazioni ad aiutare il nostro prossimo. Dopo il tifone nelle Filippine la gente ha donato non solo attingendo ai propri guadagni ma anche sacrificando il necessario (McCarrick). Siamo tutti chiamati a questa grande generosità. Bisogna inoltre fare molta attenzione a come vengono usate e distribuite le risorse che mettiamo a disposizione. Nel rispondere all'urgenza non è sufficiente una distribuzione rapida degli aiuti, è necessario temperarla con una pianificazione intelligente, che persegua il bene comune prestando attenzione alla dignità della persona umana. Al riguardo è stato proposto come esempio un aneddoto relativo al terremoto in Haiti. Una ONG gettava a una folla enormi sacchi di riso da un camion per rispondere rapidamente ai

bisogni immediati della comunità. Uno di questi sacchi è andato a colpire una donna incinta che è caduta priva di conoscenza sotto l'impatto del colpo (Ryscavage). Questo caso è un esempio lampante di come, nell'urgenza di rispondere, si possa trascurare di fare attenzione alla dignità umana. Dobbiamo agire non solo rapidamente ma con intelligenza. Nelle situazioni di emergenza dobbiamo fare domande e non presumere di conoscere le risposte. Dobbiamo domandare "Di che cosa ha bisogno la comunità?". Il nostro intervento deve coinvolgere la comunità, che ha un ruolo essenziale nella ricostruzione, specialmente nel creare soluzioni di lungo termine che si oppongano alla distruzione causata da eventi catastrofici.

Spesso l'aiuto offerto a seguito di disastri naturali è mal gestito e non ben coordinato. Gli aiuti possono venire da paesi diversi e da una gran varietà di organizzazioni. Una mancanza di collaborazione sul campo tra differenti operatori può tradursi in un significativo spreco di denaro, con ripetizione di progetti e duplicazione di sforzi. Le organizzazioni che arrivano sul luogo del disastro senza una adeguata conoscenza della realtà locale sono particolarmente a rischio di fare sbagli nel cercare di intervenire con immediatezza. Troppo spesso queste organizzazioni cercano risultati che siano misurabili e dimostrino l'efficacia del loro intervento. Ma molti progetti che producono cambiamenti sostenibili dopo un disastro naturale non sono misurabili facilmente e rapidamente. Una volta soddisfatte le necessità umane più urgenti – cibo acqua e servizi sanitari – i bisogni principali possono richiedere investimenti a lungo termine. Quanto avvenuto ad Haiti dopo il terremoto può aiutarci a illustrare questo punto. La Conferenza Episcopale degli Stati Uniti (USCCB) ha raccolto una gran quantità di denaro per Haiti, in larga parte affidato al Catholic Relief Services per programmi sociali. Una parte del denaro era destinata alla ricostruzione di chiese, con l'intenzione da parte delle diocesi di rendere disponibile il finanziamento lentamente, man mano che veni-

vano presentati progetti adeguati. A tutt'oggi non sono molte le chiese che sono state ricostruite grazie a questi sforzi, in parte perché c'è voluto del tempo per creare una organizzazione che potesse coordinare il lavoro di ricostruzione. I fondi sono stati usati per lo scopo prefisso, ma c'è voluto del tempo (Langlois). Quando si deve privilegiare l'efficienza rispetto alla sostenibilità questo tipo di approccio può creare problemi, ma questo non può essere il nostro caso.

In situazioni di emergenze immediate, la Chiesa Cattolica identifica ed unisce le persone in condizione di bisogno. La Chiesa collabora con le autorità politiche per muoversi meglio nella ricerca di uno sviluppo che risponda alle necessità della gente. Di fronte a gravi ostacoli si cercano soluzioni eque e onorevoli. Per esempio ad Haiti la Chiesa ha concentrato la risposta di lungo termine ai problemi che affliggono il paese su tre settori principali: educazione, agricoltura e sanità (Langlois). Questa risposta è stata elaborata con attenzione ai bisogni della comunità e privilegiando interventi di lungo termine che andassero oltre le necessità immediate del dopo terremoto e producessero cambiamenti duraturi e sostenibili. Le emergenze immediate sono spesso indice di sottosviluppo: gli interventi urgenti devono essere accompagnati da impegno a lungo termine finalizzato allo sviluppo.

b) *Crisi umanitarie causate dall'uomo*

In presenza di crisi umanitarie causate dall'uomo l'obbligo di intervenire deve tener conto di diverse sfumature e soprattutto delle norme internazionali. La contemporaneità dello tsunami nel Sud Est asiatico (disastro naturale) e del genocidio nel Darfur (crisi umanitaria causata dall'uomo) illustra la diversità delle risposte a queste categorie generali di emergenze immediate. La risposta internazionale allo tsunami ha comportato enormi sforzi diretti a soddisfare i bisogni indotti dalla crisi: ridurre le necessità immediate della comunità e successivamente ricostruire le infrastrutture distrutte.

Nel frattempo la violenza nel Darfur ha prodotto ancora più morte, spostamenti forzati di popolazione e violazioni dei diritti umani, e tuttavia non ha suscitato una risposta globale. L'attenzione rivolta dalla comunità internazionale alla ricostruzione dopo lo tsunami è stata di ampio respiro e duratura. A distanza di un anno non erano diminuiti gli sforzi di monitorare la ripresa delle comunità colpite dallo tsunami, ma al contempo non c'era ancora nessuna attenzione e nessun intervento sul Darfur. Questo ci dà un'idea delle priorità, ci fa vedere in dettaglio quando e perché i governi intervengono e quanto sia grande la riluttanza a intervenire nelle crisi umanitarie causate dall'uomo (Dallaire).

Le Nazioni Unite hanno formulato un criterio per la prevenzione dei genocidi definito come "responsabilità di proteggere". Questa formula è stata elaborata, in parte, in risposta al genocidio in Rwanda. Nel 1995 una risposta internazionale al genocidio è mancata completamente. Sono circolate informazioni mentre stava per esplodere e durante la tragedia, ma non vi è stato alcun intervento. Che cosa ha spinto le autorità internazionali a fare questa scelta? Che cosa fa scattare la volontà di intervenire? Uno studio attento degli attori politici indica che la volontà di intervenire scatta quando sono in gioco interessi diretti (Dallaire). I grandi paesi hanno compiuto dei sopralluoghi in Rwanda per raccogliere informazioni e le relazioni degli esperti hanno raccomandato di non intervenire vista la mancanza di interessi strategici, risorse, infrastrutture e la difficoltà di arrivare sul posto (Dallaire). L'elevato numero di perdite umane era un non-fattore; non ha avuto peso in assenza di interessi diretti. La definizione da parte delle Nazioni Unite della responsabilità di proteggere è avvenuta in risposta a questo atteggiamento. Se uno stato non protegge la sua popolazione, la comunità internazionale deve intervenire (Dallaire). Forse è necessario rivedere il concetto di sovranità. Attualmente la sovranità è un principio che limita i casi di intervento. Per rispetto alla sovranità di un paese non si interviene. Il concetto di sovranità potrebbe essere

riformato: da sovranità dello stato-nazione a sovranità dell'individuo, dell'essere umano (Dallaire). Questa è la sovranità che la comunità internazionale ha la responsabilità di proteggere.

Vi sono risposte non chiare in merito a che cosa veramente comporti un intervento, che contribuiscono alla diffidenza dei politici. L'intervento può essere diplomatico, può essere armato. Intervenire significa creare uno stato di diritto? Educazione? Comporta un impegno a lungo termine per la ricostruzione? Viviamo in un era in cui questi tipi di intervento non seguono l'approccio sequenziale di un tempo ma devono essere condotti contemporaneamente: ricostruire mentre si tratta per vie diplomatiche e forse anche si combatte (Dellaire). Come si possono fare queste cose contemporaneamente? Un'ulteriore riflessione è necessaria. Spesso l'intervento avviene tardivamente, e ciò aumenta l'ampiezza e gravità dell'emergenza fino a trasformarla in catastrofe. Tuttavia vi è molta esitazione a mettere in atto un intervento preventivo, che si traduce in mancanza di volontà politica. È politicamente troppo pericoloso, c'è il rischio di inchieste sull'uso delle risorse e di conseguenze negative se all'intervento preventivo fa seguito una catastrofe ancora più drammatica. Sebbene un intervento tardivo permetta alla crisi di esacerbarsi, prendere in considerazione un intervento preventivo presenta ancora troppi rischi.

Una mancanza totale di interventi può essere ancora più pericolosa. La guerra civile in Siria, per esempio, potrebbe ancora estendersi ai paesi limitrofi. La Chiesa in Siria sta già affrontando una crisi di proporzioni tragiche. C'è bisogno di verità, specialmente da parte dei media (Jeanbart). Atti di violenza, distruzione e terrore vengono compiuti in nome di Dio. Il paese sta perdendo ogni nozione della sua storia e cultura. La crisi in Siria non è solo distruzione di un popolo ma distruzione di una civiltà (Jeanbart). C'è bisogno di più dialogo per poter arrivare a una soluzione pacifica. Demonizzare e denigrare il nemico non serve al processo di pace e non

si addice alla fede cattolica. Una mancanza totale di interventi mentre la guerra civile continua potrebbe rappresentare il pericolo più grave per la popolazione siriana.

Il mondo attuale affronta problemi nuovi che rendono necessaria maggiore riflessione su quando intervenire. L'introduzione di nuove armi ha creato nuovi dilemmi etici e legali. Uno di questi nuovi problemi è il grande uso di soldati bambini. I bambini non vengono più reclutati come ultima risorsa ma semplicemente perché sono bambini e quindi visti come un'arma sofisticata ed economica (Dallaire). Sono state prese alcune misure per contenere o stigmatizzare la proliferazione dei soldati bambini, ma non si è intervenuti e il successo è stato molto limitato. Si veda per esempio la Repubblica Centroafricana, dove i soldati bambini vengono reclutati e usati su larga scala, o la Nigeria dove bambini vengono rapiti e trasformati in guerriglieri. Questa crisi dei soldati bambini mette a dura prova le politiche di non intervento e ci sfida ad agire. Crea un obbligo a intervenire? Si estende sino a rispondere alle condizioni che sottendono una giusta guerra?

Le discussioni sull'opportunità di intervento in presenza di crisi internazionali devono essere riportate nel contesto delle Nazioni Unite. Papa Francesco recentemente ha ricordato: "*È lecito fermare l'ingiusto aggressore*". La parola chiave è "fermare", che non deve voler dire bombardare o invadere o altre azioni militari aggressive. I mezzi usati per ogni intervento di questo tipo devono essere valutati attentamente. Intervenire in omaggio alla responsabilità di proteggere è un dovere che non compete più ai singoli paesi ma alla comunità internazionale (Parolin). Le norme della comunità internazionale, codificate dalle Nazioni Unite, precludono azioni militari unilaterali con l'unica eccezione dell'autodifesa. Operazioni di polizia condotte unilateralmente al di fuori delle proprie frontiere costituiscono una violazione della sovranità del paese in questione. Bisogna continuare a sostenere questo concetto di sovranità? La legislazione internazionale fornisce

alla comunità internazionale la capacità di affrontare nuove problematiche in tema di sicurezza alla luce del terrorismo. Il fine ultimo delle Nazioni Unite è la creazione di un alleanza per evitare la guerra e sostenere un meccanismo per la sicurezza collettiva. Pilastro fondamentale di questa alleanza è l'osservanza del principio che ogni atto di guerra non approvato formalmente dalle Nazioni Unite è illegittimo (Parolin).

Le attuali norme operative delle Nazioni Unite sono state elaborate nel corso degli anni e adattate alle mutate circostanze determinatesi nel mondo, specialmente a seguito della crescita del terrorismo. Le Nazioni Unite hanno lavorato per definire e sviluppare gli strumenti legali necessari a combattere e prevenire il terrorismo internazionale, il che ha comportato l'aggiornamento di varie convenzioni (Parolin). Come previsto dalla procedura giuridica, le convenzioni internazionali sono state ratificate da quasi tutti gli stati membri delle Nazioni Unite e hanno prodotto risultati positivi nella lotta contro il terrorismo (Parolin). Individuare i modi di applicare queste norme con efficacia rimane ancora una sfida. Il dinamismo delle emergenze immediate richiede un riflessione continua su queste norme e la loro applicazione nell'arena globale. "La situazione attuale, quindi, con tutta la sua gravità, è un occasione per gli stati membri di realizzare lo spirito della Carta delle Nazioni Unite riformando, con il consenso di tutti, norme e meccanismi se e quando necessario" (Parolin). C'è bisogno di norme riformate con consenso internazionale, che aumentino la credibilità delle N.U. e contribuiscano a pace, sicurezza e difesa della dignità umana. Non ci potranno essere sviluppo ed eliminazione della povertà se manca la sicurezza (Dallaire).

3. Da sviluppo economico a sviluppo dell'uomo, di tutto l'uomo

"Il necessario realismo della politica e dell'economia non può ridursi ad un tecnicismo privo di idealità, che ignora la dimensione trascendente dell'uomo. Quando manca questa apertura a Dio, ogni attività umana diventa più povera e le persone vengono ridotte a oggetti da sfruttare. Solo se accettano di muoversi nell'ampio spazio assicurato da questa apertura a Colui che ama ogni uomo e ogni donna, la politica e l'economia riusciranno a strutturarsi sulla base di un autentico spirito di carità fraterna e potranno essere strumento efficace di sviluppo umano integrale e di pace".

Papa Francesco, *Messaggio per la Giornata Mondiale della Pace*, 1° gennaio 2014

Quando si affrontano questioni relative a povertà e sviluppo la preoccupazione principale deve essere la dignità umana. Non possiamo parlare di sviluppo in termini economici senza preoccuparci dello sviluppo integrale della persona umana. Nel suo messaggio al World Economic Forum Papa Francesco ha reiterato l'importanza delle attività economiche, che dovrebbero contribuire allo sviluppo dell'uomo, di tutto l'uomo. Tuttavia in ogni attività economica le virtù personali e sociali – onestà, integrità, equità, generosità e preoccupazione per gli altri – devono prevalere sulla massimizzazione del profitto (Parolin). Come ha concluso il Santo Padre, siamo chiamati a far sì che *"la ricchezza sia al servizio dell'umanità e non la governi"* (*Messaggio al World Economic Forum*, 17 gennaio 2014).

La Dottrina Sociale Cattolica esorta a preoccuparsi delle problematiche strutturali dello sviluppo. Creare i presupposti strutturali preliminari allo sviluppo è fondamentalmente compito della politica, la Chiesa in aggiunta offre criteri di giudizio che ci aiutano a dare quel giusto valore alla persona umana che deve essere al cuore di ogni intervento:

"Questo significa che la costruzione di un giusto ordinamento sociale e statale, mediante il quale a ciascuno venga dato ciò che gli

spetta, è un compito fondamentale che ogni generazione deve nuovamente affrontare. Trattandosi di un compito politico, questo non può essere incarico immediato della Chiesa. Ma siccome è allo stesso tempo un compito umano primario, la Chiesa ha il dovere di offrire attraverso la purificazione della ragione e attraverso la formazione etica il suo contributo specifico, affinché le esigenze della giustizia diventino comprensibili e politicamente realizzabili" (Benedetto XVI, *Deus Caritas Est*, 28).

Il pensiero sociale cattolico è centrato sulla struttura della persona umana e questa è la lente attraverso cui guarda alla vita politica ed economica. Pienezza di verità per quanto attiene la persona umana: questa è la pietra d'angolo su cui costruire gli elementi strutturali dello sviluppo. Il pensiero cattolico afferma che qualsiasi struttura non è sufficiente a produrre soluzioni durature se non prende in considerazione il bisogno di conseguire una dimensione umana non frammentata, che include libertà, valori morali, bontà, virtù e vocazione (Carozza). Le strutture istituzionali non saranno mai sufficienti se prese astraendo da tale principio a produrre sviluppo:

"*In realtà, le istituzioni da sole non bastano, perché lo sviluppo umano integrale è anzitutto vocazione e, quindi, comporta una libera e solidale assunzione di responsabilità da parte di tutti. Un tale sviluppo richiede, inoltre, una visione trascendente della persona, ha bisogno di Dio...*" (Benedetto XVI, *Caritas in veritate*, 11).

Mentre Chiesa afferma l'importanza delle strutture politiche ed economiche, quest'ultime non coprono tutti gli aspetti dello sviluppo e non ne costituiscono nemmeno l'elemento primario, che sta nell'articolazione strutturale della persona umana.

Si è registrata una serie di tendenze positive che hanno contribuito significativamente allo sviluppo internazionale e ad alleviare la povertà. E tuttavia queste tendenze rimarranno incomplete e insufficienti senza una più completa comprensione della personalità umana. Per esempio, vi è stata una

crescente evoluzione nella definizione di povertà e dei molti elementi che devono essere presi in considerazione. Il concetto di sviluppo sta andando oltre le misure che lo definivano in termini esclusivamente economici, come PIL e crescita economica. Per esempio l'"Indice di Sviluppo Umano" ha riportato nel nostro pensiero e nelle nostre politiche l'attenzione per altri aspetti del benessere umano e sociale non coperti dalla crescita economica, come ad esempio il livello di educazione e la disponibilità di accesso alle cure mediche (Carozza).

Questo approccio multi-dimensionale allo sviluppo umano è stato in prima istanza introdotto in chiave positiva dalla Dottrina Sociale Cattolica. Giovanni Paolo II ha fatto un passo in più e ha chiesto esplicitamente di guardare allo sviluppo non solo in termini economici ma umani. Questo tipo di sviluppo implica la costruzione di una vita decente, in cui trovano posto creatività e dignità, ma anche la possibilità per una persona di rispondere alla propria vocazione. "*Al culmine dello sviluppo sta l'esercizio del diritto-dovere di cercare Dio, di conoscerlo e di vivere secondo tale conoscenza*" (Giovanni Paolo II, *Centesimus Annus*, 29). Dobbiamo elaborare una visione concreta di cosa significhi vivere una vita pienamente umana. La teoria antropologica del benessere umano è necessaria ma individualistica e quindi ignora la dimensione relazionale della persona umana. Implica che una buona vita venga costruita in isolata autonomia e che per definizione benessere umano significa massimizzazione di scelte individuali (Carozza).

La Chiesa cattolica contesta questa visione frammentaria che non segue in realtà un approccio integrale. Rappresenta cioè una serie sconnessa di approcci, che manca di collante e causa problemi pratici. Multi-dimensionale non significa integrale. L'approccio cattolico ha carattere integrale precisamente perché è centrato sulla persona umana e la persona umana non ha carattere frammentario (Carozza). Le pratiche correnti ignorano sistematicamente dimensioni importanti. Le parole di Giovanni Paolo II sulla vocazione personale come

culmine dello sviluppo suggeriscono che la struttura religiosa di una persona è parte di uno sviluppo umano integrale. E tuttavia la religione è raramente oggetto di discussione, considerazione o valutazione allorchè si affronta il tema dello sviluppo.

Un'altra tendenza positiva per quanto riguarda lo sviluppo è la crescente applicazione di analisi quantitative in relazione al tema dello sviluppo. Questo tipo di analisi, come sono in effetti analisi a campione a carattere casuale (randomized controlled trials o RCTs), offre modi di valutare e misurare risultati e conseguenze di un progetto di sviluppo. Le organizzazioni che finanziano lo sviluppo richiedono sempre di più questi dati, con effetti positivi su chiarezza di responsabilità, trasparenza e uso delle risorse. Tuttavia il pensiero sociale cattolico suggerisce di porre dei limiti alla crescente dipendenza da analisi esclusivamente quantitative. Molti elementi di uno sviluppo umano integrale non sono misurabili: speranza, desiderio, solidarietà, generosità. Vi sono stati dei tentativi di quantificarli, ma una cosa è chiara: l'essenza umana non è misurabile (Carozza). L'aspetto vocazionale di uno sviluppo umano integrale non può essere misurato da un sondaggio. Rapporti con cultura, storia, contesto, comunità sono dimensioni che crescono negli anni, spesso nello spazio di generazioni (Carozza). Bisogna essere molto cauti nel valutare approcci che richiedono risultati misurabili, che possano essere valutati in poco tempo. Si pensi all'esempio del terremoto di Haiti: la Chiesa è stata criticata per la lentezza con cui usa i fondi destinati alla ricostruzione di chiese. Ma quando si privilegia l'efficienza a scapito della sostenibilità e l'analisi quantitativa non è in grado di cogliere lo sviluppo umano nella sua interezza allora il vero cambiamento è pregiudicato da una comprensione parziale del fenomeno sviluppo.

La sostenibilità continua a essere criterio centrale dei progetti di sviluppo quando si guarda al tempo necessario perché lo sviluppo metta radici e cresca. "Sviluppo duraturo" è di-

ventato il termine di moda per spiegare progetti di sviluppo che richiedono tempo. Nella visuale cattolica che persegua una linea di sviluppo integrale della personalità umana ricade anche la pratica della solidarietà intergenerazionale e il rispetto per il creato (Carozza). La sostenibilità e solidità dello sviluppo non possono essere conseguite semplicemente attraverso strutture. Per essere sostenibile e duraturo lo sviluppo deve essere generato da esseri umani che diventino "*artefici del loro destino*" (Paolo VI, *Populorum Progressio*, 65). Lo sviluppo non è confinabile alla produzione di massa, ma piuttosto è frutto di arte, bellezza, unicità, libertà e valori morali (Carozza). Promovendo questo approccio creativo e vocazionale la Chiesa Cattolica deve ispirare la natura degli interventi di sviluppo a lungo termine.

Il problema delle migrazioni offre un esempio di quanto sia necessario focalizzare l'attenzione sulla vocazione della persona umana per realizzare il proprio integrale sviluppo. Per cominciare bisogna riconoscere gli aspetti positivi della immigrazione: i doni che porta. Le persone che migrano devono essere trattati secondo i principi della dignità umana e rispettati per i valori che portano con sé: famiglia, fede religiosa e diversità culturale. Una errata concezione, largamente condivisa, da per scontato che le migrazioni siano causate quasi sempre da condizioni di estrema povertà. In realtà i paesi più poveri sono quelli che registrano il più basso livello di emigrazione. Per emigrare bisogna avere un po' di denaro perché emigrare costa (Ryscavage). La decisione di emigrare include tipicamente un calcolo economico, cioè della possibilità di guadagnare più soldi. Tuttavia la decisione è più complicata: vi possono essere motivazioni diverse da quelle economiche. In generale la decisione di emigrare è orientata al bene della famiglia: scappare da paesi dove non c'è sicurezza o aumentare le possibilità che i propri figli abbiano un'educazione migliore (Ryscavage). Ogni rimedio ai problemi dell'immigrazione deve partire dalla persona umana. La centralità della persona umana è fondamentale: bisogna aiutare

e rispettare i singoli individui e non trattare gli emigranti come numeri o statistiche. Il problema dei minori non accompagnati è diventato particolarmente acuto negli Stati Uniti. Questi bambini non devono essere trattati come immigranti illegali o delinquenti, ma prima di tutto come bambini ed esseri umani. I problemi legali possono essere affrontati in un secondo tempo. Che cosa è nel miglior interesse del bambino? Questa domanda ne apre molte altre, con risposte complicate, ma è evidente che bisogna assicurare per prima cosa protezione e sicurezza (Ryscavage). La ricerca di soluzioni deve essere anteposta a considerazioni legali. Non si tratta solo di trovare una soluzione giusta, ma una soluzione che esprima amore. "*La carità è la via maestra della dottrina sociale della Chiesa*" (Benedetto XVI, *Caritas in veritate*, 2).

Per portare una piena comprensione della persona umana nel mondo dello sviluppo si possono identificare temi che rendono possibile questo cambiamento. L'educazione a tutti i livelli (primaria, secondaria e anche universitaria) si è costantemente dimostrata un importante motore di sviluppo. La Chiesa Cattolica deve continuare a svolgere il ruolo prezioso di promotore di educazione. Educare le donne, in particolare, si è dimostrato un grande fattore di sviluppo, perché preliminare a una valutazione delle prospettive per il futuro. Data la natura vocazionale di uno sviluppo integrale della personalità umana, bisogna prestare maggiore attenzione alla promozione della libertà religiosa. Vivendo una vita di fede attiva le persone scoprono quella dimensione della personalità umana che non può essere espressa da un numero, una misura o dall'ammontare di un reddito. La fede crea le condizioni che consentono di realizzare il significato profondo della personalità umana. Le sole forze capaci di cambiare la storia sono quelle capaci di cambiare il cuore umano (Carozza). Un approccio integrato al problema dello sviluppo deve trovare il suo motore per poter generare progresso: tale motore è la persona umana come protagonista del cambiamento non solo per sé stessa ma per la comunità (Tomasi). Le ten-

denze recenti, pur positive sotto molti aspetti, sono frammentarie e parziali e ci spingono a riconoscere la necessità di uno sviluppo integrato centrato sulla persona umana.

4. Spirito di solidarietà e fraternità

> "*...servono anche politiche efficaci che promuovano il principio della fraternità, assicurando alle persone – eguali nella loro dignità e nei loro diritti fondamentali – di accedere ai 'capitali', ai servizi, alle risorse educative, sanitarie, tecnologiche affinché ciascuno abbia l'opportunità di esprimere e di realizzare il suo progetto di vita, e possa svilupparsi in pienezza come persona*".
>
> Papa Francesco, *Messaggio per la Giornata Mondiale della Pace*, 1º gennaio 2014

L'economia può dare un contributo alla concezione cattolica di povertà e sviluppo quando evidenzia l'importanza di sussidiarietà e solidarietà, poste al servizio del bene comune. La sussidiarietà, spesso fraintesa, indica come si dovrebbe cercare di risolvere i problemi sociali al livello più umile, cioè dove nascono. Ciò dà alle persone il potere di risolvere i problemi a livello dove problemi ed esigenze sorgono. La sussidiarietà permette alle persone di suggerire gli interventi necessari per arrivare a una soluzione. Il pensiero economico, a partire dal *Benessere delle Nazioni* di Adam Smith, sottolinea l'importanza della responsabilità individuale nel produrre innovazione, una società ben governata e una vita civile attiva (Schwalbenberg). Questa enfasi sulla responsabilità individuale è ricompresa nell'idea di sussidiarietà. Il pensiero economico sottolinea anche la complementarità di sussidiarietà e solidarietà che concorrono al raggiungimento dei rispettivi scopi e del bene comune (Schwalbenberg).

La solidarietà è indispensabile al raggiungimento del bene comune ma deve "armonizzare gli sforzi congiunti della società in modo che attori pubblici e privati siano aiutati a vivere le virtù cardinali e si promuova una mobilizzazione

globale di risorse a favore dei più poveri ed emarginati" (Parolin). I sistemi economici offrono incentivi per il raggiungimento di questi obiettivi, ma valore morale ed efficacia sono il risultato dello stile di vita di diversi attori economici – semplici lavoratori, politici, imprenditori – che danno prova di vera dedizione e responsabilità (Parolin). Sussidiarietà e solidarietà sono necessarie allo sviluppo in senso strutturale per la società, ma anche per consentire alle persone di contribuire al proprio sviluppo. Non si tratta solo di aumentare efficienza o delegare autorità. Piuttosto, sussidiarietà e solidarietà aiutano le persone ad essere padrone del proprio destino e del proprio sviluppo, danno loro una voce e le accompagnano nella realizzazione del proprio destino (Carozza). Lo sviluppo cresce grazie a persone dotate di personalità integrata che lavorino insieme in un sistema economico fondato su principi di sussidiarietà e solidarietà.

Il finanziamento dello sviluppo si è trasformato negli ultimi anni poichè i grandi progetti sono stati sostituiti da finanziamenti privati nel campo delle attività economiche e dalla crescita di partnerships pubblico/privato. Questo cambiamento ha solo in parte contribuito ad evitare corruzione ed inefficienza, che spesso affliggono le iniziative governative. Incoraggia la partecipazione del mondo imprenditoriale e spinge le forze del mercato a coinvolgere le comunità locali (Carozza).

La Chiesa raccomanda cautela nel ridurre lo sviluppo esclusivamente a una partnership stato/mercato: "*Il binomio esclusivo mercato-Stato corrode la socialità . Il mercato della gratuità non esiste*" (Benedetto XVI, *Caritas in veritate*, 39). In quel binomio dove, come, si inserisce la società civile? In particolare la Chiesa richiama attenzione su quelle forme di società civile spesso ignorate, cioè comunità religiose e famiglia. La famiglia è troppo spesso un fattore ignorato di sviluppo, come si può dedurre dalla mancanza di interventi rivolti alle famiglie (Carozza). La partecipazione della società civile allo sviluppo si realizza incoraggiando la solidarietà.

Alla comunità internazionale si chiede più solidarietà sia tra nazioni che a livello globale. La solidarietà, come Papa Giovanni Paolo II scrive, "*non è un sentimento di vaga compassione o di superficiale intenerimento per i mali di tante persone, vicine o lontane. Al contrario, è la determinazione ferma e perseverante di impegnarsi per il bene comune*" (*Sollicitudo rei socialis*, 38). Questo ci fa guardare a chi nella umana famiglia ha più bisogno. A questo scopo siamo chiamati "*a promuovere insieme una vera mobilitazione etica mondiale che, al di là di ogni differenza di credo o di opinione politica, diffonda e applichi un ideale comune di fraternità e di solidarietà, specialmente verso i più poveri e gli esclusi*" (Papa Francesco, *Incontro con i Membri del Consiglio dei Capi Esecutivi per il Coordinamento delle Nazioni Unite*, 9 maggio 2014).

Un appello alla solidarietà è un appello a favore dei poveri e degli emarginati. Non è solo una richiesta di assistenza a breve o di intervento dopo un disastro. La solidarietà che la Dottrina Sociale della Chiesa ci chiede di praticare deve essere nuova, sostenibile, partecipatoria e continuata (Langlois). Deve essere nuova: dobbiamo cambiare radicalmente comportamenti ed attitudini. Deve essere sostenibile e non solo limitata a risposte di breve durata a una crisi. Deve essere partecipatoria e coordinata coinvolgendo le autorità locali e rinforzando le capacità locali. Deve essere continuata. La comunità internazionale deve mobilitare risorse finanziare ed umane non solo in casi di emergenze ma allo scopo di favorire la crescita dei paesi sottosviluppati. Questi sforzi continui devono essere coordinati per ottenere risultati duraturi. Devono essere attivi e propositivi e gli attori devono lavorare insieme a definire strategie di sviluppo concentrandosi sulla creazione di una cittadinanza responsabile (Langlois).

La solidarietà richiede maggiore ricerca di consultazioni e collaborazioni tra nazioni e per il tramite e il lavoro delle organizzazioni internazionali. Ci sono errori abissali quando le strategie sono sviluppate senza consultazione o con un approccio a "taglia unica". Per esempio, la Banca Mondiale im-

pone una rigida serie di misure che un paese deve adottare per avere accesso all'aiuto internazionale. Deve essere data maggiore attenzione alle realtà e problemi locali di un paese. Dobbiamo "riscoprire quanto creative ed efficaci siano le attività multilaterali e di multipli portatori di interesse quando siano guidate da una visione comune e motivate da un forte imperativo morale (Tomasi). La sussidiarietà ci impone di valutare l'appropriatezza di una data misura. Serve a ricordarci l'autonomia, ricchezza e diversità presenti nelle comunità locali. A proteggere le comunità da politiche centralizzate che non tengono conto della loro dignità e diversità.

Dobbiamo adottare un nuovo sistema di aiuti allo sviluppo e la Chiesa deve assumere un ruolo attivo nella sua formulazione. La Dottrina Sociale Cattolica "può essere una importante voce morale, una fonte di analisi perspicace e di proposte innovative per uno sviluppo umano integrato e uno sviluppo sostenibile. Deve supportare con forza il tipo di riforme al sistema finanziario globale necessarie per promuovere e conseguire uno sviluppo sostenibile (Tomasi). Solidarietà e sussidiarietà, partecipazione e trasparenza, attenzione alla natura trascendente della persona umana, tutte queste cose offrono preziose risorse alla formulazione di un nuovo approccio. Dobbiamo sforzarci di aumentare l'abilità di tutti a partecipare attivamente alla conversazione. Le istituzioni devono essere trasparenti e responsabili. Un meccanismo internazionale di trasparenza deve rinforzare gli analoghi meccanismi nazionali, regionali e locali. Le innovazioni devono introdurre nuovi modelli che producano soluzioni pratiche. La visione e la guida della Dottrina Sociale Cattolica possono contribuire a rendere questo nuovo sistema creativo e positivo, per assicurare un futuro sostenibile di dignità per tutti e contribuire al bene comune universale (Tomasi).

Lo spirito di solidarietà e fraternità viene da Dio ed è futile senza Dio. I problemi dell'attuale sistema di sviluppo derivano prima di tutto da egocentrismo e materialismo. La teoria

del contratto sociale promuove l'autonomia dell'individuo. L'insegnamento della Chiesa offre le risposte ai problemi che produce questo approccio. Ci riporta alla nostra innata natura sociale, riflesso del Dio Trinitario. "È con questa visione antropologica eminentemente sociale, opposto di quella autonoma, che l'insegnamento della Chiesa ci offre una risposta così convincente ai molteplici problemi della modernità" (Nalewajek). Fraternità e solidarietà servono il nostro bene promovendo l'amore di Dio e del prossimo. Questi non sono principi solo ideologici o politici, sono principi cattolici, basati sulla fede e da essa emanati (Nalewajek). Lo spirito di fraternità e solidarietà riecheggia l'appello radicale di Gesù: "Amatevi l'un l'altro come io amo voi" (*Giovanni* 13-34). Fraternità e solidarietà sono una risposta assolutamente indispensabile alla nostra vita di fede in imitazione di Cristo.

5. Conclusione

La sfida che ci pone la Dottrina Sociale della Chiesa è di cambiare prima le nostre vita e solo dopo il mondo. "*Per la Chiesa il messaggio sociale del Vangelo non deve esser considerato una teoria, ma prima di tutto un fondamento e una motivazione per l'azione*" (Giovanni Paolo II, *Centesimus annus*, 57). La sfida per noi è di seguire questa chiamata all'azione. Dobbiamo impegnarci per mettere in pratica gli insegnamenti della Dottrina Sociale Cattolica a livello pratico ed immediato. Finito il convegno, il nostro compito è di andare nel mondo. Per tornare all'immagine di Maria nel momento dell'Annunciazione, ricordiamoci che, dopo aver incontrato l'Angelo, Maria se ne va *cum festinatione* (in fretta). Siamo chiamati a lasciare questo convegno con un senso di urgenza, in fretta. L'andare nel mondo è la più grande delle sfide. Come Sant'Ignazio di Loyola, fondatore della Società di Gesù, ha scritto negli Esercizi Spirituali "l'amore dovrebbe manifestarsi in azioni piuttosto che parole" (ES 230). Sono state dette molte parole forti

durante il convegno: il nostro compito ora è di uscire e trasformare quelle parole in azioni, nella nostra vita e nel mondo.

Per creare questo cambiamento ci sarà di aiuto la creazione di un gruppo fortemente impegnato di cattolici autorevoli, espressione della società laica e rappresentanti della Chiesa, che ci aiutino a ritrovare e promuovere la visione cattolica. Questo è l'obiettivo che persegue la Fondazione Centesimus Annus Pro Pontifice: "Aiutare chi ha posizione di autorità a formare la propria coscienza alla luce degli insegnamenti della Chiesa in modo che possano per prima cosa cambiare la propria vita e poi cambiare quella del mondo" (Nalewajek). Giovani Paolo II ci ha esortato "*a fare ogni sforzo perché la Fondazione concorra al perseguimento di queste finalità*" (*Discorso ai partecipanti il convegno della Centesimus Annus Pro Pontifice*, 4 dicembre 2004). Il nostro convegno si è svolto nello spirito di questa esortazione e la presente relazione è stata scritta per favorire il compito a cui è chiamata la Fondazione. I membri della Fondazione Centesimus Annus Pro Pontifice devono contribuire al cambiamento che siamo chiamati a far nascere nel mondo. La discussione cominciata durante il convegno è un punto di partenza. Adesso deve essere allargata e perseguita al fine di creare un movimento di opinione. Questo vuol dire influenzare i politici e praticare la solidarietà con il nostro comportamento nella vita economica e con risorse finanziarie. Che le parole di San Giovanni Paolo II ci spingano a rispondere con urgenza ai segni dei nostri tempi e a praticare il messaggio del Vangelo e i principi della Dottrina Sociale Cattolica nelle nostre vite.

SPEAKERS

Professor Paolo G. Carozza

Director, Helen Kellogg Institute for International Studies; Director, JSD Program in International Human Rights Law; Concurrent Professor of Political Science, Notre Dame University

General Roméo Dallaire

Fondatore della Roméo Dallaire Child Soldiers Initiative; già Senatore Canadese e Senior Fellow del "Montreal Institute for Genocide and Human Rights Studies" e Co-Director del "Will to Intervene Project"; Generale Canadese in pensione e UN Force Commander durante il genocidio Hutu-Tutsi in Rwanda

Metropolitan Jean-Clément Jeanbart

Arcivescovo di Aleppo, Syria (Melkite Greek Catholic Church)

Professor Melissa Labonte

Associate Professor of Political Science at Fordham University

His Eminence Chibly Cardinal Langlois

Vescovo di Les Cayes, Haiti

His Eminence Theodore Cardinal McCarrick

Arcivescovo Emerito di Washington DC

Mr. Robert A. Nalewajek

President & Director, Centesimus Annus Pro Pontifice- USA

His Eminence Pietro Cardinal Parolin

Segretario di Stato, Santa Sede

The Reverend Father Richard Ryscavage, S.J.

Director, Center for Faith and Public Life, Fairfield University; già rappresentante Vaticano al "High Level Dialogue on Migration" delle N.U.; National Director, Jesuit Refugee Service; Executive Director, USCCB's Office of Migration and Refugee Services

Dr. Henry Schwalbenberg

Director, Graduate Program in International Political Economy and Development, Fordham University

The Most Reverend Archbishop Silvano Maria Tomasi, C.S.

Nunzio presso le Organizzazioni delle N.U. a Ginevra; già Nunzio in Ethiopia, Eritrea e Djibouti e Segretario del Pontificio Consiglio per la Pastorale dei Migranti e degli Itineranti

THE DEBT CRISIS, FINANCIAL REFORM AND THE COMMON GOOD

International Consultations

September 27-28, 2013 – Pontifical Academy of Sciences
Casina Pio IV – Vatican City

October 24-25, 2014 – Citibank – Dublin

International Consultation
September 27-28, 2013 – Vatican City

A SYNTHESIS OF THE DISCUSSION

Simona Beretta

Introduction

The four sessions of the September 27-28 Consultation on ***The debt crisis, financial reform and the common good***, involving Church leaders and theologians, alongside with economists, finance professionals and central bank leaders, offered many insightful perspectives. It is impossible to fully cover the wealth of analysis, policy evaluations, experiences and proposals that have emerged, so the main results are here summarized, with explicit reference to the name of participants who offered papers and presentations and participated in the discussion; the original papers can be accessed through links from the enclosed list of contents.

The key questions that were addressed can be summarized as follows: how can we contribute to building a bridge between common aspirations to global economic justice, solidarity, effective and equitable international financial reform, and the real decisions of policy makers, financial institutions officers, and finance professionals? How can we elaborate a better rationale in order for people to feel really responsible, and how to design governance for addressing inequality and justice? (Sugranyes) How to effectively realize a globalization of concern and solidarity? (Martin).

A unitary perspective, where finance can be true to its nature (CV 45), is indispensable for our generation to effectively face the current hardship and truly promote "wealth creation and development" (CV 65); yet, such perspective is not easy to find in contemporary culture, where the ethical

dimension is more often juxtaposed than conjugated with economic and financial analysis and practice. On this regard, the Consultation offered a unique possibility of cross disciplinary, cross regional dialogue. The present synthesis of the discussion aims at highlighting those issues where a unitary perspective is most urgently needed, conjugating ethical foundation and technical expertise is most clearly at stake; issues that are at the crossroad where the complex world of finance meets the human aspirations to pursue the common good, i.e. the "good of being together" (Scola, FCA 2012). The Church's social teaching, offering an interdisciplinary and practical and experiential dimension, "is to be found at the crossroads where Christian life and conscience come into contact with the real world. This teaching is seen in the efforts of individuals, families, people involved in cultural and social life, as well as politicians and statesmen to give it a concrete form and application in history" (*Centesimus annus* 59).

1. The crisis and its causes: What have we learnt, what we still need understanding

"Why did no one see the crisis coming?".

(Queen Elisabeth II, 2009)

What precisely went wrong?

Despite a number of financial crises occurred during the 80s and especially the 90s (inflation crises, currency crashes and debasements, asset price crashes), the recent crisis came as a surprise. There are indeed some specificities to the current crisis, and the sequence of market specific and country specific crises that the world has witnessed after 2007 is now ascertained, with a broad consensus on what happened. Excessive leverage, improvident lending practices, creation of new opaque financial products (Garvey) and their misuse are clearly part of the consensus explanation of the crisis.

While not new, these phenomena took an unprecedented dimension in the euphoric 'financialization' years. Hence, it is reasonable to question whether the root causes of the crisis have actually been addressed. The traditional function of finance, that is allocating capital though creation of assets, was vastly overtaken by the new function of allocating risk by trading derivative products, leading to exponential growth of over-the-counter (OTC) structured products. Notional amounts of OTC contracts outstanding is about 700 trillions of US$ – 10 times world GDP, although credit exposure (that is, gross market values after taking into account legally enforceable bilateral netting agreements) is much smaller (Dempster). From another point of view, in case of the euro-zone as well as in case of the US, the growth of gross debt (households, non-financial enterprises and public bodies) between 2001 and 2010 amounted to 3.7 times the growth of GDP (Dembinski).

In a long run perspective , the financialization years can be clearly identified as they are characterized by the diverging profiles of 'real' economic variables – such as GDP and listed companies' operational returns – one the one side, and 'financial' variables such as market capitalisation of the same companies on the other side. While 'real' variables tend to grow at similar rates, market capitalization increases at much higher rates in the last two decades, as if current prices were to include all anticipated profits. In a sense, financial markets seem to specialize in 'selling the future', up to the point of actually 'emptying' it (Dembinski) . From a 'cultural' point of view, this behaviour appears to be driven by the desire to remove all risk from the real economy – with quite a different outcome.

Technological innovation allowed more intensive exploiting asymmetric information/power

More in detail, financial market developments of the last decades were driven by technological innovation, regulatory changes (most notably the repealing of Glass Steagall Act in

the US), an exponential increase in over-the-counter (OTC) transactions, and especially 'derivatives' dealings (Dempster). The opaque, complex structures of most derivative contracts imply asymmetric risks that are not easily detectable by clients, leaving space for sellers to profit from exploiting the lack of information and of sophisticated computational expertise on the side of perspective buyers. In fact, structured products were often mispriced at inception, with conditions for clients getting worse over time. Estimates suggest that only a fraction (30%, possibly 20%) of outstanding contracts were signed with counterparts who were professionally able to assess the risks involved, while the rest was sold either to unaware buyers, or as a conditional requirement for receiving loans or refinancing (Dempster).

On the supply side, intensive exploitation of asymmetric information and negotiating power allowed huge profit margins for derivative dealers; on the demand side, other factors were at play, including the demographic transition, requiring to provide pensions to a growing share of aging population (Medova). While aging is both a problem and an opportunity (Quadrio Curzio), there is evidence that financialization is also driven, on the demand side, by the desire for material wealth security and for pension payments, both reflecting a cultural preference for a 'life without labour' (Dembinski) and for consumerism (Zahra).

'Bad' bubbles, and 'not-so-bad' bubbles

Trying to eliminate business cycles inevitably leads to bubbles. In a historical perspective, debt was required for reconciling capitalist business cycles with the need for stable consumption in democratic societies. After abandoning 'Keynesian' public demand management aimed at protecting people from business cycles because of its inflationary bias, a sort o 'privatized Keynesianism' emerged, where cycle stabilization was provided by extensive housing and other debt

for low-medium income people and by unregulated derivative markets (Crouch, ref. by Coffman) and continues presently, although not very efficiently in the Eurozone with liquidity provided by the ECB to banks which divert it to supporting their country's public debt. This long run perspective on economic cycles leads to a policy question: can, and should, monetary policy mitigate business cycles? US monetary management in the 1990s seemed to have eliminated business cycles, but this result came at a great price in terms of short term asset price bubbles, creeping indebtedness of families, and neglect of physical and social infrastructures; yet, the recent crisis also prompted a "riding to the rescue". Cycle stabilization comes at a cost, as debt creates speculative bubbles; yet, the object of speculation does matter and some bubbles are more dangerous than others. If an asset-price bubble related to technological innovations collapses, the sound part of the 'new' economy remains; but bubbles that build around non-productive assets that are perceived as a store of value (such as houses) resemble Ponzi schemes, that disguise consumption for investment; their collapse tends to be particularly destructive. This reading of the recent crisis implies serious worries about the current policy stance, as by adopting very low interest rates the risk of re-inflating bubbles remains. (Coffman)

Once again, a 'confusion de confusiones' (Dembinski, quoting J. De La Vega, 1688)

Excessive debt and misuse of innovative financial instruments are not new in economic history, unfortunately: in different degrees, all financial crises include them among their causes. So, why did nobody see the recent crisis coming? The answer to this question is cultural more than technical.

The present systemic crisis reveals many layers of confusion about what is the role of finance in 'merchandising time'. First, a confusion of present and future: leverage consists in

melting present and future, to the point where the future is 'empty', as it has already been sold. Second, a confusion of ends and means, where the 'efficiency ethos' leads to the search for 'more' and not for 'better', with increasing manifestations of greed and dissolution of relationships. Third, a confusion of reality and 'virtuality': the risk-return paradigm is superimposed over reality, up to the point of reshaping reality itself. In short, the essence of financialization consists in the presumption that finance can take away the risks of the real economy – on the supply side, by packaging reality into financial contracts; on the demand side, by providing wealth security and the illusion of consumption without effort (Dembinski).

Crisis is not just economic and financial, it is human (Oakley). To understand the crisis, we should ask the more fundamental question as to why in better-times very few adverted to the fact that the success and the sustainability of any economic model ought to have been evaluated in terms of the long term sustainability of jobs, mortgages and borrowing, of life style, of education and health care and sustainable opportunity for young people. Reflection on the economy had become decoupled from what the real purpose of an economy was and the people it was supposed to support (Martin). Ephemeral success, we could say, has all too often been confused with integral human development.

2. Regulation as a policy response to the crisis: what have we learnt?

"Finance is too important to be left to bankers".

(Estanislao)

Regulation is necessary

In the two decades preceding the 2007 financial crisis, financial regulation was largely perceived as *passé* and financial markets were accorded the status of those who 'knew better'.

The same success of finance may have contributed (mostly national) supervision and regulations authorities to let the financial sector under their control to actively take part to a booming market, reaping the (mostly short run) benefits – and obviously to assume huge risks.

Financialization can and should be harnessed, though, for different reasons: to control cycles, to curb financial misbehaviour, but also because there are 'natural' limits to borrowing (Dembinski). Obviously, de-financialization will be especially resisted by the same financial sector, as it drastically reduces profits (Dempster).

Supervision and regulations failures were often mentioned among the causes of the financial crisis (Martin, Garonna, Garvey, Estanislao) – although one could discuss whether individual failures resided in inadequate formal rules and supervision design, or in the actual decisions of supervisors. In all cases, the need for appropriate supervision and regulation was widely recognized in the discussion. Moreover, in some cases delinquency was the problem, requiring more decided action than improved regulation, supervisions and ethical codes; more decided moral sanction would be expected from the Church on the cases of clear delinquency and fraud (Camuñas).

Reintroducing regulation of financial activity, most notably by separating commercial and investment banks along Glass-Steagall lines, was mentioned as a particularly desirable move (Dempster). The need for realizing an integrated financial supervision and regulation architecture in the European monetary union was also clearly addressed (Bonnici). Despite limits concerning coordination, implementation, and impact assessment, post crisis supervision and regulation reforms seems to go in the right direction: the main areas where post crisis financial reform occurred were prudential regulations such as solvency ratio, liquidity ratio, leverage ratio, and some initial measures on global systemic institutions; other measures dealt with resolution procedure, and in

some case with market structures, such as platform trading (De Lauzun). Subsidiarity calls for diversified, competing-collaborating regulation (Garvey).

Regulation alone is never enough

While most participants agreed that regulations are necessary for financial transactions, quite a few of them supported the idea that regulations alone are *not* sufficient to deliver stable and equitable financial markets, for a variety of reasons. The most important is that human ethical decisions cannot be substituted by strict adherence to formal procedures; but there might also be unintended practical effects of regulation. Regulation does not deliver all that is expected by well-intentioned regulators, once regulations are incorporated in a technocratic structure. For example, credit is very likely to be allocated on the basis of computer driven algorithms, in a process that tend to de-humanize both the customer and the bank officer. The advances in technology (black-box trading programs, statistically driven debt collection technologies) and the ever increasing number of rules and procedures embedded in bank operation (30,000 estimated pages added to the rulebook governing US financial firms by Dodd-Frank financial reform; "Fair Disclosure" regulation) tend to reinforce each other in making investment a mechanistic, impersonal procedure for generating returns to the investors, and less and less a moral activity (Fieler). In short, where procedures rule, there is little space for ethical responsibility (Dembinski). Regulation may even provide space for the 'next' bubble to unfold, as it happened in the past (debate); furthermore, firewall regulations may even end up pushing a larger share of transactions into the 'shadow' banking sector (Garonna).

Discussion about financial reform should not avoid deeper questions, such as what is a 'good' financial market; what is the proper role of a bank – not simply what is a bank' proper structure (commercial/investment bank); what is ap-

propriate proportion debt/own funds for financial and non-financial firms; and, more relevantly, how best to finance the real economy (De Lauzun).

Addressing size and complexity

Complexity has many dimensions; one of them is the fact that financial global realities have no global instrument to supervise them, and national interest still play a strong role in the very institutions where 'global' policies are formulated (Martin). Addressing both size and complexity of financial actors, especially multinational firms with foreign affiliates and global systemic institutions, is key for financial regulating (Dembinski); monitoring the overall leverage ratio of large institutions would however provide an upper boundary to systemic risk (Giraud).

Moreover, the financial industry is not a single entity: complexity calls for 'second best' options, where multiple structures complement and compete with each other, as no optimal regulatory structure can be thought to solve the problems, neither nationally nor globally. Regulation should be about containment of risk, in ways which are appropriate to financial size and role. The managers of saving banks and credit unions must be held to high levels of prudence – as the extreme risk situation that precipitated the crisis could and should have been stopped at a fairly low level of the hierarchy of financial institutions. The risk inherent in the complex, interdependent and highly networked financial industry, a 'risk management' style of regulation may be more appropriate; as delegating this activity to institutions themselves has proven disastrous, an independent regulatory body is required to oversee the risk structure of large financial firms. However, one should recall that capture remains an ubiquitous challenge, especially in consideration of the *de facto* 'revolving door' between employment in large financial institutions and as government officers, as they share a common culture (Garvey).

One hard lesson of the globalization years is that economic 'miracles' tend to transform into disaster. Both South East Asia and Ireland went through deep financial crises, and there is much to be learnt from the two experiences.

Ireland's miracle was built on foreign direct investments and open markets, and also a highly educated, culturally open and very adaptive workforce; when it collapsed, a 'small government' could not face a big crisis and the country had to seek a bailout from IMF, ECB and the European Commission. The austerity program was such that the effects of the crisis are being paid by the weakest groups in society, that is those who would most need social support. In the Irish case, post-crisis austerity programs imply that the coming generation will have limited access to social protection, education and health care – while a healthy, well educated workforce was exactly at the heart of Ireland's earlier success, and remains a key factor in fostering the innovation and creativity required in knowledge based societies. There has never been a successful project of sustainable social development and inclusion which was not accompanied by sustained economic growth; but sustained economic growth has never on its own attained social progress. Rather, inequality and exclusion weaken society, damage the economy and breed instability. A sense of political ownership is required for austerity programs, as social and economic progress belong together (Martin).

Learning from South East Asian crisis management (Estanislao) can help better understanding the US and especially EU difficulty in providing solutions to the financial crisis, where evidence of a 'credit crunch' persists. A decade ago, South East Asia went through a many-layered crisis (debt, financial, economic, political, and social) caused by excessive lending, bubbles, inadequate regulations; yet, that crisis occurred in relatively small size economies that were

relatively distant from the financial core of the global economy. While the Western countries had to face the 'too big to fail' problem, South East Asia faced a 'too small to control' issue; but the crisis left no choice but to introduce quick reforms, including consolidation, reforms in bank governance and in bank supervision, specific burdens on banks and financial institutions, stress testing, capital adequacy ratios. The initial austerity phase was followed by economic stimulus programs, and recovery followed within two/three years with intra-regional exports playing a powerful role in recovery and growth. Actions taken were often of a 'second best' type, possibly not efficient, but effective; bank nationalizations (which were reversed within three years, often by states selling at a profit), capital controls, accumulation of huge levels of international reserves. No East Asia government was politically impaired in introducing the necessary reforms, possibly also because of limited social and political participation. Still, the debt crisis became an opportunity to start a process of economic and financial reform, adding substance to which remains an unfinished business; and also an opportunity to experiment in regional economic and political cooperation (Estanislao).

3. Deleveraging and restoring growth

> "Paying mortgages would have been cheaper that rescuing banks".
>
> (Dempster)

Who pays for the crisis?

When a crisis erupts, the time comes for deciding who will bear the costs of adjustment. The most common choice has been to put the burden on debtors, with private debt partially transformed into public debt. Deleveraging, though necessary, is seriously hurting the real economy (Marseguerra), as unemployment end especially youth unemployment remains

high, and the issue remains of how to combine it with acceptable living conditions and opportunities for decent work.

Despite the fact that the deleveraging process has only just begun – in relative terms with respect to the size of the debt problem, there is the urgent need to alleviate the credit crunch. This requires acting on alternative sources of funding, such as public funding, expansionary monetary policies such as quantitative easing or outright monetary transactions; and recapitalization. Furthermore, it requires strengthening the non-bank sources of financing small medium enterprises (such as private equity and securitization of SME loans) and infrastructure development (project bonds, private-public partnerships) (Garonna).

The road ahead remains hard to pursue, as there remain to struck the appropriate balance between quantitative easing/recapitalization and fiscal consolidation on the one side (Quadrio Curzio), deleveraging and debt rescheduling on the other side (Pastor). Anarchical rescheduling, though, may easily end up to be both ineffective and unjust; hence, orderly rescheduling should be organized before the anarchical takes place. Deleveraging has in fact an important distributive dimension, as the debt of someone is the future of someone else. Here, the logic of the Jubilee as a form of deleveraging can be reappraised (Dembinski).

Towards the energetic transition

There are three basic configurations for macroeconomic equilibrium: a combination of growth plus inflation, as in the post-WWII '30 Glorious Years'; deflation, as in post 1993 Japan; speculative bubble – up to the point where the bubble bursts (Giraud). This third configuration resembles post 1980 Europe, where anti-inflationary policies are designed in order to control goods prices, not asset prices. In this case, the combination of securitization and low interest rates keeps fuelling a potentially dangerous bubble. Debt/GDP ratios for differ-

ent groups of agents remains very high in the Euro zone, with the financial sector debt exhibiting the fastest growth; there is also evidence that bank credit does not reach families and businesses, which currently suffer from a serious credit crunch, as it previously happened in 2009. This fact points to the special need for deleveraging in the financial sector. Revisiting the years which preceded the crisis, one should consider who actually bears the moral responsibility of extending loans to borrowers that find themselves in the practical impossibility of paying back. For example, US households debt in 2008 was about three times the total value of US residential mortgage market in 2002; in Europe, Greece stands as a case where no austerity will be sufficient to provide for repaying Greece debt. The moral question remains of who should pay for insolvency, in a world where leverage has reached unprecedented levels (Pastor).

This question on post-financial crisis macro management can be set in a broader perspective which considers 'real' dynamics and focuses on the 'energetic transition' (Giraud), at a time where 'Keynesian' stimulus seems not to accomplish significant results in terms of fostering economic growth. Furthermore, a disturbing correlation emerges, where the price of energy seems to be a major explanation of most recent macroeconomic cycles. Considering 'real' dynamics, there is strong evidence of a linear relation connecting real GDP and 'physical' measures of energy consumption (as opposed to expenditure for energy consumption, which includes oil price dynamics); studying the decomposition of per-capita GDP growth into growth in per-capita energy consumption and growth in energy-efficiency in production, such decomposition points to need of decidedly address the issue of energetic transition to less oil-dependent economies, where 'green' job creation can add to economic development (Giraud).

"*Let not financial crises go to waste*".
(Ramsey, quoted by Vanni d'Archirafi)

The way forward: combining 'top down' and 'bottom up' initiatives

Applying subsidiarity appears as a practical way forward for both keeping the negative side of deleveraging under control and for providing new tools of financial performance. Collaboration and division of labour between the State and the individual, the public and the private sector would include for example designing a mixed public-private social protection system. In the field of financial governance, we need devising effective forms of 'glocal' governance – from local governments and communities, NGOs, business associations, new media and social networks, to international organizations and macro-regional initiatives for financial cooperation (most notably the EU banking union). We also need including new players in finance, such as venture capital and private equity, micro financial institutions. To support collaboration among a variety of public and private agents, top down initiatives such as legislation, regulation, supervision, are to be complemented with bottom up tools, such as education and training and ethical responsibility (business ethics, in a variety of areas including management practices, compensations, anti-corruption, social responsibility) (Garonna)

Business responsibility in a changing world

Three powerful forces are reshaping the financial and business landscape: globalization, urbanization and digitization (Vanni d'Archirafi). Globalization is best seen as a network connecting urban centres, than where economic turbulence is mirrored also due to geopolitical turbulence,

both within countries (as with the 'occupy' movements) and across countries (where power shifts are becoming ever more visible). This new scenario, risky and volatile, goes with the need to face environmental, employment, poverty, migration issues: too big for any sector of society to deal with. Hence, an important sector as the financial system is called to explore possibilities for a collaborative approach, so not to be part of the problems but part of the solution. This is already happening, and many experiences testify that social purpose and sound business need not be in opposition to one another; among them, initiatives to support government transition from cash to digital payments to promote financial inclusion; to bring the un-banked population (2.5 billion people according to the World Bank) into the formal economy through mobile phone connections, thus empowering people by making them less vulnerable to theft and exploitation and promoting economic growth; micro-finance initiatives; using the suppliers' receivable and corporations' own credit standing to support sustainable supply chains, and so on. This new 'cooperative' mindset conjugates social engagement with good business (Vanni d'Archirafi).

Ethics is indeed the best investment (Rusche). Businesses which embed sustainability in their operation are winners over the longer term, as the responsibility that an enterprise takes for the social, environmental and economic impacts (positive and negative) is a pre-requisite for customer acquisition and retention on the one side, and for being a business partner of choice to their suppliers; it is essential for recruiting and retaining top talent and it is clearly at the heart of giving back to those communities in which they operate. Responsible Business is not about how to disburse one's profits, but how firms makes profits, treats the planet, their communities, and other firms in their supply chain (Vanni d'Archirafi).

Beware of excessive, impersonal debt (and credit!)

Debt is, almost by definition, the root cause of systemic risk. There remains a valid intuition in the church's old times reluctance towards interest lending (usury), namely that debt should be a subordinated and limited form of financing investment. This statement is valid because of risks involved in debt issuance; but its validity is even enhanced when debt becomes impersonal, not associated to a real partnership (De Lauzun). The incidence of banks' debt may be a plausible explanation of banks becoming 'decoupled' with respect to the economy (Zurlo).

However, one must consider that, almost by definition, debtors and creditors are such that one does not exist without the other, and co-responsibility should be the appropriate ethical response to financial crises (Garonna). Unfortunately, the 'relational distance' between creditors and debtors may be such to make co-responsibility impossible, and crisis resolutions both slow and painful.

5. The case of Europe: economic, institutional and ethical challenges

> *"(A)n authentic European "common home" cannot be built without considering the identity of the people of this Continent".*
>
> (Benedict XVI, 24 March 2007)

Deleveraging and reforming in Europe

Among the alternative ways to deal with excessive debt, the prevalent direction taken in the EU has been to charge the burden on debtor – as opposed to restructuring the debt and preserving the financial system, as in the US, or nationalizing financial institutions as it was the case after the South East Asian crisis (Pastor). In the Consultation, the European way of dealing with the crisis, which must include facing the issue

of European private debt, was addressed in the context of the overall political reality of the European institutional architecture and its ongoing efforts of reform. Despite its shortcomings, which the crisis put in clear evidence, the EU institutional experience continues to represent a *unicum* in sovereignty sharing among diverse nations, which provided an unprecedented of economic progress and peaceful relations; hence, learning from both EU accomplishments and shortcomings is crucial for addressing issues of global governance.

The many layers of crises in Europe

The most serious manifestation of the crisis in Europe lays in its social ramifications, and especially in unemployment , which is particularly severe in some countries and in some social groups, such as youth. Unemployment is accompanied by wage stagnation, reduced welfare, growing poverty and inequality both within and across countries; as a result, divergence across Euro area member states continues to increase. As to the factors behind the crisis, a major structural feature is the large volume of indebtedness: accumulated government debt as a percentage of GDP, for the advanced economies, is now peaking above World War II levels. This implies the room of maneuver for governments is exhausted, and financial adjustment required, in times when financial market trading involves huge amounts and can use – and abuse – financial tools which were initially intended to mitigate risk, such as Credit Default Swaps (CDSs), 80% of which were estimated to be pure speculation. Speculation fueled asset bubbles, and also contributed to mis-pricing of risk; this was the case also within the Euro area. The icon of mispricing of risk for the Euro Area is represented by yields on 10-year sovereign bonds: different countries yields were originally spread across a broad band; but with the creation of the single currency, participating countries experienced a sudden conver-

gence of bond yields, as investors disregarded national differences in real competitiveness and fiscal soundness, and the yield spread narrowed. The sovereign debt crisis reversed the situation, with yields diverging and becoming highly unstable once again (Bonnici).

Accomplishments and shortcomings

Many ethical shortcomings can be identified behind the European 'financial plus sovereign' crisis: excessive leverage on the side of financial institutions, regulatory oversight failing in monitoring market developments, indebted countries losing the opportunity to avail themselves of favorable bond market conditions for implementing structural fiscal reforms. Nonetheless, the European response to the crisis included significant fiscal consolidation, improved policy coordination, and 'solidarity driven' actions such as the creation of the European Financial Stability Facility evolving into the European Stability Mechanism. The European Central Bank in particular took immediate action, by facilitating access to credit also with 'non-standard' measures and by launching a new measure – Outright Monetary Transactions – to provide an effective backstop in the sovereign bond market, removing fears about the future of the common currency that were undermining the stability of the Euro. These support mechanisms are tangible and effective forms of solidarity (Bonnici).

The crisis revealed the need to address the shortcomings in the European institutional framework, most relevantly in the field of cross-border financial supervision, and to move towards the completion of the monetary union by way of a synergic move towards banking, economic, fiscal and political union (EU Council, June 2012). In a broader perspective, the current crisis obliges EU citizens to rethink the moral framework underpinning EU economic and political institutions, where solidarity (especially intergenerational solidarity) and subsidiarity need to be effectively realized in actions.

Policy models that allow macroeconomic imbalances and excesses to remain uncorrected and which rely exclusively on the self-regulation of markets are ethically not acceptable and need to be corrected. The same applies to fiscal policies that allow the accumulation of excessive levels of debt. Such policies are not only unsustainable but they also negate solidarity between generations. In addition, free-riding, which allows a state to avoid its fair share of the burden of correction, passing it onto other states and thereby adding to the risk of contagion, is to be replaced by prudence and participation at all levels, including governments, regulators, financial institutions, businesses and households. In this manner, unemployment and increasing inequality, within and across countries, can be more fully addressed (Bonnici).

The Euro is a political reality, but the Maastricht design needs updating

Euro is indeed at a crossroads. The sovereign crisis exposed the fault lines of the Maastricht approach, with two alternatives: either keeping the Maastricht approach and 'dropping' some countries, or moving forward, towards the completion of the monetary union, recognizing that the Euro is a political reality to be preserved and reinforced (González-Páramo). The crisis made it clear that the Maastricht design, characterized by a single currency, some fiscal policy coordination, no economic policy coordination and ultimate reliance on 'market discipline', is ultimately not viable: while it implied a minimal loss of national economic sovereignty, it also included very limited elements of shock absorption and reciprocal insurance. The lack of credible crisis prevention and resolution mechanisms, combined with policy mistakes and strong initial resistance to move forward, led to unprecedented pressure on the monetary union itself. Two phenomena became apparent: first, solvent sovereigns losing access to a risk-free liquid asset; second, solvent companies losing ac-

cess to cross-border funding. The visible consequences were sudden stops in investors' decision to fund peripheral countries (especially small-medium enterprises in peripheral countries) and the actual breakdown of the monetary policy transmission mechanism; as a consequence, serious socio-political tensions related to credit crunch and fiscal adjustment were associated to 'redenomination' risk – i.e. with the break-up of the Euro Area.

A banking union for Europe

Lacking significant progress on integration, the European Central Bank can provide only temporary relief; hence, the realization of a banking union is vital for preserving the monetary union itself, stopping 'diabolic loops' that would otherwise make sovereign debt crises unstoppable. Consider a negative shock in sovereign bonds of a member country (say Greece); contagion will put at risk other member countries (say GIPSIs). Now, contagion in sovereign debt markets creates a banking problem, that will ultimately feed into the real economy as a recession, that will validate the initial negative attack in a sort of self-fulfilling mode. More in detail, the 'diabolic' transmission mechanisms can be summarized as follows: as GIPSIs' public debt depreciates, this reduces the value of bank's assets, leading to a banking problem – which may require public funding, thus reinforcing fears of sovereign insolvency. A second 'diabolic loop' works through deposit flights and evaporation of wholesale funding due to fears of sovereign insolvency; the subsequent tightening in lending aggravates recession in peripheral countries; but recession implies larger deficits, thus reinforcing depreciation of GIPSIs sovereign debt. In sum, the absence of a deep and irreversible degree of financial integrations threatens the fungibility of money, which is the very essence of the single European currency. Realizing the banking union is necessary for 'Euro 2.0', including a single rulebook, a single supervisory

mechanism, a central banking resolution authority, and an integrated system of deposit guarantee. All these elements are required for breaking the negative bank-sovereign feedback loops, and for restoring the conditions for a single monetary policy in the Euro Area: there are no 'plan B' (González-Páramo).

Beyond the EU banking union

Two cautionary remarks may be added. While the banking union is necessary, it needs to be accompanied by other country-specific structural reforms (Bonnici). As there remains a strong home-bias in banks' behavior, the banking union alone is no panacea for alleviating the credit crunch in financially peripheral countries. Moreover, when these countries borrow in Euro they are actually borrowing in a 'foreign' currency (a peculiar version of the so-called 'original sin' faced by many emerging countries), and this tends to reinforce instability and make adjustment more difficult (De Lauzun).

The process of realizing the banking union is anyhow proceeding, although there remain some uncertainties on single resolution and single deposit guarantee; but there are deeper implications for achieving the stability of the Eurozone. One concerns the issue of how to deal with sovereign debt – both legacy and new issues; the second concerns how to move towards the fiscal and political union. As to sovereign debt management, different proposals emerged such a Debt Redemption Fund, for dealing with the legacy from the past, and Eurobills, for mutualizing short term debt (González-Páramo).

The Prodi/Quadrio Curzio proposal of Euro Union Bonds (EUB) was also recalled. Europe perspective real infrastructure investment in view of realizing "Europe 2020" is huge (1.5 to 2 trillion euro), and requires financing innovation. According the EUB proposal, bonds are issued with a guarantee

by real assets including gold reserves, so that innovative growth can be financed. Gold reserves plus other real assets could provide one trillion paid-up capital; a leverage of three would suffice to finance real investment (Quadrio Curzio).

6. Finance, politics and the common good

> "Creating globalization of concern and solidarity... in an interconnected system of unequal agents".
>
> (Martin)

The common good as concrete horizon for solidarity

The Consultation offered a vivid representation of the challenges each and all of us face in the present situation, where many layers of the crisis intersect and where responsibility of events are actually shared by many actors – all too often acting on a narrow perspective, lacking that 'loving intelligence' (CV 30) that makes it possible to perceive the common good, i.e. the good of the 'all-of-us'. As we, the 'all-of-us', are connected by objective interdependence, the common good requires accurately 'mapping' interconnectedness. Such 'intelligence' is necessary for the common good to be concretely pursued with the loving attitude of solidarity. A 'loving intelligence' transforms the common good from a merely rhetorical reference, possibly mentioned for opportunistic reasons, into a concrete horizon for action.

Global financial governance to serve the common good

The PCJ&P offered some "Reflections" that are intended to point to the way forward for financial and monetary markets to serve the common good of the human family. They must be free, stable, transparent, "democratic" and not oligarchic, functional to the real economy and to businesses, workers, families and local communities. Financial markets are 'collective good' and 'public good' that must respect all

canons of justice for the good of the human family. Global institutions, in particular, must be consistent with global realities and problems, in a democratic, representative and participatory way. Hence, reforming the international monetary and financial system is not a 'neutral', merely technical process: it must be shaped according to *anthropological and ethical requirements*.

On the way to creating a world political Authority, issues of *governance* (that is, a system of merely horizontal coordination) cannot be separated from those of a *shared government* (that is, a system which – in addition to horizontal coordination – establishes a *super partes* higher authority) which is functional and proportionate to the gradual development of a global political society. Three more specific reflections which were offered in the PCJ&P "Reflections" document (namely the taxation measures on financial transactions, the conditional recapitalization of banks with public funds, and the distinction between commercial and investment banks) remain relevant, and some progress towards their implementation has been made in different countries over the past two years (Toso).

The space for discussing financial problems and solutions coincides with the space of political debate and proposals: technical competences are essential, 'technocratic' approaches are no solution (Salmeri). Affirming the primacy of the political dimension in preventing crises and facing their consequences, though, does not coincide with affirming the primacy of national policies as such. The primacy of state policies has been challenged as being part of the problem, not part of the solution (Diotallevi, Felice). When the nation state crystallizes as an institution with a sort of monopoly power over the common good, the state itself becomes inadequate at pursuing such a good, both locally and globally. While the 'poli-archic' structure of modern social order was shaped internally to the Christian tradition of Europe , the 'mon-archic' order that subsequently prevailed affirmed the primacy of

state politics over society; but the 'state' solution is impracticable in times of globalization and of enhanced functional differentiation of society. The present social complexity does command a plurality of political agencies, more specialized and more internally diversified. Obviously, the demise of the state does not imply the demise of politics (Diotallevi, Felice).

Subsidiarity for the common good

Our times are witnessing a transition from an era of 'states' to an era of 'cities': this transition calls for the realization of *horizontal* subsidiarity (as in *Centesimus annus*) and poli-archic social governance (as in *Caritas in veritate*). In both the social theology tradition and in the *Magisterium*, autonomy and poli-archy represent the conditions for the common good, where tyranny on the one side and anarchy on the other can be kept under control (*Dignitatis humanae*) (Diotallevi, Felice).

Many interventions pointed also to the relevance of multilateral and regional cooperation, as they represent possible and necessary forms of realizing a system of governance. The regional perspective was present in the South East Asian experience (Estanislao), and obviously in the European experience; the regional dimension is also highlighted in the PCJ&P "Reflections". Enhanced multilateral and regional cooperation (*vertical* subsidiarity) are necessarily part of the effort to provide regulation and transparency to global financial markets.

Subsidiarity contributes to the common good also when it is practiced within the economy, in the internal governance structure of financial firms. Bank branch managers are in charge of local marketing rather than local underwriting, fragmenting the core functions of commercial banking and making it less likely that the loan underwriter will have a personalized relationship or community connection with the borrower. This result in a loss of 'good'. There is a growing

evidence that centralization and automation of underwriting is also producing inferior outcomes as compared to distributed, personalized and responsible decision making; in other words, trust generates efficiency (Fieler).

Healthy diversity of financial institutions is necessary, but we also need "righteous" man and women to function within the financial sector (Garvey). In sum, the way towards financial reform includes the strengthening of ethically structured banking institutions, embodying the "principle of gratuitousness" and the "logic of gift"; the democratization of finance, as a result of civil society engaging in 'another' way to run the economy (corporate social responsibility, ethical finance, fair trade); the renewal of university *curricula* and proper spirituality, towards a new capitalism that is ethical, owned by people, imbued with "passion" that comes from competence, gift and gratuitousness (Toso).

Power relations and the common good

Global realities, today, are not matched with global instruments to supervise them. Who might be, in fact, 'global regulators' in a multi-polar world? Can such authority truly be worldwide? Abstract reference to the 'international community' as a player in global governance is non-meaningful, despite its positive connotations: on the one side, supranational power is very limited in the economic sphere, being limited to WTO Dispute Settlement Body; on the other side, the same concept of 'territoriality' has become relativized and unclear, as it is connected to power asymmetries. Foreign companies, for example, may be able to negotiate packages with governments which are so favourable to seriously reduce the economic space for local companies to emerge. In general, in today's globalized world, territoriality has become much relativized, as transnational businesses make it difficult to determine where activities are domiciled – and this is prejudicial to taxation and regulation (Martin).

Initial steps in addressing financial firms' power issues at a global level have been made by BIS by mapping *Global Systemically Important Banks, G-SIB* (Dembinski); geopolitical transformations which imply significant power shifts (say, the monetary and financial role of China, both regionally and globally) have been mentioned during the Consultation, but not explored.

7. Finance and ethics, at the crossroads where Christian life and conscience meets the world

> *Can the current crisis be an opportunity to chart a new course, more respectful of the human person and of the common good?*
>
> (Zahra)

Addressing questions of meaning

There is a sincere demand among finance people for addressing questions of meaning; not as a theoretical question that can be satisfied by theoretical answers, as the urgency of the question comes from the distress of experiencing disintegrated lives (Fieler) and form aspiration at reconnecting the financial, ethical, human dimensions of one's life (Vanni d'Archirafi).

Two particular experiences were mentioned during the Consultation: the conversations held at St. Paul's, in the City of London, under the title "*The City and the Common Good. What kind of City do we want?*". The practical meaning of what 'good people', 'good money' and 'good banks' mean was addressed by outstanding speakers, among them the Archbishops of Canterbury (Anglican) and of Westminster (Roman Catholic), Justin Welby and Vincent Nichols, and subsequently discussed. In these conversations, theological reflection was crucial in providing "a robust definition of what human wellbeing looks like and what the rationale is for human life well lived in common" (R. Williams, quoted by Oakley), thus providing the space for a vital discourse about how each of us

becomes more recognizable to oneself. In fact, our decisions show us who we are: money is a metaphor, and our monetary exchanges are revealing about our real goals: profit, or survival; or a 'good life'. Hence, the vision of 'good' City – a vision of good people bound together by good purpose – needs to be internalized and personally appropriated (Oakley).

The Catholic Finance Association also hosted similar meetings in New York, discussing *Caritas in Veritate* discussing, with partial success as the encyclical tended to be mostly interpreted in political/policy terms. Yet, it is only possible to make the financial system more just with a conscious participation of financial professionals themselves. Efforts to restructure global finance, absent a change in the hearts and minds of financial professionals, will likely aggravate the situation, as the combination of 'regulation plus technological change' is likely to push towards a further de-humanization of finance; but much of the de-humanization can only be resisted by financed professionals consciously putting the person at the centre of finance and living more integrated lives. That is, reforming global finance one banker at a time (Fieler).

Economics and ethics

The world of finance and the common good do not represent two different, independent spheres that need unlikely ex-post reconciliation, or reciprocal adjusting, as no human decision is merely 'technical', or 'neutral' (Scola FCA 2012). 'Sentiments' matter in financial markets: fears and anxieties – not just cold reasoning – are part of the reality of markets. Markets are human and social realities, hence economics and ethics are inevitably linked: economics belong to the framework of ethics, and ethics belong to the real world. In the real world, there are concrete non-market needs to be addressed (John Paul II), and we experience gratuitousness (Benedict XVI): hence, solidarity and reciprocity can and

should be experienced *within* economic activity (Martin). In facts, *oikonomía* belongs to the field of ethics (Salmeri).

Financial reform especially calls for abandoning the dichotomy economics *vs* ethics, typical of an economic paradigm where the logic of gratuitousness of human relationships is extrinsic to the economy. The dichotomist paradigm is based on a specific notion of the individual agent, which is driven by needs and rationally acting; possible altruistic aims are superimposed and variously motivated (as in the case of donating because of the 'warm glow' that comes with giving). Even corporate social responsibility may fit into the dichotomist paradigm, when profits are pursued according to an 'economic' logic, and 'ethical' initiatives are subsequently added. Rethinking the paradigm calls for a different vision of the person, not as an individual but rather as a relational being, and most notably 'familial' being. In this vision, the logic of gift consists in giving not in an abstract 'dis-interested' sense, but in order to create a relationship: *inter-esse* (interest) means "being with", so that the act of giving can be truly 'interested' in others. It is the family the primary space where people can learn how to conjugate giving and interest. Ethics is not a list of 'noes', or a series of extrinsic rules and limits; *ethos* is the dwelling of being; it is the space where moral subjectivities are built, so that they can build a 'good' society (Melina).

The family dimension

Any 'robust definition of human well-being' (Oakley) is a relational definition. The human being, called into existence by a gift of life and a gift of word, is structurally capable of love and solidarity (Salmeri). It is a 'good' personal experience that can support a 'good' public life, that provides the reciprocal trust without which society cannot survive. Hence, it is of the utmost importance to re-affirm the 'public' role of the family (Melina). This requires rehabilitate the family as

producer and redistributing agency, as it has been for centuries: state and market appropriating of the roles of production and distribution led to indebtedness. The same financial issue of pensions (besides reducing the obsession with the financial side of them, as suggested by Dembinski) can be more effectively addressed in family-oriented policy making.

Finance is ethical when it is true to its nature (CV 45)

During the Consultation, there was an overarching effort at rethinking the nature of finance and the nature of markets. The issues is much broader that considering 'ethical finance' defined as a specific niche, and ethical issues in finance go way beyond ethical dilemmas usually discussed by finance professionals, which seem to be centred mostly on matters like moral hazard and agency problems – overlooking the huge transfers of wealth to the financial sector at the systemic level, both from the real economy and from the poor and middle class (Garvey).

So-called markets often do not deserve the name (they are not true to their nature). A market is essentially a meeting of human persons: rules do matter, but also the actual priorities of participants. In a well-functioning market, information is available to all participants and all are put on the same footing; that is, market should be as open and organized as possible, so to function as a collective tool for discovering 'true' prices. Hence, participants should elaborate an ethical vision, to contribute to elaborating such prices and not taking short-run advantage of possible bubbles; finally, they should be (also legally) responsible of their acts (De Lauzun).

That is to say, righteousness (virtue) is a necessary ingredient – beyond merely formal organization and regulation – for the market to be true to its nature, that is a space for human relationships where interest can be experienced as i*nter-esse*. Financial markets, in particular, can become the space where human relationships are built, transforming the

same object of the market from 'merchandising time' to building intertemporal alliances, building a 're-connected' finance. Re-connecting finance is efficient, as 'the packaging, selling and reselling credit relations implied the losing (or ignoring) of precious information associated to credit underwriting' (Bonnici). 'Getting rid of the illusion that finance can eliminate risks from the real economy' (Dembinski) is simply a matter of realism.

With respect to responsible business and corporate social responsibility, dealt with in par. 4, on "lessons learnt", two ethically relevant issues can be raised. First, how do exemplar business experiences spread? And how can they be communicated? (Sugranyes). A second issue points to the possibility that the evident emerging role of large businesses, holding relevant monopoly power, may bring a shift from the recent unregulated form of 'privatized Keynesianism' to a sort of 'self-regulated privatized Keynesianism', where businesses are key for the achievement of policy goals and preserving capitalism (Crouch, reference by Coffman). In this perspective, one should be aware of the existence of a possible 'dark side' in corporate social responsibility practices, when they become instrumental to reinforcing market power. Business and political ethics is not a label, as issues of meaning, humanization, virtues, and responsibility remain as a permanent challenge to human freedom, especially the freedom of those who bear vast economic and political responsibilities. 'Good' business and 'good' politics, for the good of the 'all-of-us', call for integral 'good life'.

Is there a role of the Church in bringing financial reform?

The primary role of the Church is an educational role. The effective incidence of the Church is in being 'teacher of Jesus', reaffirming the primacy to God over the economy and over profits (Toso); speaking to the person, so to 'reform global finance, one banker at a time' (Fieler). The Church's

calling for social justice and the common good is not an attempt to impose state-rule on society, but rather a call to personal spirituality, to resist privatization of family life, to assess the relational nature of the human person. This approach needs to include, at the same time, a realistic highlight of who bears more responsibility in conducting the economy and in policy making (Toso). In the Church's mission, there is an irreplaceable role for lay apostolate, 'always fighting' (Sturzo, reference by Diotallevi).

The social doctrine of the Church is knowledge illuminated by faith, in friendly dialogue with all branches of knowledge: hence, in the Catholic tradition, we are called to engage the full breadth of reason "by placing the dignity of the person at the intersection of two axes: one horizontal, representing 'solidarity' and 'subsidiarity', and one vertical, representing the 'common good' " (Benedict XVI, reference by in Scola FCA 2012). The language of catholic social doctrine needs to be familiar to politicians, civil society, leaders; this also call for 'translating' that language in terms more accessible to bankers and financial agents (Estanislao).

Christian theology can bring two things to a discussion on an ethical economic future. One, challenging the self-referential tendency of economic discussion and bring it back where it belongs, namely a rational discussion on human purpose and motivation; second, awakening and sustaining the desire for integrity in human life, including the economy and finance. God gives us our being, our response is our becoming: Adam, where are you? Who have you become? (Oakley).

Consultazione Internazionale
27-28 settembre 2013 – Città del Vaticano

SINTESI DELLA DISCUSSIONE

Simona Beretta

Il primo incontro di consultazioni internazionali sul tema "Un dialogo sulla finanza e il bene comune" si è sviluppato attorno al duplice quesito: come è possibile contribuire alla costruzione di un "ponte" tra le decisioni dei policy makers e dei professionisti della finanza e la comune aspirazione alla giustizia economica globale, alla solidarietà e ad un'effettiva ed efficace riforma finanziaria internazionale? In che modo la finanza può essere riportata alla sua funzione di strumento "finalizzato alla miglior produzione di ricchezza ed allo sviluppo" (*Caritas in Veritate* [§65])?

Il report conclusivo illustra i sette argomenti attorno ai quali si sono svolte le discussioni, organizzate in quattro sessioni e con la partecipazione di personalità ecclesiastiche, teologi, economisti, professionisti della finanza e personalità delle istituzioni politiche.

Il primo argomento ha riguardato le cause e le lezioni che si possono trarre dalla crisi finanziaria iniziata nel 2008.

È emerso un sostanziale accordo sulle cause, individuate nell'eccessivo indebitamento, in pratiche non previdenti di prestito, nella creazione e diffusione di nuovi e poco trasparenti strumenti finanziari. Sebbene non si tratti di fenomeni nuovi, essi hanno assunto una dimensione senza precedenti negli anni dell'iper-finanziarizzazione. Nel lungo periodo, questi anni possono chiaramente essere identificati da trends delle variabili finanziarie che divergono ampiamente rispetto a quelli riguardanti le variabili dell'economia reale. Mentre

queste ultime tendevano a crescere a tassi simili, la capitalizzazione dei mercati finanziari cresceva a tassi ancora più alti. In un certo senso, i mercati finanziari sembrano essersi specializzati nella vendita del futuro, fino al punto di svuotarlo. Da un punto di vista culturale, questo comportamento sembra essere stato guidato dal desiderio di rimuovere tutti i rischi dall'economia reale.

Nelle discussioni si è enfatizzato il ruolo svolto dall'innovazione tecnologica nella finanza, rilevando come essa abbia consentito un più intenso sfruttamento delle asimmetrie informative nelle transazioni finanziarie.

Si è inoltre proposta una lettura della crisi finanziaria centrata sulla specificità dell'oggetto della speculazione. Si è argomentato che bolle speculative che riguardano *asset* non produttivi e percepiti come riserve di valore (come nel caso delle abitazioni) assomigliano a schemi Ponzi, il cui collasso tende ad essere particolarmente distruttivo. Tale interpretazione implica seri dubbi sull'opportunità delle politiche adottate in alcuni paesi per affrontare la crisi, dal momento che una prolungata permanenza di bassi tassi di interesse comporta il rischio di bolle speculative inflattive.

Infine, ci si è domandati perché, pur nell'evidenza di alcuni segnali di una crisi inevitabile, non siano state prese delle misure preventive. La risposta a questa domanda è stata culturale più che tecnica. Innanzitutto, la presente crisi sistemica rivela molti livelli di confusione sul ruolo della finanza: tra presente e futuro (come detto prima, l'indebitamento consiste nel confondere presente e futuro, fino al punto che quest'ultimo diventa privo di significato); tra fini e mezzi (l'etica dell'efficienza conduce alla ricerca del 'più' e non del 'meglio', con una crescente manifestazione di avidità e dissolutezza nelle relazioni); tra reale e virtuale (il paradigma del rischio-profitto si impone sulla realtà fino al punto di rimodellare la realtà stessa). Inoltre, la crisi non è solo economica e finanziaria, ma umana. Per comprendere l'attuale situazione, infatti, è necessario interrogarsi sul motivo per cui negli anni che

hanno preceduto la crisi, pochi abbiano riflettuto su come la crescita potesse essere sostenibile e se le tendenze di consumo e di indebitamento potessero mantenersi nel lungo periodo.

Il secondo argomento affrontato ha riguardato la regolamentazione come risposta politica alla crisi finanziaria. Si è ampiamente riconosciuta la necessità di un'appropriata regolamentazione e supervisione del sistema finanziario. Nonostante i limiti nel coordinamento, nell'implementazione, e nell'impatto delle riforme, queste ultime sembrano essere andate nella giusta direzione. A questo proposito si ritiene che il principio guida da mantenere sia quello della sussidiarietà.

Si è sottolineato, tuttavia, che la regolamentazione da sola non è sufficiente per condurre alla stabilità dei mercati finanziari. E questo, per una serie di ragioni, la più importante delle quali è che le decisioni umane 'etiche' non possono essere sostituite da procedure formali severe, ma anzi quest'ultime potrebbero avere delle conseguenze non previste ed auspicabili. Una discussione sulla riforma finanziaria, dunque, non deve escludere che si affrontino questioni più profonde; come ad esempio: cosa si intende per 'buon' mercato finanziario, quale deve essere il ruolo più appropriato di una banca (e non semplicemente quale deve essere la struttura più appropriata – commerciale o d'investimento –), quale deve essere il rapporto debito-patrimonio per soggetti finanziari e non finanziari, e, ancora più importante, quale deve essere il miglior servizio della finanza per l'economia reale.

Si è, inoltre, richiamata l'attenzione sul fatto che le realtà finanziarie operanti su scala globale non hanno strumenti globali per la loro supervisione, e l'interesse nazionale continua a giocare un ruolo rilevante nelle istituzioni dove le politiche globali sono formulate. Dunque, considerare sia la dimensione che la complessità degli attori finanziari, specialmente delle imprese multinazionali e delle istituzioni sistemiche globali aventi importanza sistemica, è una chiave centrale nella definizione di una regolamentazione finanziaria. Si è

infatti espressa la convinzione che un monitoraggio dell'indebitamento di questi attori consentirebbe di ridurre le possibilità di rischi sistemici.

Infine, interrogandosi sulle opportunità che la crisi può offrire, si è sviluppata un'analisi comparativa con le esperienze nella gestione delle crisi finanziarie precedenti all'attuale, soffermandosi in particolare sull'Irlanda e sui paesi del sud-est asiatico. Il collasso dell'economia irlandese ha spinto le autorità del paese al ricorso dell'aiuto congiunto del Fondo Monetario Internazionale, della Banca Centrale Europea e della Commissione Europea. I programmi di austerità realizzati hanno trasferito il peso degli effetti della crisi sui gruppi più deboli della società, che erano quelli che avevano anche più bisogno del supporto sociale. L'esperienza irlandese, dunque, suggerisce che non si può avere un programma di sviluppo sociale sostenibile e di inclusione se non c'è una crescita economica sostenuta. Posto che quest'ultima è una condizione necessaria ma non sufficiente al progresso sociale, l'ineguaglianza e l'esclusione indeboliscono la società, danneggiano l'economia e alimentano l'instabilità. La gestione della crisi finanziaria che coinvolse i paesi del Sud-est asiatico nel 1997 aiuta a comprendere meglio le difficoltà degli Stati Uniti e dell'Unione Europea nell'individuare soluzioni definitive, quando persista una condizione di *credit crunch* (strozzatura nel credito). La crisi del debito nel Sud-Est asiatico dimostra che la crisi di debito può essere un'opportunità sia per iniziare un processo di riforma economica e finanziaria sia per sperimentare forme di coordinamento economico e politico a livello regionale.

Il terzo argomento discusso ha riguardato le forme per ridurre l'indebitamento (deleveraging) ed avviare la crescita economica.

Nonostante il processo di deleveraging sia solo all'inizio, data la dimensione del debito, si è rilevata l'urgenza di alleviare la strozzatura del credito. Ciò richiede di agire su risorse alternative di finanziamento (quali il finanziamento pub-

blico, l'adozione di politiche monetarie espansive, la ricapitalizzazione). Così come richiede il rafforzamento di risorse non bancarie per sostenere le piccole medie imprese (come private equity) e lo sviluppo di infrastrutture (attraverso project bonds e partnership pubblico-privato).

È stata inoltre contestualizzata la gestione della crisi finanziaria in una prospettiva più ampia che considera la dinamica attuale, in un momento nel quale uno stimolo keynesiano sembra non condurre a significativi risultati in termini di promozione della crescita economica.

Il quarto argomento ha riguardato le lezioni che possono essere tratte dal processo di regolamentazione e di deleveraging attuato sino ad ora.

Si suggerisce di proseguire in tale processo combinando iniziative "dall'alto verso il basso" con quelle "dal basso verso l'alto". Si è espressa la convinzione che l'applicazione del principio di sussidiarietà possa sia contenere gli effetti negativi del deleveraging sia provvedere nuovi strumenti per il monitoraggio delle performance finanziarie. La collaborazione e la divisione del lavoro tra Stato e individui, tra settore pubblico e privato includerebbe ad esempio il disegno di un sistema di protezione sociale misto pubblico-privato.

Nel campo della *governance* finanziaria, si enfatizza la necessità di effettive forme di *glocal governance* – ovvero che includa soggetti che vanno dai governi locali e delle comunità, alle organizzazioni non governative, alle associazioni di business, ai nuovi network di comunicazione e sociali, alle organizzazioni internazionali e alle iniziative macro-regionali per la cooperazione finanziaria. Così come si rileva la necessità di includere nuovi attori nella finanza (ad esempio, venture capital, private equity, istituzioni micro-finanziarie). Il supportare la collaborazione tra una varietà di soggetti pubblici e privati necessita il supporto della educazione e responsabilità etica.

L'etica è ritenuta un aspetto fondamentale nella conduzione degli affari. Si sottolinea che un'impresa che decide aven-

do tra i suoi obiettivi la sostenibilità della sua attività è vincente nel lungo termine mediante il rispetto dell'impatto sociale e di quelli economici ed ambientali. Un'attività di business responsabile, dunque, si distingue anche per come vengono conseguiti i profitti e come si rispetta l'ambiente e la comunità che vive nel territorio in cui opera e le altre imprese.

Vi è crescente il rischio di 'impersonalità' che contraddistingue l'evoluzione della relazione creditore-debitore. Dato che per definizione, debitori e creditori sono tali e l'uno non esiste senza l'altro, la co-responsabilità dovrebbe essere la risposta etica più appropriata alle crisi finanziarie. Tuttavia, in molti casi, la distanza relazionale tra creditori e debitori è tale da rendere la co-responsabilità impossibile, e dunque la risoluzione della crisi più lenta e dolorosa.

Il quinto argomento concerne le sfide economiche, istituzionali ed etiche dell'Europa.

Nonostante le debolezze che la crisi continua a mettere in risalto, l'esperienza istituzionale dell'Europa rimane un *unicuum* che non ha precedenti storici, dato anche il positivo impatto che essa ha avuto sia in termini di crescita economica che di mantenimento di relazioni pacifiche tra gli stati europei. Di conseguenza, l'osservazione sia dei successi che delle debolezze dell'Unione Europea è cruciale per affrontare i temi di *global governance.*

Pur riconoscendo la multidimensionalità della crisi europea (finanziaria e del debito sovrano, economica e sociale), ci si è soffermati sulle sue implicazioni sociali e specialmente sul problema della disoccupazione che è particolarmente seria in alcuni paesi e soprattutto tra alcuni gruppi sociali, *in primis* i giovani. Si è evidenziato come la disoccupazione sia accompagnata dalla stagnazione dei salari, dalla riduzione del welfare, dalla crescita della povertà e dell'ineguaglianza, sia nei che tra i paesi, accrescendo così la divergenza della situazione economica tra i paesi dell'euro-area.

Alla base della crisi finanziaria e del debito sovrano in Europa vi è una crisi etica: l'eccessivo indebitamento da parte

delle istituzioni finanziarie, il fallimento delle forme di controllo basate su regole esistenti, l'incapacità di alcuni paesi a trarre opportunità dalle condizioni favorevoli dei mercati azionari per implementare riforme fiscali strutturali.

La risposta europea alla crisi ha incluso significative azioni di consolidamento fiscale, miglioramento del coordinamento delle politiche e azioni 'guidate dalla solidarietà' (come la creazione del meccanismo europeo di stabilità). Tuttavia, la crisi ha mostrato la necessità di affrontare le debolezze della costruzione istituzionale europea, soprattutto nell'ambito della supervisione finanziaria cross-border, ed il proseguimento del completamento dell'unione monetaria attraverso un avanzamento sinergico verso l'unione bancaria, economica, fiscale e politica. In particolare, si sono resi evidenti i limiti dell'approccio di Maastricht, in quanto sprovvisto di strumenti per l'assorbimento di shocks e per sostenere gli stati in difficoltà. La Banca Centrale Europea ha dunque potuto offrire solo un temporaneo sollievo. In una prospettiva più ampia, l'attuale crisi obbliga i cittadini europei a ripensare la base morale delle istituzioni economiche e politiche dell'Unione Europea, dove la solidarietà, in particolare la solidarietà intergenerazionale, e la sussidiarietà devono effettivamente essere declinati in azioni.

Il sesto argomento ha riguardato la relazione finanza, politica e bene comune, quest'ultimo da intendersi come orizzonte concreto della solidarietà.

Affinché la *governance* finanziaria globale sia a servizio del bene comune, i mercati finanziari devono essere considerati 'beni collettivi' e 'beni pubblici' che devono rispettare tutti i canoni della giustizia per il bene della famiglia umana. Le istituzioni globali, in particolare, devono essere conformi alla realtà ed in esse devono valere i principi di democraticità, rappresentatività e di partecipazione. Di conseguenza, il processo di riforma del sistema monetario e finanziario internazionale non può considerarsi come un processo 'neutrale' e meramente tecnico, ma un processo che sia orientato al ri-

spetto di ben definiti requisiti antropologici ed etici. Nel percorso verso la creazione di un'autorità politica mondiale, i temi della *governance* (cioè un sistema di coordinamento orizzontale) non possono essere separati da quelli di un governo condiviso (cioè un sistema che – in aggiunta al coordinamento orizzontale – stabilisce un'alta autorità super-partes), che è funzionale e proporzionale al graduale sviluppo di una società politica globale.

Tre specifiche riflessioni sono state inoltre sviluppate nel documento (misure di tassazione sulle transazioni finanziarie; ricapitalizzazione condizionale delle banche con fondi pubblici; distinzione tra banche commerciali e di investimento) che rimangono rilevanti e rispetto alle quali sono stati fatti progressi in alcuni paesi negli ultimi due anni.

Lo spazio per discutere i problemi finanziari e le soluzioni ad essi coincide con lo spazio di dibattito politico e di proposte. In esso, le competenze tecniche sono essenziali, tuttavia, è si espressa la convinzione che gli approcci tecnocratici non rappresentino da soli una soluzione. Inoltre, si è sottolineato che affermare il primato della dimensione politica nel prevenire le crisi ed affrontare le sue conseguenze, non coincide con l'affermare il primato delle politiche nazionali.

Si è inoltre richiamata l'importanza dell'applicazione del principio di sussidiarietà, nella sua forma sia orizzontale che verticale, per il raggiungimento del bene comune.

Infine, si è rilevato come 'la salute' delle istituzioni finanziarie sia necessariamente connessa al comportamento etico delle persone che in esse vi lavorano.

Il settimo argomento ha riguardato il rapporto tra finanza ed etica.

Si ritiene che sia possibile rendere il sistema finanziario più giusto con la partecipazione consapevole dei professionisti del settore stesso. Sforzi nella ristrutturazione della finanza globale, in assenza di una cambiamento nel cuore e nella mente di chi è occupato in quel settore, può probabilmente aggravare la situazione, dal momento che la combinazione

della regolamentazione con il cambiamento tecnologico può spingere verso un ulteriore de-umanizzazione della finanza. Tuttavia, molto della de-umanizzazione può solo essere contrastata da professionisti della finanza che consapevolmente mettono la persona al centro della finanza e vivono integralmente la loro vita lavorativa.

La riforma finanziaria chiede di abbandonare la dicotomia economia-etica tipica di un paradigma economico che esclude la logica della gratuità nelle relazioni umane. Ripensare il paradigma chiede una differente visione della persona, non come individuo ma come essere in relazione e soprattutto come essere di famiglia. In questa visione, la logica del dono consiste non nel dare in senso astrattamente dis-interessato, ma con il fine di creare relazioni: infatti, 'inter-esse' significa 'essere con', così che l'atto di dare può essere veramente interessato verso gli altri. La famiglia è il primo spazio dove le persone possono imparare a coniugare il dare e l'interesse. L'etica non è una lista di no o una serie di limiti e regole esterne, l'etica è la dimora dell'essere, è lo spazio dove la soggettività morale viene costruita così che si possa costruire una buona società.

Durante la consultazione vi è stato il tentativo di ripensare la natura della finanza e la natura dei mercati. I temi sono più ampi del considerare la finanza etica definita come una nicchia e i temi etici nella finanza vanno oltre i dilemmi solitamente discussi dai professionisti della finanza, che sembrano centrati soprattutto su questioni relative all'azzardo morale. I cosiddetti mercati spesso non meritano tale nome. Un mercato è l'incontro tra persone umane: le regole contano, ma anche le probabili priorità di chi partecipa agli scambi nel mercato. In un mercato che funziona, l'informazione è disponibile a tutti i partecipanti e tutti sono su uno stesso livello: dunque il mercato dovrebbe essere aperto e organizzato così da funzionare come strumento collettivo per scoprire i 'veri' prezzi. Quindi, i partecipanti devono elaborare una visione etica per contribuire all'elaborazione di tali prezzi e devono

essere (anche legalmente) responsabili dei loro atti. Questo per dire che la virtù di essere giusti è un ingrediente necessario – oltre la formale organizzazione e regolamentazione – per il mercato per essere secondo la sua natura – ovvero uno spazio per le relazioni umane dove l'interesse può essere vissuto come 'inter-esse'. I mercati finanziari in particolare devono diventare lo spazio dove le relazioni umane sono costruite.

International Consultation
October 24-25, 2014 – Dublin

A SYNTHESIS OF THE DISCUSSION

Simona Beretta

A - The Role of Ethics

The participants gathered in Dublin – a city heavily transformed by the financial industry – for a Seminar on Finance and the Common Good, engaging in a dialogue between theological reflection and practice in order to foster social concern. Monsignor Martin clarified the focus of the Seminar as follows: how can we best place people, created in God's image, at the centre of our vision of the economy and society. Poverty is not simply lack of material resources, but also the inability of people to realise their God-given potential.

A1. Reading the facts

The Dublin seminar is part of that on-going dialogue between economics and ethics, which is so important in today's world where theological reflection can make a contribution. Love is the essence of Christian life because God loved us first. The commandment of love of neighbour, grounded in the love shown us first by God, is clearly a responsibility for individual Christians. But it is also a common responsibility, as the practice of love must be a distinctive mark of each expression of the life of the Church. Moreover, one should ask: can love be organized and become an ordered service to the community in today's world? Love is not an element added on to the work of charitable organizations. In all professions, competence is a fundamental requirement, but it is not of it-

self sufficient. We are dealing with human beings, and human beings always need something more than technically correct care. They need humanity. They need heartfelt concern.

The challenge to constructing solidarity is that it must take place within the concrete realities of the world. It must try to identify the optimal management of various elements within that reality as times change; it must develop a framework where human labour is prioritised. This is especially important in European countries where levels of youth unemployment are extremely high.

To be at the service of the human person, economic activity requires both an ethical and legal framework. In particular, the market can only work within an ethical framework of trust. That ethical framework needs to be consolidated in juridical norms which guarantee fair-play, competition and transparency. The legal framework must also ensure that economic freedom is placed within a wider system of fundamental human values, that certain "collective goods" (CA, #40) – including the rights of workers – are protected, and that certain fundamental human needs which "find no place in the market" (#34) do not remain unfulfilled. Wherever the rule of law is not respected, it is almost always the poor who pay the highest price.

As God created humanity as a family, globalization will be worthy of its name if it enhances the unity of the human family. Any form of globalization that breeds exclusion, marginalization, instability, indifference and crass inequality has no right to call itself global. How an economic system generates inclusion is the fundamental measure of its success. What does the centrality of the person imply in the financial world? (**Martin**).

A2. Ethical dilemmas faced by staff in financial services

Adam Smith presumed that each individual involved in the market exchange brought with him to the transaction not only his strictly defined individual interest, but all his ethical and moral background. We seem to have forgotten that and yet we know, as individuals, that there is nothing more lonely and meaningless than a life lived only for oneself. Each of us wants to feel valued and respected, and to feel we are making a contribution. While some are satisfied with 'just a job,' many of us think in terms of careers and vocations even in defining ourselves. Yet in the financial profession we observe a dehumanization of the relationship with employees: by the 1990s, a "hire and fire" mentality had largely set in, based on short term results, and the training programme had been dropped because staff were no longer 'loyal' (why train people for competitors? the typical employer would say). And as anonymous and mechanized relations became dominant, dehumanization was also directed towards customers.

We need to reintroduce the individual to the corporation, but we also must change the collective – the corporation. Even for a motivated professional supported by family, faith and community, it is difficult to work every day, if asked to act against one's beliefs and ethics. How can you be fair at home and unfair at work; straightforward with friends but not with colleagues or customers?

While searching for the common good in a pluralistic, globalized society we need to find a vocabulary that works for all faiths and none and without it losing its value and meaning. The Christian vocabulary of the common good, equality and stewardship, which is very powerful, may even be usurped by businesses in order to whitewash their behaviour. On the contrary, truly adopting that vocabulary will be shown in changed behaviour in the treatment of employees and customers, in the retention of staff, as well as in the

treatment of outsourcers and their environmental footprint. The challenge (CV, #45) is not only to create 'ethical' sectors or segments of the economy or of finance, but to ensure that the whole economy – the whole of finance – is ethical, not by virtue of an external label, but by its respect for requirements intrinsic to its very nature. The first step in embracing the challenge is remembering there is a human being at the beginning and end of *any* and *every* transaction (**Ridpath**).

A3. Dimensions of Subsidiarity in financial institutions

One aspect of subsidiarity in finance refers to the size and functioning of financial institutions, suggesting small size, decentralized functioning, and personalized interactions.

Concerning this, there is an ambivalent relationship between the effort to fight dehumanization and re-regulate the financial system. Bank regulators have sought to reduce human fallibility and increase accountability by systematizing the underwriting decision-making and demanding a fully auditable paper trail intended to ensure the transparency and fairness of each underwriting decision. But this has encouraged systems that remove human judgment and where financial concentration and undercapitalization persist. While many regulators defend aggressive systematization as the only way to manage our undercapitalized, concentrated and culturally troubled banking sector, we should remain open to a better long-term solution. The alternative is a return to a well-capitalized and decentralized banking system that would not invite such heavy regulation; a possible solution could mean allowing asset-light financial intermediaries to perform more bank-like functions, as, for example, in the "peer to peer" lending systems. Without taking loans and deposits onto their balance sheets, these institutions perform the essential underwriting function of a bank in a very human fashion. Decentralized solutions are likely to be vigorously opposed by the large undercapitalized banks that dominate

the banking system and heavily influence regulators; yet, they can be seen as a practical realization of subsidiarity (**Fieler**).

Another aspect of subsidiarity that deserves major attention concerns governance structures in financial institutions, as many instances of governance failures contributed to generating and exacerbating the financial crisis.

We should emphasize the crucial role of subsidiarity in the internal and external governance of financial institutions for the proper functioning of these financial institutions. Accountability, transparency, equitability are some of the main characteristics which can be considered good governance. An important but less talked about characteristic of good governance is the capacity to include and make each stakeholder feel an important part of the institution's mission. Subsidiarity in governance can acquire a tangible effect in two different but complementary dimensions. The first dimension is internal to the institution and refers to the capacity to promote the persons involved in the working of the financial institution: the person is not an instrument for some end in itself, but is instead a value *per se* originating from his/her freedom. The second subsidiary dimension is external, and concerns the institution's relationships with the external world.

While appropriate organizational structures, policies and other controls may contribute to promote good corporate governance, they by no means ensure it. Effective corporate governance is the result of both "hard" structural elements and "soft" behavioural factors, the latter being represented by dedicated people – directors, managers, employees, etc. – performing faithfully their duty of concern for the institution. The key is therefore to create in the organization an atmosphere promoting competent persons who have a clear understanding of their role allied to a strong commitment. (**Marseguerra**).

A4. A different financial education

Consequently, education is the key. Economic and financial professionals can and must be men and women of vision: how can the education of economists and financial managers contribute to making this happen? We basically need to rethink the paradigm – which tends to be formulaic dominated and sets history aside. The dominant individualistic and strictly utilitarian model has to have a prescriptive and (especially in finance) even a *performative* power. We need to challenge the claim, that the paradigm be purely positive, and to engage with an interdisciplinary perspective in an in-depth epistemic debate.

The way ahead includes finding a balance between conservative and loose education, providing for both the transmission of existing knowledge and the provision of critical tools which facilitate innovative actions. This balancing act requires a multidisciplinary ethics-based perspective that is key to bringing out the fundamental driving force of human actions which students need to discover within themselves in order to become creative professionals.

Serious obstacles remain in pursuing this educational path both in academia and the business community; it requires improved cooperation and alliances (for example in the IFCU network).

But we can find profound inspiration in the rich tradition of Christianity: in the Benedictine tradition (*ora et labora*), in Ignatius' call to discernment, in the Franciscan tradition of care for the excluded (**Dembinski**).

Discussion – Section A

On decentralized banking

Once the attractiveness of decentralized banking and peer to peer finance has been recognized, then the downsides must also be considered. There should be rule-based decentralized

lending **(Gonzalez Páramo**); moreover, one should consider the ambivalence of decentralized banking between subsidiarity and possible loss of control. If regulation is light, then the courts system must be very effective in solving controversies (**Rossi di Montelera).**

Desirable lines of action include: raising the standards for consumer protection; making simple information available; providing advice for independent consumers where the human element is key; and improved lending standards (**Ceyssens**).

On quantitative versus qualitative methods of financial assessment

As good lenders need to find a balance between automated models and human evaluation, good regulators need to balance rules and human judgement – including discerning the different regulatory perspectives for large and small banks (**Ceyssens**). Despite the fact that it is quite possible to observe a high correlation between credit scoring and lending outcomes, a financial system at the service of people should also care about processes; in a humanized transaction, a relationship is created, possibly implying early warning of emerging problems (**Coffman**). Rules and human judgments are both necessary for good regulation. The crisis has clearly indicated how important it is in risk management to use a blend of qualitative and quantitative techniques. What is required today is "responsible" risk management – and responsibility is a word which refers to humans, not machines or algorithms; it is a word closely connected to subsidiarity (**Marseguerra**).

On financial education

Starting with undergraduate studies, we should provide a sound multi-disciplinary and not an overly specialized and fragmented program for business & finance (**Coffman**).

There is a trade-off between specialized, fragmented technical expertise and overall perspective. Qualitative understanding allows for improving quantitative approaches also in research and in education (**Pammolli**).

As the educational strategies of Business Schools also respond to the expectations of the business sector (**Sugranyes**), we need to address the cultural void of enterprises which are overwhelmingly focussed on financial returns (**Pujos**). Investing in education includes providing meta-competencies to mediate technological change, and help understanding of both text and context – quality teaching which educates both youth and adults in understanding and knowledge (**Marseguerra**).

Media is the key in addressing the cultural void of self-referential attitudes in both academia and businesses. An overall perspective on education includes educating educators in a lively spiritual community. Innovative academic activity and media initiatives can be very effective in shaping the aspirations and expectations of people involved in finance, of customers and professionals, and in changing the corporations' culture (**Zahra**). Moreover, they are needed to attract young motivated people to become a 'new generation' of professionals in finance and business, with technical expertise and intrinsic motivations open to the needs of the human family in our rapidly changing world (**Sugranyes**).

B - Addressing Global Urbanization and Poverty

B1. A framework for addressing Global Urbanization and Poverty

We have two basic policy choices when facing global "mega-issues" such as urbanization and poverty: either to look at approaches from the top (at the level of the international community and of nation-states); or to highlight approaches from the bottom (at the level of local communities and gradually moving up to the bigger entities). These ap-

proaches need to complement each other; indeed, by getting them to reinforce each other, we significantly increase our chance of achieving better outcomes more speedily.

The top-down approach involves a strong, effective central authority, engaged in sensible macro-economic policies and connected to the international community whilst shoring up internal cohesion through active promotion of social equity. The alternative approaches to such top-down approach are subsidiarity and devolution. This is a much longer, often more challenging route; but it remains the only viable route for countries with weak, corrupted governments. Grassroots development at the local community level requires equipping and improving the capability of the lowest administrative and political unit of government for proper governance. Subsidiarity and devolution however, need some strong, central backbone. This is where instruments of the "state" can play an important role: in some countries, even the "military" can play the role of building peace.

The demands of such a "building up" process are enormous, as it requires the "entire community" approach, i.e. an active coalition of the social and economic agents in each community (including institutions, businesses and NGOs) for the "common good" of the community, embedding the "shared value" orientation within every local community program. In their strategy, coalition members should go beyond the narrow financial and monetary (budgetary) perspectives, embedding ethics, social responsibility and sustainability in all activities.

In short, good governance culture demands competence, commitment, professionalism; and "*pietas*" or love of community. At the macro social, economic, and political level, a governance culture demands respect for personal dignity; concern and contribution to the common good; subsidiarity; and solidarity. The biggest challenge is how to make both approaches (top down and bottom up) support and reinforce each other (**Estanislao**).

B2. Scope of Global banking, Collaboration with UN MDGs

The role of the financial sector in the common good is to be of service to the entire economy, society, and polity. In practice, financial institutions show their commitment to inclusive and sustained development by identifying emerging enterprises, preparing them for the bond and capital markets and facilitating the organization of financial pools, available through retail outlets and widespread branch networks where individuals, small enterprises and organizations can have flexible, relatively safe, and easy participative access. The banking sector has indeed the opportunity to play a key enabling role in bringing low-income families and communities into the financial mainstream and allowing them to participate fully in the global economy. This is not just wishful thinking. The combination of three megatrends – globalisation, urbanisation and digitisation – provides a major incentive for banks to mobilise their resources, know-how and connectivity to address decisively the issue of financial inclusion.

The crucial role of the private sector is to promote economic progress in world wide communities where they do business, thus supporting UN MDGs and post-2015 SDGs by sustaining growth, job creation and enterprise formation. Every bank of any magnitude has the capacity to make a discernible impact on financial inclusion, especially when working in a partnership approach with other agents.

There are three key areas where banks can make a difference by promoting financial inclusion. One is microfinance, especially in low-income communities with low density of banking infrastructure, where the poorest have no access to formal credit. The second is mobile money: the mobile phone, and with it the broadening acceptance of digital money, is a powerful tool in combating financial exclusion; moreover,

digital payments appear to strengthen and expand an informal insurance network among poor households. The third consists in digitising the supply chain: some major corporations are making a commitment to ethical and sustainable sourcing ('impact sourcing'); others are exploring new ways of enlarging their distribution channels to ensure the participation of urban and rural poor.

Large financial institutions actively engage in microfinance, mobile money, and supply chain management even in needy communities. But this is not philanthropy; it is good business and an investment in communities where they operate. Their long-term financial success consists in delivering what their clients need (**Vanni d'Archirafi**).

B3. Fight against financial crime

Alongside the virtuous involvement of large financial institutions in promoting economic growth and financial inclusion for human development, are the malpractices of banks that are also part of the scenario; these ethical failures tend not to be sanctioned by the political establishment. Among the conditions which facilitate immorally high levels of financial profits, three should be mentioned: *fiat* international money, central banks' independence (from society), and financial deregulation. These conditions forged a dangerous link between commercial and central banks; the enormous expansions of the balance sheets of banks left financial markets over-dependent on central bank support. While it remains true that regulatory improvements need ethical actions to effectively improve the integrity of the financial system, different lines of actions are required to challenge the persistence of a crisis-prone financial market. They include bottom-up approaches (public opinion and media), top-down solutions (legislation, including for example regulatory arbitrage containment, stronger anti-money laundering and anti-corruption measures) and also international measures to increase resilience

(strengthening prudential supervision, improving collaborative anti-money laundering efforts and internationally pursue financial crimes) (**Costa**).

Discussion – Section B

On top-down, bottom-up governance

This issue prompted a debate that occupied different sessions. Participants discussed how to bring about a bottom-up governance, so often invoked but not often spelled out (**Sugranyes**). The governance process adopted in the Philippines was described as an example; it included bringing together the city councils, identifying common objectives (creating jobs, modernizing the city, and so on) and involving groups to actively contribute (the military were involved in educational programs, private businesses in professional training). There remains an issue of 'governance overflow': How do you get top-down ethical decisions to trickle down to individual accountability and performance? (**Estanislao**).

It was remarked that the quality of institutions (top-own dimension) is key for successful bottom-up implementation (**Pammolli**). The bottom up construction of the common good requires building an open society, affirming the centrality of the person which is not a subject of institutions – hence, an inclusive society requires markets as inclusive institutions in an open society (**Felice**).

Further thoughts on the top-down/bottom up dynamics: the macro system can be reformed only by strengthening the micro building blocks: firms, civil society organizations, local government. This requires involvement of families and schools, and ultimately motivated individuals. Governance systems need to seriously address the fundamental issue of bridging personal dignity and organizational aims, and fostering discipline (accountability and ethical responsibility). This is the key to addressing three global challenges: facing

the demographic winter, protecting the environment, fostering participation. Moreover, there is the need to change mindset and culture as to the meaning of what 'national interest' is, on behalf of the whole human family (**Estanislao**).

On supporting small/local business growth

Discussion highlighted the challenges of supporting business growth. While development banks can play a role, it is hard to overcome the prevalent disregard of the SME in the lending strategies of banks. In the case of recent ECB targeted funding to stimulate SME borrowing, one must recognize both financial market fragmentation, and little appetite for funding on the part of the SME (**Bonnici**). The common practice of banks' disregarding micro-enterprises especially needs correction. These particular businesses represent 50% of enterprises and 30% of employment in Europe, but they are normally dealt with as if they were households, and treated within the retail business activities of banks (**Dembinski**). Strong local roots are very important in order to improve the process of evaluating the creditworthiness of Small Medium Enterprises as the positive experience of the cooperative banking system in Europe shows (**Marseguerra**). Unfortunately, retaining locally high quality staff with in-depth local knowledge can be problematic, because larger, more central institutions can offer better salaries and conditions **(Coffman)**. Societal driven finance, despite its attractiveness, may face other risks, such as inefficiency and political interference (**Sugranyes**).

How can finance serve inclusion and development

Microfinance with around $50b outstanding loans, is a good example among the ways finance can help fight poverty (**Rossi di Montelera**) while modern financial institutions can help avoid the risk of usury (**González Páramo**).

The discussion highlighted that technological progress in finance can indeed be enabling for the disadvantaged, but it also has problematic aspects that could hinder inclusion **(Fieler)**. Diversity of financial institutions can also be good in principle with different roles played by different kinds of institutions; developing digitalized, non-formal banking may be interesting, but it may fuel the next round of failures (difficult to act against it, as in the Bitcoin case) (**Gonzalez Páramo**).

On how to fight corruption and crime

During the discussions it was remarked, that corruption is essentially anti-poor, while rule of law is key for inclusion and justice (**Estanislao**). On the one hand, institutional efforts in fighting crime must be acknowledged and supported within the Church (**Sugranyes**) while on the other, one should consider that illegal actions can be taken despite fines, if expected benefits from illegal behaviour exceed the expected payment of fines (**Costa**).

A serious issue would also be how to protect individuals who want to expose wrongdoings (whistleblowing) (**Costa**). The term 'whistleblowing' was rephrased as protecting the right to disagree (**Gonzalez Páramo**), expressing cultural disagreement (**Dembinski**), exercising judgment when they see wrongdoings (**Sugranyes**).

Moreover, anti-crime policies are clearly necessary but behaviour may be unethical even when not entailing 'criminal' activities (**Gonzalez Páramo**).

C - Systemic Risk, Regulation and Supervision

C1. Who should bear the cost of deleveraging?

One of the legacies of the current crisis is a mountain of private debt slowly becoming public, which besides contributing to financial fragility, is a serious obstacle to growth and

employment. This issue should be seriously addressed in public discussion, as high leverage increases the vulnerability of households, firms and financial institutions to possible shocks. Hence deleveraging is a priority but a costly one. Current financial arrangements put the entire burden of de-leveraging on the borrower, thus severely constraining growth for a long time. Allocating the burden of deleveraging is a key, and the main criterion for apportionment of the burden should be to ensure appropriate growth which can then sustain further debt reduction. In the EU in particular, providing debt relief for households and firms would help to sustain growth; this provision obviously impacts on banks, and in the end requires public funding. Incentives to support deleveraging for growth are weak at present; but efforts are needed to ensure that, in the future, debt contracts are less asymmetrical. Among the proposals are enhanced regulation (so that debt contracts become less asymmetrical); intra-EU fiscal transfers with accountability mechanisms; better informed public opinion (often misled in confusing fiscal problems as the cause not the consequences, of the financial crisis); and finally educating households to sound risk management (because life is not riskless!) and to prudent debt underwriting (**Pastor**).

C2. Reading recent history: US and European approaches

During the post-crisis period, deleveraging and re-regulation prevailed in both EU and US but as the financial crisis changed into the Eurozone sovereign debt crisis, the relative performance of EU and US diverged. Regarding the underlying causes of divergence, macroeconomic policy (*'austerity' versus 'growth'* oriented policy decisions) seem to have played a lesser role than more structural explanations (demography included). While the narrative referring to macroeconomic policy decisions was quite different on both sides of the Atlantic, the substance of macroeconomic policy actions was quite similar.

As financial policies, monetary policies, the network of international borrowing and lending and the current account positions and exchange rates dynamics are closely interconnected, no 'optimal' solution is readily available for imitation. Rather, we need to understand better the inter-sectoral and international transmission channels of domestic policies of large countries such as the US and EU by monitoring the structure of inter-institutional, international financial networks. The bottom line is that no 'strictly financial' solution to financial crises is viable.

Post-crisis re-regulation also followed similar trends with subtle differences in normative details between countries, which still allow regulation arbitrage and regulation gaming, benefitting large financial institutions with respect to locally 'connected' finance. Increased inequality, especially within-country inequality (with a clear North-South divide in the Eurozone), was also a common trend, due also to asymmetrical concentration of financial adjustment costs on the weakest partner (typically the debtor). Hence, more debtor-friendly deleveraging procedures could be explored. In all cases, inequality is likely to persist and to feed a vicious circle of marginalization and exclusion, further increasing systemic risk. This urgent problem needs to be tackled with an 'investment' approach which leads to a crucial, largely unaddressed issue in reforming finance within the so-called advanced countries: namely, how finance can contribute to providing inclusive growth, even in intergenerational and international perspectives (**Beretta**).

C3. Balance sheet leveraging rules, credit risk assumptions and profit levels

As to financial regulation and systemic performance, one should note that banks play a critical role in the communities in which they operate: on the one hand, ample and reasonably priced credit is critical for business growth; on the other, de-

posits are essential stores of value for households. Financial deregulation weakened the virtuous link between banks and communities, as leveraged institutions focused on maximizing the short term return to shareholders. During the downswing, losses were similarly amplified with the degree of leverage, and the sovereign debt crisis and banking problems fed on each other in a negative feedback loop that spread across national jurisdictions.

The fundamental overhaul of the regulatory and supervisory framework of the financial sector in the post-crisis period included ambitious new standards to limit excessive risk-taking and increase the banking sector's resilience. Recognising the global nature of the financial system, the reforms were coordinated globally at the G20 level. A significant part of the EU reform agenda has therefore been about implementing the G20 commitments, including measures to restrain bankers' bonuses and boost the amount of funds that banks hold in reserve. The establishment of the Single Supervisory Mechanism (SSM) in late 2014 is an important step towards a banking union in Europe with a view to establishing a common deposit guarantee system and a common resolution fund. Through the SSM, the European Central Bank is given the power to monitor all the major banks within the euro area thus avoid the weak regulatory stance of some national jurisdictions. In this framework, institutions such as development banks (including the European Investment Bank) can support local investment to play a remedial role because of the failure of monetary policy to extend into faster credit growth, as well as insufficient fiscal transfers in the euro area. Development banks in fact can channel cheap and accessible funds to investments or business growth where they are needed (SMEs, social housing, education, research and environmental investment), thus compensating also for the very low investment levels in the euro area and promoting inclusion, as low growth disproportionately hurts the poor (**Bonnici**).

C4. A realistic framework for financial international governance

Interdependence and interconnectedness brought about by globalization are global challenges in a world where governance remains to a large extent local. How to develop a realistic framework for international financial governance? Two intriguing policy recommendations have been put forward: one is the realization of a global political authority in order to achieve "a fair distribution of world wealth, which may also derive from unprecedented forms of global fiscal solidarity" ("Towards Reforming the International Financial and Monetary Systems in the Context of a Global Public Authority"). The second proposal for improving financial governances by Thomas Piketty, comes in the form of a global tax on capital. This proposal requires international collaboration, unlikely to be forthcoming at the global level; but a more modest proposal with a regional implementation might be feasible. Both recommendations offer pragmatic ideas for possible ways forward to bridge the financial and international governance deficit.

A realistic framework proposal can also be drawn from the European experience. First, it would require properly constructed institutions. The completion of the European monetary union (by way of banking, economic, fiscal and political union, embodying the principle of subsidiarity) represents a feasible path. Secondly, policy tools such as monetary policy innovation, a six-pack of economic measures, surveillance of national fiscal and economic imbalances) can contribute effectively to enhancing international financial governance. Regionalism might be an essential intermediate step in building up global financial governance. Finally, greater attention needs to be given to values in particular to the amalgamation of solidarity and subsidiary, as experience to date has painfully shown, institutions alone cannot guarantee good governance. Instead of a tax, a constructive charge

on financial turnover was proposed: This charge would envisage voluntary contributions and would finance a solidarity fund to support meritorious causes, especially in favor of communities that were negatively impacted by financial malpractices (**Bonnici**).

Discussion – Section C

On the ethical dimensions of deleveraging

The debate on deleveraging highlighted the fact that debt management is an intrinsically contentious ethical issue, between the duty to repay debt and the need for fairness in dealing with debt problems. Good intentions, leading to easy credit to disadvantaged groups, can lead to disaster, as in the subprime loans crisis (**Gonzalez Páramo**).

Debtor friendly deleveraging should be cautiously considered, especially for the macro level, where issues are sovereign debt restructuring and access to new finance flows (**Schulte**); in general, there would be the need for debtor/creditor friendly deleveraging, that is for a 'fair' deleveraging (**Pammolli**), or a 'responsible' deleveraging (**Gonzalez Páramo**), or an 'equitable' deleveraging (**Dembinski**).

In particular, one should highlight the connection between bank debt and household debt, especially in the case of house price bubbles. This is important in the EU, for both post crisis management (debt relief for households impacts on banks, and governments need to step in) and for preventing further crises. The latter task requires both enhanced regulations (prudence) and increased intra-EU fiscal transfers, better information for public opinion (often misled to think that fiscal problems were at the root of the EU crisis); consumers' education along with stricter lending standards, and the introduction of new mortgage products (as contracts envisaging "leave the house and go" procedure in case of default) (**Pastor**).

On the macroeconomic dimension of deleveraging

Deleveraging needs to balance stability and growth, prudence and innovation (**Garonna**). Sustaining consumption growth may not increase GDP in the same country, as globalization of production implies that states do not control corporate behaviour (**Ridpath**), and multilateral corporation tend to come and disappear, thus eroding national tax bases (**Martin**).

With the deleveraging process, real wages tend to decline and the central bank cannot control the cycle by moving interest rates (**Coffman**).

The notion of dynamic solidarity that was explored during the Centesimus Annus Foundation Seminar in Rome in May 2014, embodies a mature perspective for debt management promoting social justice, considering not only redistribution within the current generation, but also intergenerational imbalances (wealth transmission, cost sharing), and implicit liabilities (such as those related to pay-as-you-go pension schemes under the current demographic trends). Hence, the deleveraging process does not refer to a static amount of debt (**Pammolli**).

On bank equity and profit levels

Return on Equity is likely to be very low in the future, but this should be considered along with the fact that a high ROE creates problems (**Gonzalez Páramo**); if ROE systematically exceeds the economy's growth rate, de-linking and possibly collapse will follow (**Costa**).

Under-dimensioned bank equity remains a big flaw in the banking system (**Bonnici**). Between 1900 and today, capital ratios decreased from 25% to 7%, while profit ratios increased from 12% to 30%, alongside an increase in profit volatility (**Pastor**).

On appropriate supervision and regulation frameworks

We need to assume a pro-market approach which implies regulation – not over-regulation. Regulation alone though is no guarantee of 'good' finance, and discerning right from wrong is more important than distinguishing compliance from non-compliance with formal rules (**Zahra**). Reforming structures is just a part of the solution (**Rossi di Montelera**).

Some voices pointed to possible negative side effects of excessive regulations: when regulatory intensity on banks is very high, liquidity and credit allocation move to "shadow" banking – simply relocating the problem (**Vanni d'Archirafi**). Shadow banking may exhibit a scary face, but can also be a genuine way to promote peer to peer lending – as in the case of Credit Unions organized by the Anglican Church. Licensing a new bank may take up to 5 years (**Ridpath**). Massive, detailed regulation may curb desirable services; for example, complying with regulatory aspects may be costly to a point that compliance tends to penalize access to credit for Small Medium Enterprises (**Fieler**). Moreover, one should ask: who regulates the regulator, and how to reduce the cost of public administration? (**Rossi di Montelera**).

Despite possible drawbacks of excessive regulation, one should remember that the bulk of financial transactions (in foreign exchange, derivatives, bonds) are still unregulated – which is a problem, as trust comes from predictability. We need to avoid leaving financial markets to regulators alone – or to markets themselves; we need to find ways to meaningfully include civil society (**Pujos**).

Banking, as other essential services (such as water, electricity, transport provision), may go through exuberance and excesses. Utilities went through forms of nationalization, and re-privatization as regulated competing initiatives with limited profitability. A similar process can be both desirable and possible for finance (**Costa**). Yet regulation reforms face strong resistance, as unconditionally bailed-out banks still

form the strongest lobbying group and at times exhibit arrogant attitudes (**Pujos**). Estimates suggest $13million a day for lobbying (**Pastor**). While lobbying is not wrong in principle, compliance and transparency are required for it to be acceptable (**Gonzalez Páramo**).

On Central Bank independence

Central Bank independence does not exclude accountability: the European Central Bank is accountable to the EU Parliament and to society at large (**Schulte**). The appropriate meaning of Central Bank independence is independence from political control not from societal control (**Costa**).

Over the past decades, monetary and financial systems underwent extensive swings in regulation and in the degree of central bank independence, as countries distanced themselves from situations where Central Bank dependence on government could be exploited and lead to unsound macroeconomic policies. One needs to realistically acknowledge that a perfect system is impossible, yet progress is noticeable. (**Bonnici**).

Finding the appropriate balance vis-à-vis the degree of Central Bank independence and the level of regulation is important, but even more important is the quality of the persons in charge, their culture and the human education they received in their family (**Zahra**).

On European and global financial governance

While one could be sceptical about world governance, the EU experience with financial governance is quite significant, although it is still work in progress. It still requires balancing common discipline and intra-EU transfers, and satisfactory communication to a largely national public opinion. Yet recent action by EU institutions show a degree of subsidiarity and solidarity that should not be overlooked (**Schulte**).

In particular, one should recognize progress in dealing with EU institutional reform for financial stability. The newly created EU financial supervisory arrangements provide for standardized assessment of banks; the recent results, showing a significant strengthening of banks' positions, point to a safer financial system in Europe (**Bonnici**).

Despite success, a "siege" mentality currently prevails in the EU, due to both public opinion sensitivity to financial wrongdoings and to unsustainable levels of long term unemployment (**Sugranyes**). Thus the process of EU unification remains incomplete and fragile being exposed to changes in political majorities (**Bonnici**).

Risk also exists in local banks: our capability to assess systemic risk, even at the regional level, should be improved (**Pammolli**). Systemic complexity remains an issue that calls for humility. We should recognize complexity and pursue simplification, as societies may even collapse under excessive complexity! Transparency by itself is no solution to complexity (**Dembinski**).

Single supervision is indeed key in addressing the 'too big to fail' issue. At the global level, a world authority would be required for single supervision; while it may not be happening soon, one should keep the idea in mind so that it can be achieved when times are favourable (**Ceyssens**). At the global level, we can appreciate initial but significant elements of 'global' common rules, for example in the fields of ISO (international quality standards) or of international accounting rules (**Sugranyes**).

On finance and the global common good

The most urgent tasks in clarifying the global common good are addressing poverty and inequality and promoting inclusion. This is a call to all persons and institutions, including financial institutions, and much remains to be done. We are facing fragmentation and paralysis of politics (**Martin**),

and inequality is so high that something must be done to contrast it (**Bonnici**). Financial exclusion is a part of the bigger problem of inequality (**Felice**).

The practical proposal of a solidarity contribution suggested by **Bonnici**, was also appreciated and discussed. Solidarity taxation is actually foreseen in different religious traditions; and solidarity contributions may be allocated to job creation, especially for unemployed youth (**Martin**). Moreover, the aforementioned notion of dynamic solidarity, developed in the May 2014 Centesimus Annus Foundation Seminar includes a proposal which improves on Piketty's views: it explicitly incorporates an intergenerational perspective (**Pammolli**).

Finance needs to rediscover its mission, and explore how to perform it (**Rossi di Montelera**). Concerning the recent past, there are broken relationships to be mended: the economic relationship between finance and the real provision of goods and services so that finance can serve productive investment; the social relationship between households/public opinion and banks – so that trust can be rebuilt; and, at the cultural level, the broken relationship between the present and the future. Reconnecting the economy, society and culture is part of a process addressing power asymmetries and complexity; and fostering inclusion – especially of the poor and the young (**Beretta**).

The common good is about re-building trust in society, humanizing the economy, placing the human family before national interests (**Ridpath**). It requires leaders with a long term perspective anchored in religion (**Garonna**). In managing financial institutions for the common good, sensitivity to clients and virtuous leadership are key, as technical expertise is not everything and humility is required (**Zahra**).

On global governance issues

Pursuing the global common good requires appropriate institutions and processes.

As the structure of civil society is a 'poli-archy', the common good is an intrinsically 'plural' notion, where each institution is called to contribute. Take markets as an example: they will never be perfect institutions, but they can be made more inclusive by day to day action. As to regulations, we need to address who is the ruler and who controls the ruler in a 'stateless' society (**Felice**).

In thinking about "global" authorities, it is useful to consider that the existing international structures are mainly focused on preserving national interests. So countries may shift to regional approaches when the multilateral perspectives become too attractive as in the case of WTO. Moreover, countries tend to take action for emergencies only if they represent a threat to their security or national interests as in the case of Ebola; or in the application of the 'responsibility to protect'. At the same time, there is also an effective emerging "global" public opinion, which at times succeeds in bringing about change, as in the case of the Mine Ban Treaty, accepted and opened for signature in 1997, under significant pressures from global public opinion (**Martin**).

No solution for global (and even European) governance will be found in an unchanging picture. We need to engage in a dynamic approach; but where there is no trust, there will be no positive dynamic. No society can function without generosity and fraternity (**Pastor**). In other words, pursuing the common good is a matter of activating processes, as "time is greater than space", as in *Evangelii gaudium* #222 (**Beretta**).

D - Cautious Lending and Service to Customer

D1. Finance at the Service of the People

While reform efforts are continuing and should be maintained and reinforced, we believe that something important is missing or largely neglected i.e. the focus on the ethics of finance, so that finance can truly be at the service of people. This lack of focus should be corrected by strengthening and rebuilding the ethical foundations of finance and promoting an ethical recapitalization of the industry, the institutional environment and the players and stakeholders of finance.

This needs to be done first of all by considering that change is with us and financial needs are changing. Family models are transformed: single families prevail and young people tend to live alone; territorial mobility and occupational mobility is increasing; new communities are developing, including virtual communities for the young. In this scenario, even the bank tends to become not a location but a package of services.

To deal with these changes, ten critical elements are needed for the rebuilding of ethical capital. They include: knowing the basic financial needs of people (including new customers such as the poor and the virtual communities of the young); promoting financial inclusion and equal opportunities; encouraging financial education; investing in human capital and training; exploiting new technologies; improving and diversifying distribution channels; making consumer protection legislation and all relevant institutions more effective; eradicating fraud, corruption, abuses and malpractice; developing independent, objective and responsible financial institutions; and finally, enhancing universal ethical standards for global finance. With this in mind, inter-religious dialogue on finance and financial ecumenism should be promoted; the universal Catholic Church has a unique and fundamental role to play in forming the leaders of tomorrow (**Garonna**).

D2. Customers' interest and information

Poverty of ideas as well as vacuous morality in addressing ethical issues are part of the explanation why traders fail to take these issues seriously. To substantiate what Sustainable Finance could mean, one should mention:

1. a movement for socially and environmentally aware financial practices;
2. a focus on reducing information asymmetries between institutions and customers;
3. a recognition that 'regulatory arbitrage' has been one of the largest sources of profits for the financial services industry and should be curbed;
4. the need to curb the influence of lobbyists for financial service firms; and
5. a focus on financial inclusion and consumer protection.

At the micro level, financial literacy is a serious issue; financial education is necessary, but probably this is not enough. Besides the persistence of different sorts of cognitive biases, there is also a question of moral formation. Furthermore there is the challenge to make credit reporting more transparent: much information by credit reporting agencies is erroneous, and financial literacy in itself does not equip customers to read 1200-page contracts, sometimes not easily available to them.

At the meso level, regulatory arbitrage also contributes to the socialisation of risk and should be curbed by aligning legal rules and regulations in a transnational and ultimately global context and putting a halt to the toxic 'race to the bottom' in financial centres (tax havens, though destructive, pale in comparison). The financial services lobby, particularly in the UK and USA, has been very proactive in curbing meaningful reform. Moreover, most Anglophone regulatory re-

gimes have a bifurcated structure, where qualified, accredited, or registered investors are exempt from consumer protection laws. When essentially retail investors (with large stock portfolios or IRAs) are induced to accredit themselves, they end up being mis-sold a range of products, including toxic derivatives, with tragic consequences for the real economy. But, since this trading is more lucrative than retail activities, financial institutions have been abandoning the retail space as too expensive and thus jeopardize financial inclusion, which is a key criterion of success. Though microfinance and peer-to-peer lending can be very effective, they can also be predatory and need international standards (**Coffman**).

D3. Ethics in finance: the Post-crisis Challenge

The post-crisis ethical challenge may be introduced by a quote from Aristotle: "We are what we repeatedly do. Excellence, therefore, is not an act, but a habit". A habit not easily acquired, as it requires both upbringing and perseverance. The financial industry has lost its reputation, but malpractices – which unfortunately are still with us – are less and less tolerated. Transforming ethical assertion into action is the big challenge, as trust is the main 'good' in finance. Ethics goes beyond regulation – actions may be unethical even when they are not illegal. The board and management are the first people responsible for ethical behaviour where transparency, integrity and prudence are key, and corporate governance has to go further than internal controls and compliance.

Supervisors are there as a safeguard; the Supervisory Review and Evaluation Process should consider not just capital and liquidity ratios, but also how sustainable is the business model, and the quality of corporate governance (overall internal framework, corporate risk and culture, the functioning of the management body, remuneration practices, risk management and internal control, information system, recovery planning arrangements). At the industry level, diversity

– including a wider range of firms and business models – is valuable, as it is a customer-centric approach. In fact, the financial industry's function is to help companies and people to implement their projects and so contribute to social development. Ethical business is not contrary to profitability given it is an investment in clients' confidence (**Gonzalez Páramo)**.

Discussion – Section D

Facing the post-crisis ethical challenge

Non-negotiable elements of a desirable social model include: the priority of labour, entrepreneurship, a welfare of opportunities and responsibilities, quality consumption (as opposed to consumerism), and supporting family for intergenerational development (**Marseguerra**). We need to move from "transaction finance" based on anonymous trading, to finance based on relations and partnership over time; in other words, to move from narrow short term efficiency to long term productivity (**Dembinski**).

In practical terms, we need finance to promote inclusion and address long-term unemployment (**Vanni d'Archirafi**). Identifying and implementing new forms of financing innovation and innovative projects (such as start-ups) is a short term priority (**Tiliacos**).

A complementary line of action focuses on the behaviour of households: promoting savings (**Zahra**); even 'forcing' people to save enough (**Pammolli**). More importantly, we need to highlight the importance of the family as the most significant environment where culture, belief, and the attitudes of individuals are formed (**Zahra**).

In terms of culture and motivations, one 'meso' issue to be addressed is contributing through life long education to professional culture in business, and to public policy culture in governments – so that 'structures for the common good' can prevail, thus correcting existing wicked structures (**Dembin-**

ski). Trust and generosity including fraternity are needed for societies to function (**Pastor**). Heeding the call to personal holiness is a condition for finding just structural solutions (**Fieler**).

Conclusions and recommendations

The final discussion elaborated a possible list of conclusions and recommendations concerning ethics in finance and financial reform aimed at the common good. They were based on a list of key-words emerging from the discussion that had already been summarized in previous sessions. Discussing the list of conclusions and recommendations initially proposed by the Chairman Sugranyes, led to the unanimously agreed "Dublin Proposals on Finance and the Common Good" **which** the reader can consult.

The discussion also elaborated on the specific role of this group, described as a forum where it is possible to initiate processes (**Ceyssens**); a group which is not a lobby – as it has no special interests to defend, but wants to serve truth (**Sugranyes**) and to improve the knowledge of CSD (**Gattamelata**). The conclusions formulated by the group should address not just the Catholic community, but business people and bankers at large who have a missionary approach (**Zahra**). The aim is to work together as an independent, ethically minded group engaged in seeking and testing the principles of Catholic social teaching and pursuing inclusion and social justice (**Martin**).

PARTICIPANTS

Beretta Prof. Simona, Università Cattolica Sacro Cuore

Bonnici Prof. Josef, Governor Central Bank of Malta

Ceyssens Dr. Jan, Member of Cabinet, Cabinet of Vice President E.U. Commission M. Barnier

Coffman Dr. D'Maris, University of Cambridge

Costa Prof. Antonio Maria, FCAPP Scientific Committee

Dembinski Prof. Paul, FCAPP Scientific Committee

Estanislao Prof. Jesus, University of Asia & The Pacific, Manila

Felice Prof. Flavio, Pontificia Università Lateranense

Fieler Dr. Sean, Equinox Partners LP New York

Garonna Prof. Paolo, FCAPP Scientific Committee

Gattamelata Dr. Massimo – Secretay General FCAPP

Gonzalez-Páramo Prof. José Manuel, BBVA Board Member

Marseguerra Prof. Giovanni, Università Cattolica Sacro Cuore

Martin H.E. Msgr. Diarmuid, Archbishop of Dublin

Pammolli Prof. Fabio, Institutions Markets Technologies Lucca

Pastor Prof. Alfredo, FCAPP Scientific Committee

Pujos Dr. Antonin, Secretary General Zermatt Summit Foundation, Switzerland

Ridpath Mrs. Barbara, Director St Paul's Institute

Rossi Di Montelera Dr. Cte Lorenzo, FCAPP Board member

Schulte Dr. Markus, Cabinet Member of Vice-President E.U. Commission G. Oettinger, FCAPP German member

Sugranyes Dr. Domingo, President FCAPP Board

Tiliacos Dr. Eutimio, CAPP Foundation

Vanni d'Archirafi Dr. Francesco, CEO Citibank Holdings Inc.

Zahra Dr. Joseph F.X., FCAPP Board member

Consultazione Internazionale

24-25 ottobre 2014 – Dublino

SINTESI DELLA DISCUSSIONE

Simona Beretta

A - Il ruolo dell'etica

I partecipanti si sono riuniti a Dublino – una città fortemente trasformata dal settore finanziario – per un Seminario su *Finanza e bene comune*, assumendo l'impegno di un dialogo tra riflessione teologica e pratica, al fine di favorire la cura del sociale. Monsignor Martin ha chiarito il focus del seminario come segue: come possiamo collocare nel migliore dei modi le persone, create a immagine di Dio, al centro della nostra visione dell'economia e della società? La povertà non è data semplicemente dalla mancanza di risorse materiali, ma anche dall'impossibilità delle persone di realizzare il potenziale che è stato loro donato da Dio.

A1. La lettura dei fatti

Il seminario di Dublino è parte di quel dialogo in corso d'opera tra economia ed etica, così importante nel mondo di oggi, dove la riflessione teologica può dare un importante contributo. L'amore è l'essenza della vita cristiana, proprio perché Dio ci ha amati per primo. Il comandamento dell'amore del prossimo, fondato sull'amore che in primis Dio ha dimostrato per noi, esprime chiaramente una responsabilità per i singoli cristiani, ma evidenzia anche una responsabilità comune, dal momento che la pratica caritatevole è il segno distintivo di ogni espressione della vita della Chiesa. Inoltre, ci si dovrebbe chiedere: può la carità essere organizzata e

diventare un servizio ordinato alla comunità nel mondo di oggi? L'amore non è un elemento addizionale, costituito dal lavoro svolto dalle organizzazioni che abitualmente fanno beneficenza. In tutte le professioni, la competenza è un requisito fondamentale, ma non è di per sé sufficiente. Abbiamo a che fare con gli esseri umani, e gli esseri umani necessitano sempre di qualcosa che vada oltre la cura meramente tecnica: chiedono umanità. Hanno bisogno dell'attenzione del cuore.

La sfida di organizzare la solidarietà consiste nel fatto che deve avvenire entro le realtà concrete del mondo. Bisogna tentare di individuare la gestione ottimale dei vari elementi, all'interno di quella realtà, tenendo conto della dinamica dei nostri tempi; si deve sviluppare un quadro in cui al lavoro umano sia riconosciuta la priorità. Ciò è particolarmente importante nei paesi europei in cui i livelli di disoccupazione giovanile sono estremamente alti.

Affinché sia al servizio della persona umana, l'attività economica richiede un quadro sia etico sia giuridico. In particolare, il mercato può funzionare solo in un quadro etico di fiducia. Tale quadro etico deve essere consolidato in norme giuridiche che garantiscono l'equità, la concorrenza e la trasparenza. Il quadro giuridico deve inoltre assicurare che la libertà economica sia collocata all'interno di un più ampio sistema di valori umani fondamentali, che certi "beni collettivi" (CA, #40) – tra i quali i diritti dei lavoratori – siano protetti, e che alcuni bisogni umani fondamentali che "non hanno accesso al mercato" (#34) non siano ignorati. Ovunque lo stato di diritto non è rispettato, sono sempre i poveri a pagare il prezzo più alto.

Dal momento che Dio ha creato l'umanità come una famiglia, la globalizzazione sarà degna di questo nome, se consente di aumentare l'unità della famiglia umana. Ogni forma di globalizzazione che genera esclusione, emarginazione, instabilità, indifferenza e crassa disuguaglianza non ha diritto di chiamarsi globale. Il successo di un sistema economico si

misura innanzitutto dalla sua capacità di creare inclusione. Dunque, quali sono le implicazioni nel mondo finanziario della centralità della persona? (**Martin**).

A2. Dilemmi etici affrontati dagli operatori dei servizi finanziari

Adam Smith presume che ciascun partecipante allo scambio di mercato porti con sé, nella transazione, non solo il proprio interesse individuale, rigorosamente definito, ma tutto il proprio retroterra etico e morale. Sembra che l'abbiamo dimenticato; eppure tutti sappiamo, come individui, che non c'è nulla di più solitario e privo di senso di una vita vissuta solo per se stessi. Ognuno di noi vorrebbe sentirsi stimato e rispettato, e avvertire che stiamo offrendo un contributo. Mentre alcuni per realizzarsi si accontentano 'solo di un lavoro', molti di noi pensano in termini di carriera e di vocazione, anche per definire se stessi. Eppure, nella professione finanziaria si osserva una disumanizzazione del rapporto con i dipendenti: dagli anni Novanta, è prevalsa una mentalità tesa ad "assumere e licenziare" sulla base di risultati a breve termine e i programmi di formazione sono stati eliminati, dal momento che il personale non era più così 'fedele' (perché mai formare il personale per la concorrenza? direbbe il tipico datore di lavoro). A questo punto, i rapporti anonimi e meccanizzati sono divenuti dominanti e la disumanizzazione si è trasferita anche nei confronti dei clienti.

Abbiamo bisogno di reintrodurre l'idea persona all'interno delle società, ma nel contempo dovremmo anche mutare la nostra idea di società. Per un professionista motivato, supportato dalla famiglia, sorretto dalla fede e dalla comunità, è difficile il lavoro quotidiano, se gli viene chiesto di agire contro le sue convinzioni, in contrasto con la sua etica. Come si può essere giusti a casa e ingiusti sul lavoro; onesti con gli amici e disonesti con i colleghi o i clienti?

Nella ricerca del bene comune, in una società pluralistica e globalizzata, abbiamo bisogno di individuare un vocabolario accettato da coloro che professano altre fedi o anche nessuna fede, e senza che per questo perda il suo valore e il suo significato. Il vocabolario cristiano circa il bene comune, l'uguaglianza e l'onestà, che di per sé è molto forte, può correre il rischio di essere strumentalizzato dalle imprese per abbellire e nascondere il loro reale comportamento. Al contrario, qualora quel vocabolario venisse adottato in modo autentico, si manifesterebbe nei fatti: cambierebbero le relazioni con i dipendenti e con clienti, il trattamento del personale, nonché le relazioni con i fornitori e l'impatto ambientale. La sfida (CV, #45) è non solo di creare settori "etici" o segmenti dell'economia e della finanza, bensì garantire che l'intera economia – l'intera finanza – sia etica, non in virtù di una certificazione esterna, ma per il rispetto di esigenze intrinseche alla loro stessa natura. Il primo passo di questa sfida è ricordare che c'è sempre un essere umano, all'inizio e alla fine di ogni e ogni transazione (**Ridpath**).

A3. Le dimensioni della sussidiarietà nelle istituzioni finanziarie

Un aspetto della sussidiarietà in finanza rinvia alla dimensione ed al funzionamento delle istituzioni finanziarie, suggerendo dimensioni piccole, funzionamento decentrato, e relazioni personalizzate.

A tal proposito, vi è un rapporto ambivalente tra l'esigenza di combattere la disumanizzazione e la ri-regolamentazione del sistema finanziario. I regolatori hanno tentato di ridurre la fallibilità umana e di aumentare trasparenza e responsabilità (*accountability*), sistematizzando le procedure di sottoscrizione dei crediti ed esigendo una tracciabilità cartacea del tutto controllabile, volta a garantire la trasparenza e la correttezza di ogni sottoscrizione. Tuttavia, ciò ha favorito sistemi che spiazzano il giudizio umano, mentre la concentra-

zione finanziaria e la sottocapitalizzazione persistono. Mentre molti regolatori difendono una sistematizzazione aggressiva, come l'unico modo per gestire il settore bancario, sottocapitalizzato, concentrato e culturalmente scosso, dovremmo considerare anche soluzioni alternative, migliori nel lungo periodo. L'alternativa consiste nel ritorno ad un sistema bancario ben capitalizzato e decentrato che renda inutile il ricorso ad una pesante regolamentazione; una possibile soluzione potrebbe consistere nel consentire ad intermediari finanziari di modeste dimensioni in termini di patrimonio (a*ssetlight*) di eseguire un numero maggiore di funzioni bancarie, come, ad esempio, i sistemi di prestito "*peer to peer*". Senza annotare prestiti e depositi sui propri bilanci, tali intermediari svolgono la funzione essenziale di sottoscrizione in un modo molto umano. Soluzioni decentralizzate sono suscettibili di essere vigorosamente contrastate dalle grandi banche sottocapitalizzate che dominano l'attuale sistema bancario e influenzano pesantemente le autorità di regolamentazione; tuttavia, possono essere viste come una realizzazione pratica del principio di sussidiarietà (**Fieler**).

Un ulteriore aspetto della sussidiarietà che meriterebbe una maggiore attenzione riguarda le strutture di governance nelle istituzioni finanziarie, dal momento che molti casi di *governance* inadeguata hanno contribuito a generare la crisi finanziaria e ad aggravarla.

Dobbiamo sottolineare il ruolo fondamentale della sussidiarietà nella *governance* interna ed esterna degli istituti finanziari, per il corretto funzionamento di queste istituzioni. Responsabilità, trasparenza, equità sono alcune delle principali caratteristiche che andrebbero prese in considerazione per una buona governance. Una caratteristica altrettanto importante per una buona governance, sebbene meno enfatizzata, è la capacità di includere ogni stakeholder e farlo sentire parte integrante di una porzione importante della missione dell'istituzione. La sussidiarietà nella *governance* può produrre un effetto tangibile in due dimensioni diverse, benché

complementari. La prima dimensione è interna all'istituzione e si riferisce alla capacità di promuovere le persone coinvolte nel funzionamento dell'istituzione finanziaria: la persona non è uno strumento per un fine, piuttosto, è un valore in sé, che deriva dalla sua libertà. La seconda dimensione della sussidiarietà è esterna, e riguarda le relazioni dell'istituzione con il mondo la circonda.

Mentre adeguate strutture organizzative, politiche e altri controlli possono contribuire a promuovere una buona *corporate governance*, in alcun modo queste possono garantirla. Un'efficace *corporate governance* è il risultato sia di elementi strutturali "hard" sia di fattori comportamentali "soft", quest'ultimi rappresentati da persone addette – amministratori, dirigenti, dipendenti, ecc. – che svolgono fedelmente il loro dovere di cura dell'istituzione. La chiave consiste, quindi, nel creare nell'organizzazione un'atmosfera che promuova persone competenti, che abbiano una chiara consapevolezza del loro ruolo e vi si dedichino con forte impegno (**Marseguerra**).

A4. Una educazione finanziaria alternativa

Di conseguenza, l'istruzione è fondamentale. Professionisti del campo economico e finanziario possono e devono essere uomini e donne con una visione: In che modo l'educazione di economisti e di dirigenti finanziari potrà contribuire affinché ciò accada? Abbiamo sostanzialmente bisogno di ripensare il paradigma di insegnamento delle discipline economico-finanziarie – che tende ad essere scientista ("invidioso della Fisica") e a-storico. Il modello dominante, individualista e meramente utilitaristico, oltre ad avere un potere prescrittivo, ha (soprattutto in finanza) anche un potere *performativo.* Abbiamo bisogno di mettere in discussione l'affermazione che il paradigma sia puramente positivo e di impegnarci in una prospettiva interdisciplinare che consenta un approfondito dibattito epistemologico.

Il modo in cui procedere include un equilibrio tra un'educazione conservatrice e, nel contempo, di rottura, che prevede sia la trasmissione delle conoscenze esistenti sia la messa a disposizione degli strumenti critici che promuovano azioni innovative. Questo equilibrio richiede una prospettiva multidisciplinare, basata sull'etica, che poi è la chiave per far emergere la forza trainante fondamentale delle azioni umane, che gli studenti hanno bisogno di scoprire in se stessi per diventare professionisti creativi.

Gravi ostacoli permangono nel perseguire questo percorso formativo, sia nel mondo accademico e nel mondo imprenditoriale; richiede cooperazione e alleanze (per esempio la rete IFCU). Ciò non toglie che si possa trovare profonda ispirazione nella ricca tradizione del cristianesimo: nella tradizione benedettina (*ora et labora*), nella chiamata di Sant'Ignazio al discernimento, nella tradizione francescana di cura per gli esclusi (**Dembinski**).

Discussione – Sezione A

Il banking decentralizzato

Una volta riconosciuto l'interesse per il settore bancario decentralizzato e per la finanza *peer to peer*, restano da analizzare gli aspetti negativi. Il prestito dovrebbe essere basato su un sistema di prestito decentrato e regolato (**Gonzalez Páramo**); si dovrebbe considerare l'ambivalenza del *banking* decentrato, che oscilla tra sussidiarietà e possibile perdita del controllo. In particolare, se la regolamentazione è leggera, allora il sistema giudiziario deve essere molto efficace nel risolvere le controversie (**Rossi di Montelera**).

Le linee desiderabili di azione potrebbero essere: elevare gli standard di protezione dei consumatori; rendere semplici le informazioni disponibili; fornire consulenza indipendente ai consumatori in cui l'elemento umano sia fondamentale; e migliorare gli standard di prestito (**Ceyssens**).

Metodo quantitativo versus metodo qualitativo nella valutazione finanziaria

Come i buoni creditori devono trovare un equilibrio tra modelli automatici di valutazione e valutazione umana, i buoni i regolatori hanno bisogno di equilibrare regole formali e giudizio umano – compreso il discernimento per cogliere le diverse prospettive regolamentari da adottare per le grandi e le piccole banche (**Ceyssens**). Nonostante sia del tutto possibile osservare una forte correlazione tra il *credit scoring* e i risultati del prestito, un sistema finanziario al servizio delle persone dovrebbe preoccuparsi dei processi e non solo dei risultati; in una transazione umanizzata si crea un rapporto, che potrebbe rivelarsi importante nel fornire avvisaglie dei problemi mana mano che potrebbero emergere (**Coffman**). Regole e giudizi umani sono entrambi necessari per una buona regolazione. La crisi ha chiaramente indicato quanto sia importante nella gestione del rischio utilizzare un insieme di tecniche qualitative e quantitative. Ciò che è richiesto oggi è un rischio manageriale "responsabile" – e responsabilità è una parola che si riferisce agli esseri umani, non a macchine o ad algoritmi; è una parola strettamente collegata alla sussidiarietà (**Marseguerra**).

L'educazione finanziaria

A partire dagli studi universitari di primo livello, dovremmo offrire un programma multidisciplinare di studi su impresa e finanza non eccessivamente specializzato e frammentato (**Coffman**). C'è un *trade-off* tra competenza tecnica, specialistica e frammentaria da un lato, e prospettiva generale dall'altro. Una migliore comprensione qualitativa consente di migliorare gli approcci quantitativi anche nella ricerca e nell'istruzione (**Pammolli**).

Poiché le strategie educative della scuola rispondono anche alle aspettative del settore imprenditoriale (**Sugranyes**),

siamo chiamati ad affrontare il vuoto culturale delle imprese, che sono prevalentemente concentrate sui rendimenti finanziari (**Pujos**). Investire nell'istruzione include il fornire le metacompetenze necessarie al fine di armonizzare il cambiamento tecnologico, e aiutare alla comprensione del testo e del contesto – un insegnamento di qualità, che educhi i giovani e gli adulti alla comprensione e alla conoscenza (**Marseguerra**).

I media sono fondamentali nell'affrontare il vuoto culturale espresso da atteggiamenti autoreferenziali sia del mondo accademico e sia delle imprese. Una prospettiva globale sull'istruzione implica educazione degli educatori in una comunità spirituale viva. Attività accademiche innovative e iniziative mediatiche possono essere molto efficaci nel formare gli ideali e le aspettative delle persone che operano nella finanza, dei loro clienti e dei professionisti, e nel cambiare la cultura delle imprese (**Zahra**). Inoltre, esse sono necessarie per attrarre i giovani motivati a diventare una 'nuova generazione' di professionisti della finanza e degli affari, con competenze tecniche e con motivazioni intrinseche, aperti ai bisogni della famiglia umana, nel nostro mondo in rapido cambiamento (**Sugranyes**).

B - Affrontare l'urbanizzazione globale e la povertà

B1. Un quadro per affrontare l'urbanizzazione globale e la povertà

Abbiamo due scelte politiche fondamentali di fronte ai "mega-problemi" globali quali l'urbanizzazione e la povertà: o assumiamo approcci dall'alto (a livello della comunità internazionale e degli Stati-nazione); oppure evidenziamo approcci dal basso (a livello delle comunità locali, per spostarsi gradualmente verso l'alto, fino a giungere alle entità più grandi). Questi approcci sono complementari; anzi, operando affinché si rinforzino l'un l'altro, accresciamo significativamente la nostra possibilità di raggiungere risultati migliori più rapidamente.

L'approccio *top-down* richiede una forte ed efficace autorità centrale, impegnata in politiche macroeconomiche ragionevoli e collegata alla comunità internazionale, che nel contempo promuova la coesione interna attraverso la promozione di azioni orientate all'equità sociale. Gli approcci alternativi al *top-down* sono la sussidiarietà e il decentramento. Si tratta di un percorso molto più lungo e spesso più impegnativo; tuttavia resta l'unica via percorribile per i paesi con governi deboli e corrotti. Uno sviluppo di base a livello della comunità locale, per una corretta *governance*, richiede un certo 'equipaggiamento' e il miglioramento dell'azione di governo dell'unità politica ed amministrativa che è posta al livello più basso. Tuttavia, sussidiarietà e decentramento hanno bisogno di una spina dorsale forte. È questo il livello nel quale gli strumenti dello "stato" possono svolgere un ruolo importante: in alcuni paesi, anche i "militari" possono svolgere il ruolo nella costruzione della pace.

Le esigenze di un tale processo di "costruzione" sono enormi, in quanto si richiede il coinvolgimento dell'"intera comunità", ossia, una coalizione attiva composta da agenti sociali ed economici, presenti in ogni comunità (comprese le istituzioni, le imprese e le ONG), per il "bene comune" della comunità stessa, includendo l'orientamento al "valore condiviso", all'interno di ogni programma della comunità locale. Strategicamente, i membri della coalizione dovrebbero andare oltre la mera prospettiva finanziaria e monetaria (di bilancio), includendo la prospettiva etica, la responsabilità sociale e la nozione di sostenibilità in tutte le loro attività.

In breve, una buona cultura di governo richiede competenza, impegno, professionalità e "*pietas*" o amore per la comunità. A livello macrosociale, economico e politico, la cultura di governo esige il rispetto della dignità personale; la cura e il contributo al bene comune, sussidiarietà e solidarietà. La sfida più grande è come fare in modo che entrambi gli approcci (*top down* e *bottom up*) si supportino e si rafforzino a vicenda (**Estanislao**).

B2. Portata del banking globale e collaborazione con i MDG delle Nazioni Unite

Il ruolo del settore finanziario nella prospettiva del bene comune è di essere al servizio di tutta l'economia, della società e del sistema politico. In pratica, gli istituti finanziari dimostrano il loro impegno per uno sviluppo inclusivo e sostenibile nella misura in cui individuano imprese emergenti e le preparano per operare sui mercati obbligazionari e dei capitali e facilitino l'organizzazione della accessibilità a risorse finanziarie, rese disponibili attraverso punti vendita e reti di sportelli diffusi ai quali gli individui, le piccole imprese e le organizzazioni possano avere accesso e partecipare in modo flessibile, relativamente sicuro e facile. Il settore bancario ha infatti la possibilità di svolgere un ruolo chiave nel condurre le famiglie e le comunità a basso reddito nel *mainstream* finanziaria, consentendo loro di partecipare pienamente all'economia globale. Non si tratta solo di un pio desiderio. La combinazione di tre grandi tendenze: globalizzazione, urbanizzazione e digitalizzazione, fornisce un importante incentivo affinché le banche mobilitino le loro risorse, il loro *know-how* e la loro capacità di essere in relazione, per affrontare con decisione la questione dell'inclusione finanziaria.

Il ruolo cruciale del settore privato è quello di promuovere il progresso economico nelle comunità del mondo in cui operano, sostenendo in tal modo gli MDG (*Millennium Development Goals*) e gli SDG (*Sustainable Development Goals*) post-2015 delle Nazioni Unite, sostenendo la crescita, la creazione di posti di lavoro e la creazione di imprese. Ogni banca, al di là delle dimensioni, ha un impatto effettivo sul grado di inclusione finanziaria, specialmente quando operano in partenariato con altri agenti.

Ci sono tre aree chiave in cui le banche possono fare la differenza per promuovere l'inclusione finanziaria. La prima è la microfinanza, in particolare nelle comunità a basso reddito, con bassa densità di infrastrutture bancarie, dove i più

poveri non hanno accesso al credito regolare. La seconda è data dalla diffusione della telefonia cellulare e la conseguente diffusione dei pagamenti digitali; oltre a essere un potente strumento per combattere l'esclusione finanziaria, i pagamenti digitali sembrano rafforzare e ampliare una rete assicurativa informale tra le famiglie povere. La terza area consiste nella digitalizzazione della catena dell'offerta: alcune grandi aziende si stanno impegnando nell'investimento etico e sostenibile ("*impact sourcing*"); altri stanno esplorando nuovi percorsi per ampliare i loro canali di distribuzione, al fine di garantire la partecipazione dei poveri delle aree urbane e rurali.

Grandi istituzioni finanziarie sono attivamente impegnate nella microfinanza, nella *mobile money*, e nella digitalizzazione della catena dell'offerta, anche nelle comunità più bisognose. Ad ogni modo, tutto ciò non è filantropia; è un buon affare e un investimento produttivo nelle comunità in cui operano. Il loro successo finanziario a lungo termine consiste nel fornire ciò di cui i loro clienti hanno bisogno (**Vanni d'Archirafi**).

B3. Lotta contro la criminalità finanziaria

Accanto al coinvolgimento virtuoso di grandi istituzioni finanziarie nella promozione della crescita economica e nell'inclusione finanziaria per lo sviluppo umano, parte dello scenario sono anche le pratiche scorrette delle banche; di solito, simili cadute etiche tendono a non essere sanzionate dal sistema politico. Tra le condizioni che facilitano livelli di profitti finanziari immoralmente elevati, dovrebbero esserne menzionate almeno tre: l'esistenza di monete internazionali "*fiat*", l'indipendenza delle banche centrali (dalla società), e la deregolamentazione finanziaria. Queste condizioni hanno forgiato un legame pericoloso tra le banche commerciali e quelle centrali; l'enorme espansione dei bilanci delle banche ha reso i mercati finanziari dipendenti oltre misura dal sostegno delle banche centrali. Sebbene sia vero che una migliore

regolamentazione necessita azioni etiche per migliorare realmente l'affidabilità del sistema finanziario, sono necessaire alcune linee di azione per sfidare la persistenza di un mercato finanziario soggetto a crisi. Esse comprendono approcci *bottom-up* (da parte dell'opinione pubblica e dei media) e soluzioni *top-down* (da parte del legislatore, come ad esempio il contenimento regolamentare dell'arbitraggio, misure rafforzate di contrasto al riciclaggio di denaro e misure anti-corruzione) e anche misure internazionali, per aumentare la resilienza del sistema (rafforzamento della vigilanza prudenziale, miglioramento della collaborazione internazionale nelle azioni antiriciclaggio e nel perseguimento internazionale dei reati finanziari) (**Costa**).

Discussione – Sezione B

Top-down e la bottom-up governance

l'argomento ha generato un dibattito che ha attraversato diverse sessioni. I partecipanti hanno discusso su come realizzare una *governance bottom-up*, così spesso invocata ma non così spesso precisata (**Sugranyes**). Il processo di *governance* adottato nelle Filippine è stato descritto a titolo esemplificativo; comprende il coinvolgimento dei consigli comunali, l'identificazione di obiettivi comuni (esempio: creazione di posti di lavoro, modernizzazione della città, e così via) e il coinvolgimento attivo di diversi soggetti (esempio: i militari sono stati coinvolti in programmi educativi, le imprese private in materia di formazione professionale). Resta un problema di 'ricadute di *governance*': come far sì che decisioni etiche prese dall'alto abbiano ricadute sulla responsabilità e sulle prestazioni individuali? (**Estanislao**).

È stato osservato che la qualità delle istituzioni (dimensione *top-down*) sia la chiave per il successo dell'implementazione *bottom-up* (**Pammolli**). La via *bottom-up* al bene comune richiede l'edificazione di una società aperta, affermando la

centralità della persona, la quale non è suddita di alcuna istituzione – di conseguenza, una società inclusiva richiede mercati inclusivi; ossia, necessita istituzioni inclusive che danno vita a mercati inclusivi, tipici di una società aperta (**Felice**).

Ulteriori riflessioni sulla dinamica *top-down/bottom up*: i macro sistemi possono essere riformati solo rafforzando le micro particelle elementari: le imprese, le organizzazioni della società civile, il governo locale. Ciò richiede il coinvolgimento delle famiglie, delle scuole e, in ultima analisi, di persone motivate. I sistemi di *governance* devono affrontare seriamente la questione fondamentale di come armonizzare dignità personale e organizzazione professionale, promuovendo l'ordine (l'affidabilità e la responsabilità etica). Questa è la chiave per affrontare tre sfide globali: l'inverno demografico, la tutela dell'ambiente, la promozione della partecipazione. Inoltre, è necessario rivedere la mentalità e la cultura di cosa significhi "interesse nazionale", nella prospettiva dell'inclusione dell'intera famiglia umana (**Estanislao**).

Promuovere la piccola crescita locale

La discussione ha evidenziato le sfide per sostenere la crescita imprenditoriale. Mentre le banche per lo sviluppo possono svolgere un ruolo, è difficile superare l'indifferenza diffusa delle banche nei confronti dell'erogazione di prestiti alla PMI. In caso dei finanziamenti recenti della BCE, mirati a stimolare i prestiti alle PMI, si deve riconoscere tanto la frammentazione del mercato finanziario, quanto lo scarso interesse da parte delle PMI per tale finanziamento (**Bonnici**). Il diffuso disinteresse delle banche soprattutto per le microimprese andrebbe corretto in modo speciale. Questa particolare tipologia di imprese rappresenta il 50% delle imprese e copre il 30% dell'occupazione in Europa, benché il sistema bancario si approcci ad esse come se fossero famiglie, relegandole nell'ambito delle attività bancarie al dettaglio (**Dembinski**). Al fine di migliorare il processo di valutazione del

merito delle Piccole e Medie Imprese, per l'affidamento del credito, sono molto importanti robuste radici locali, come ha mostrato la positiva esperienza del sistema bancario cooperativo in Europa (**Marseguerra**). Purtroppo, trattenere a livello locale personale di alta qualità e con una profonda conoscenza del territorio può essere problematico, dal momento che istituzioni più grandi e più centrali possono offrire salari e condizioni migliori (**Coffman**). La guida della finanza da parte della società, nonostante possa apparire attraente, è probabile che presenti altri rischi, come ad esempio l'inefficienza e le interferenze politiche (**Sugranyes**).

Come può la finanza servire l'inclusione e lo sviluppo

La micro finanza, con circa 50 mld di dollari di finanziamento in essere, è un buon esempio di come la finanza può aiutare a combattere la povertà (**Rossi di Montelera**); al contempo, le istituzioni finanziarie moderne possono contribuire ad evitare il rischio di usura (**González Páramo**).

La discussione ha evidenziato come, nella finanza, il progresso tecnologico possa invero essere abilitante proprio per le persone più svantaggiate, benché presenti anche alcuni aspetti problematici che potrebbero ostacolare l'inclusione (**Fieler**). In linea di principio, la diversità delle istituzioni finanziarie e la varietà di compiti svolti dalle differenti istituzioni possono rappresentare elementi positivi; lo sviluppo di un settore bancario digitalizzato informale può essere interessante, ma potrebbe anche alimentare le prossime crisi (contro cui sarebbe difficile reagire, come nel caso Bitcoin) (**Gonzalez Páramo**).

Come combattere la corruzione e la criminalità

Durante le discussioni è stato sottolineato che la corruzione è essenzialmente nemica dei poveri, mentre il *rule of law* è la chiave per l'inclusione e la giustizia (**Estanislao**). Da un

lato, l'azione istituzionale per la lotta contro la criminalità deve essere riconosciuta e sostenuta all'interno della Chiesa (**Sugranyes**), dall'altro, bisognerebbe considerare il fatto che le sanzioni non eliminano le azioni illegali, che avvengono nonostante le multe, qualora i benefici attesi dai comportamenti illeciti superino l'ammontare del pagamento previsto della multa (**Costa**).

Un problema serio consiste anche nel modo in cui intendiamo proteggere le persone che vogliono denunciare comportamenti illeciti (*whistleblowing*) (**Costa**). Il termine '*whistleblowing*' è stato riformulato in termini di protezione del diritto di non essere d'accordo (**Gonzalez Páramo**), di esprimere un disaccordo culturale (**Dembinski**), di esercitare il proprio giudizio quando ci si trova di fronte al malaffare (**Sugranyes)**.

Inoltre, è evidente che le politiche anti-crimine sono necessarie; tuttavia, il comportamento può non essere etico anche quando non comporta attività "criminali" (**Gonzalez Páramo**).

C - Rischio sistemico, regolazione e vigilanza

C1. Chi deve sopportare il costo della riduzione del debito?

Una delle eredità della crisi attuale è l'ammontare del debito privato, che lentamente diventa debito pubblico. Esso, oltre a contribuire alla fragilità finanziaria, è un serio ostacolo alla crescita e all'occupazione. La questione dovrebbe essere affrontata seriamente nel dibattito pubblico, dal momento che un alto livello del debito aumenta la vulnerabilità delle famiglie, delle imprese e delle istituzioni finanziarie di fronte a possibili shock. Quindi la riduzione del debito è una priorità, sebbene richieda alti costi per essere implementata. Gli accordi finanziari in vigore pongono l'intero onere della riduzione del debito sul mutuatario, limitando quindi gravemente la

crescita per lungo tempo. L'allocazione del peso della riduzione dell'indebitamento è una questione chiave e il criterio principale per la ripartizione degli oneri deve essere quello di garantire una crescita adeguata, che potrà poi sostenere un'ulteriore riduzione del debito. Nell'UE in particolare, alleggerire il debito per famiglie e imprese contribuirebbe a sostenere la crescita; questa disposizione ovviamente ha ripercussioni sulle banche, e, alla fine, richiede finanziamenti pubblici. Gli incentivi per sostenere la riduzione del debito per la crescita sono deboli al momento; ma sono necessari degli sforzi per garantire che, in futuro, i contratti di debito siano meno asimmetrici. Tra le proposte in discussione vi sono: il rafforzamento della regolamentazione (in modo che i contratti di debito diventino meno asimmetrici); la previsione di trasferimenti fiscali all'interno dei Paesi UE con meccanismi di responsabilità; una migliore informazione dell'opinione pubblica (spesso fuorviata a confondere i problemi fiscali come fossero causa, e non conseguenza, della crisi finanziaria); e, infine, l'educazione delle famiglie a una sana gestione del rischio (perché la vita non è priva di rischi!) e alla sottoscrizione di un indebitamento prudente (**Pastor**).

C2. Una lettura della storia recente: approcci americani ed europei

Durante il periodo successivo alla crisi, la riduzione del debito e la ri-regolamentazione sono stati gli approcci prevalenti sia in ambito UE che negli Stati Uniti; ma quando la crisi finanziaria si è trasformata in crisi del debito sovrano dell'Eurozona, le performance relative dell'UE e degli USA si sono trovate a divergere. Per quanto riguarda le cause alla base della divergenza, la politica macroeconomica (con la contrapposizione fra politiche orientate all'austerità e politiche orientate alla crescita) sembra aver avuto un ruolo minore rispetto a spiegazioni più strutturali (demografia inclusa). Mentre la comunicazione delle decisioni di politica macroeco-

nomica ha registrato notevoli differenze tra le due sponde dell'Atlantico, la sostanza delle azioni di politica macroeconomica è stata abbastanza simile.

Poiché le politiche finanziarie e monetarie, la rete dei prestiti e dei crediti internazionali, la posizione delle partite correnti e le dinamiche dei tassi di cambio sono strettamente interconnesse, non c'è nessuna soluzione "ottimale" pronta per essere imitata. Piuttosto, abbiamo bisogno di capire meglio i canali di trasmissione inter-settoriali e internazionali delle politiche interne di grandi paesi come gli Stati Uniti e l'UE, attraverso il monitoraggio della struttura delle reti finanziarie, internazionali e inter-istituzionali. La linea di fondo è che nessuna soluzione "strettamente finanziaria" delle crisi finanziarie è praticabile.

Anche il processo di ri-regolamentazione post-crisi ha seguito tendenze simili negli USA e nella UE, ma le sottili differenze nei dettagli normativi tra i vari Paesi consentono ancora arbitraggi e aggiramenti della regolamentazione, a beneficio delle grandi istituzioni finanziarie rispetto alla finanza 'integrata' nel tessuto locale. Un'altra tendenza comune è stata l'aumento delle diseguaglianze, specialmente di quelle interne a uno stesso paese (con un chiaro divario Nord-Sud nell'Eurozona), dovuto anche alla concentrazione asimmetrica dei costi dell'aggiustamento finanziario sul partner più debole (in genere il debitore). Pertanto, potrebbero essere esplorate altre procedure di riduzione del debito, più favorevoli verso il debitore. In tutti i casi, la diseguaglianza è destinata a persistere e ad alimentare un circolo vizioso di emarginazione e di esclusione, aumentando ulteriormente il rischio sistemico. Questo problema urgente deve essere affrontato con un approccio teso "all'investimento" che conduca ad affrontare una questione cruciale e largamente disattesa nei cosiddetti paesi avanzati: quella della riforma della finanza; in particolare, di come la finanza possa contribuire a fornire una crescita inclusiva, anche in una prospettiva intergenerazionale e internazionale (**Beretta**).

C3. Regolamentazione dell'utilizzo del leverage finanziario, limitazione dei livelli di rischio di credito e di redditività delle istituzioni bancarie

Per quanto riguarda la regolamentazione finanziaria e le performance sistemica, si deve notare come le banche svolgano un ruolo fondamentale nelle comunità in cui operano: da un lato, un credito ampio ed elargito a prezzi ragionevoli è fondamentale per la crescita economica; dall'altro, i depositi sono investimenti essenziali per le famiglie. La deregolamentazione finanziaria ha indebolito il legame virtuoso tra le banche e le comunità, dal momento che le istituzioni speculative si sono concentrate sulla massimizzazione del rendimento a breve termine per gli azionisti. In fase di contrazione, le perdite sono state allo stesso modo amplificate in base al grado di indebitamento; la crisi del debito sovrano e i problemi delle banche si sono alimentati a vicenda in un circuito di *feedback* negativi che si è diffuso da una nazione all'altra.

La revisione fondamentale del quadro di regolamentazione e di vigilanza del settore finanziario nel periodo post-crisi ha abbracciato nuovi ambiziosi standard per limitare l'eccessiva assunzione di rischi e aumentare la capacità di resilienza del settore bancario. Riconoscendo la natura globale del sistema finanziario, le riforme sono state coordinate in modo appunto globale, nell'ambito del G20. Una parte significativa del programma di riforma europea ha pertanto riguardato l'attuazione degli impegni del G20, comprese le misure per limitare i *bonus* dei banchieri e aumentare l'ammontare dei fondi che le banche detengono come riserve. L'istituzione del Meccanismo unico di vigilanza (SSM) alla fine del 2014 è un passo importante verso l'unione bancaria in Europa, nella prospettiva di istituire un sistema comune di garanzia dei depositi e un fondo comune di risoluzione. Attraverso l'SSM, la Banca centrale europea ha acquisito il potere di monitorare tutte le principali banche dell'Eurozona, aggirando così l'atteggiamento regolativo carente di alcune giurisdizioni nazionali.

In questo quadro, istituzioni come le banche di sviluppo (tra cui la Banca europea per gli investimenti) possono sostenere gli investimenti locali, svolgendo in tal modo una funzione correttiva rispetto sia alla mancata trasmissione dell'espansione monetaria nella espansione del credito, sia all'inadeguato livello di trasferimenti fiscali nell'area dell'euro. Le banche di sviluppo, infatti, possono incanalare fondi accessibili e convenienti per investimenti o per la crescita economica laddove siano necessari (PMI, edilizia sociale, istruzione, ricerca e gli investimenti ambientali), compensando così anche i livelli molto bassi di investimento nell'area dell'euro e promuovendo inclusione, dal momento che un tasso basso di crescita danneggia in modo sproporzionato i poveri (**Bonnici**).

C4. Un quadro realistico per la governance finanziaria internazionale

L'interdipendenza e l'interconnessione causati dalla globalizzazione sono sfide globali in un mondo in cui la *governance* rimane in grande misura un fenomeno locale. In che modo è possibile sviluppare una cornice realistica per la *governance* finanziaria internazionale? A questo proposito, sono state avanzate due interessanti proposte di *policy*: una è la realizzazione di un autorità politica a competenza globale, in grado di raggiungere "una distribuzione più equa della ricchezza mondiale, che può anche derivare da forme inedite di solidarietà globale fiscale" ("Per una riforma del sistema finanziario e monetario internazionale nel contesto di un autorità pubblica a competenza universale"). La seconda proposta per migliorare la governance finanziaria proviene da Thomas Piketty, e si presenta sotto forma di una tassa globale sul capitale. Tale proposta richiede la collaborazione internazionale, ed è improbabile che si verifichi nel breve a livello globale; tuttavia, una proposta più modesta che ne preveda un'implementazione a scala regionale potrebbe essere prati-

cabile. Entrambe le raccomandazioni offrono idee pragmatiche di possibili strade da percorrere per colmare il deficit di *governance* finanziaria e internazionale.

Una realistica proposta quadro può essere tratta anche dall'esperienza europea. In primo luogo, richiede istituzioni costruite in modo adeguato. Il completamento dell'unione monetaria europea (attraverso l'unione bancaria, economica, fiscale e politica che incorporino il principio di sussidiarietà) rappresenta un percorso fattibile. In secondo luogo, gli strumenti di policy come l'innovazione nella politica monetaria, il pacchetto ("Six-pack") di misure economiche, la sorveglianza degli squilibri fiscali ed economici nazionali possono contribuire efficacemente a migliorare la *governance* finanziaria internazionale. Il regionalismo potrebbe essere una tappa intermedia fondamentale nella costruzione della *governance* finanziaria globale. Infine, maggiore attenzione deve essere data ai valori, in particolare, alla combinazione di solidarietà e di sussidiarietà, dal momento che l'esperienza ha sinora dolorosamente dimostrato come le istituzioni da sole non possano garantire una buona *governance*. Invece di una mera tassa, è stata proposto un ricarico sul *turnover* finanziario, sulla base di contribuzione volontaria; questo ricarico finanzierebbe un fondo di solidarietà per sostenere cause meritevoli, in particolare a favore delle comunità che sono state colpite da comportamenti finanziari illeciti (**Bonnici**).

Discussione – Sezione C

Le dimensioni etiche della riduzione del debito

Il dibattito sulla riduzione del debito ha evidenziato il fatto che la gestione del debito è una questione etica intrinsecamente conflittuale, tra il dovere di rimborsare il debito e la necessità di equità nella gestione dei problemi ad esso legato. Le buone intenzioni, che conducono al credito facile a gruppi

svantaggiati, possono portare al disastro, come accaduto nella crisi dei mutui *subprime* (**Gonzalez Páramo**).

Una riduzione del debito favorevole al debitore deve essere considerata con cautela, soprattutto per il livello macro, in cui le questioni sono piuttosto la ristrutturazione del debito sovrano e l'accesso a nuovi flussi di finanziamento (**Schulte**); in generale, sarebbe necessaria una riduzione favorevole sia per il debitore sia per il creditore, cioè una riduzione del debito 'giusta' (**Pammolli**), o 'responsabile' (**Gonzalez Páramo**), o 'equa' (**Dembinski**).

In particolare, si dovrebbe evidenziare il legame tra debito bancario e debito delle famiglie, soprattutto nel caso di "bolle" nei prezzi delle case. Ciò è importante in Europa, sia per la gestione del post-crisi (la riduzione del debito per le famiglie impatta sulle banche e i governi devono intervenire), sia per prevenire nuove crisi. Quest'ultima operazione richiede sia regolamentazione rafforzata (prudenza), sia l'aumento dei trasferimenti fiscali intra-UE; una migliore informazione per l'opinione pubblica (spesso indotta ingannevolmente a credere che i problemi fiscali fossero alla base della crisi); tanto l'educazione dei consumatori quanto requisiti più severi per la concessione di prestiti, oltre all'introduzione di nuovi prodotti ipotecari (come i contratti che prevedono una procedura "leave the house and go" in caso di incapacità della famiglia di onorare il mutuo) (**Pastor**).

La dimensione macroeconomica della riduzione del debito

La riduzione del debito ha bisogno di bilanciare la stabilità e la crescita, la prudenza e l'innovazione (**Garonna**). Sostenere la crescita dei consumi può non aumentare il PIL del paese, in quanto la globalizzazione della produzione implica che gli Stati non controllano il comportamento delle imprese (**Ridpath**), e le imprese multinazionali tendono a spostarsi velocemente, erodendo in tal modo le basi imponibili nazionali (**Martin**).

Con il processo di riduzione della debito, i salari reali tendono a diminuire e la banca centrale non può controllare il ciclo agendo sui tassi di interesse (**Coffman**).

La nozione di "solidarietà dinamica" che è stata esplorata nel corso del seminario della Fondazione Centesimus annus svoltosi a Roma nel maggio 2014 incarna una prospettiva matura per la gestione del debito, promuovendo la giustizia sociale, considerando non solo la ridistribuzione all'interno della generazione attuale, ma anche gli squilibri intergenerazionali (trasmissione della ricchezza, condivisione dei costi), e le passività implicite (come quelle relative alla ripartizione dei regimi pensionistici, sulla base delle attuali tendenze demografiche). Quindi, il processo di riduzione del debito non deve essere riferito a una quantità statica di debito (**Pammolli**).

Il capitale bancario e i livelli di profitto

È probabile che il ROE sia molto basso in futuro e ciò andrebbe valutato insieme al fatto che un elevato ROE crea problemi (**Gonzalez Páramo**); se il ROE supera sistematicamente il tasso di crescita dell'economia, potranno seguire il *de-linking* (o disaccoppiamento) e un possibile crollo (**Costa**).

Un capitale bancario sotto-dimensionato resta una grande falla nel sistema bancario (**Bonnici**). Tra il 1900 ed oggi, i coefficienti patrimoniali sono diminuiti dal 25% al 7%, mentre gli indici di redditività sono aumentati dal 12% al 30%, insieme ad un aumento della volatilità degli utili (**Pastor**).

Schemi appropriati di supervisione e regolamentazione

Abbiamo bisogno di assumere un approccio favorevole al mercato, che preveda una regolamentazione – e non un eccesso di regolamentazione. La regolazione da sola non è garanzia di 'buona' finanza; è più importante discernere ciò che è giu-

sto e ciò che non lo è rispetto a distinguere la conformità o meno con le regole formali (**Zahra**). Riformare le strutture è solo una parte della soluzione (**Rossi di Montelera**).

Alcuni interventi hanno indicato possibili effetti collaterali negativi di una regolazione eccessiva. Quando l'intensità della regolazione bancaria è molto alta, la liquidità e l'allocazione di crediti passano al sistema bancario "ombra" – semplicemente spostando il problema (**Vanni d'Archirafi**). Il sistema bancario ombra può esibire un volto spaventoso, ma può anche essere un modo genuino per promuovere prestiti *peer to peer* – come nel caso delle cooperative di credito promosse dalla Chiesa anglicana. L'autorizzazione di una nuova banca può richiedere fino a cinque anni (**Ridpath**). Una regolamentazione dettagliata e imponente può frenare l'erogazione di servizi desiderabili; per esempio, il rispetto minuzioso della regolamentazione può risultare costoso al punto da penalizzare l'accesso al credito per le piccole e medie imprese (**Fieler**). Inoltre, ci si dovrebbe chiedere: chi regola il regolatore e come ridurre i costi della pubblica amministrazione? (**Rossi di Montelera**).

Nonostante i possibili inconvenienti di un eccesso di regolazione, si dovrebbe ricordare che la maggior parte delle transazioni finanziarie (in valuta estera, derivati, obbligazioni) sono ancora non regolamentate – il che è un problema, in quanto la fiducia viene dalla prevedibilità. Dobbiamo evitare di lasciare i mercati finanziari soltanto alle autorità di regolazione – o lasciarli agli stessi mercati; abbiamo bisogno di trovare modi per includere significativamente la società civile in questo processo (**Pujos**).

L'attività bancario, come altri servizi essenziali (acqua, elettricità, trasporti), può passare attraverso esuberanze e eccessi. I servizi di pubblica utilità sono passati attraverso forme di nazionalizzazione e di ri-privatizzazione sotto forma di imprese operanti in condizioni di concorrenza regolata e con un livello di redditività limitato dalla legge. Un processo simile può essere auspicabile e possibile per la finanza (**Costa**).

Tuttavia, le riforme della regolamentazione incontrano una forte resistenza, dal momento che le banche salvate incondizionatamente costituiscono ancora il più forte gruppo di pressione e a volte mostrano atteggiamenti arroganti (**Pujos**). Alcune stime indicano che le banche spendano 13 milioni di dollari al giorno per attività di lobbying (**Pastor**). Mentre il lobbying non è sbagliato in linea di principio, la disciplina e la trasparenza sono necessarie per renderlo accettabile (**Gonzalez Páramo**).

L'indipendenza della Banca centrale

L'indipendenza della Banca centrale non esclude la sua responsabilità: la Banca centrale europea è responsabile nei confronti del Parlamento Europeo e della società in generale (**Schulte**). Il vero significato dell'indipendenza della Banca centrale è l'autonomia dal controllo politico, non dal controllo della società (**Costa**).

Negli ultimi decenni, i sistemi monetari e finanziari sono stati sottoposti a vaste oscillazioni nel grado di regolamentazione e nel grado di indipendenza delle Banche centrali, in quanto i singoli Paesi hanno preso le distanze da situazioni in cui la dipendenza della Banca Centrale dal rispettivo governo avrebbe potute essere sfruttata per introdurre politiche macroeconomiche malsane. Bisogna riconoscere realisticamente che un sistema perfetto è impossibile, sebbene il progresso sia evidente (**Bonnici**).

Trovare il giusto equilibrio sulla questione del grado di indipendenza della Banca centrale e sul livello di regolamentazione è importante, ma ancor più importante è la qualità delle persone che occupano posti di responsabilità, il grado di cultura e di formazione umana che hanno ricevuto nelle loro famiglie (**Zahra**).

Mentre si può essere scettici circa la governance mondiale, l'esperienza di *governance* finanziaria dell'UE è alquanto significativa, anche se rappresenta ancora un *work in progress*. Richiede ancora il bilanciamento della disciplina comune e dei trasferimenti intra-UE, nonché una comunicazione soddisfacente a una opinione pubblica in gran parte legata all'esperienza nazionale. Eppure l'attività recente delle istituzioni europee mostra un grado di sussidiarietà e di solidarietà che non deve essere trascurato (**Schulte**).

In particolare, si dovrebbero riconoscere i progressi fatti nella direzione di una riforma istituzionale dell'UE, tesa alla stabilità finanziaria. I meccanismi di vigilanza finanziaria europea di nuova costituzione prevedono la valutazione standardizzata delle banche; i risultati recenti mostrano un significativo rafforzamento delle posizioni delle banche, segnalando un sistema finanziario più sicuro in Europa (**Bonnici**).

Nonostante il successo, attualmente in Europa prevale una mentalità di "assedio", per la sensibilità dell'opinione pubblica di fronte sia alle malefatte finanziarie sia ai livelli insostenibili di disoccupazione di lunga durata (**Sugranyes**). Così il processo di unificazione europea è ancora incompleto e fragile, essendo esposto ai mutamenti nelle maggioranze politiche (**Bonnici**).

Il rischio esiste anche nelle banche locali: la nostra capacità di valutare il rischio sistemico, anche a livello regionale, dovrebbe essere migliorata (**Pammolli**). La complessità sistemica rimane un problema che richiede umiltà. Dobbiamo riconoscere la complessità e perseguire la semplificazione, in quanto le società possono anche crollare sotto una eccessiva complessità! La trasparenza di per sé non è una soluzione alla complessità (**Dembinski**).

La vigilanza unica è fondamentale per affrontare la questione del "*too big to fail*". A livello globale, un'autorità mon-

diale sarebbe necessaria per la vigilanza unica; nonostante non è probabile che ciò possa verificarsi nel breve, si dovrebbe comunque coltivarne l'idea, in modo che possa essere realizzata quando i tempi saranno favorevoli (**Ceyssens**). A livello globale, siamo in grado di apprezzare alcuni elementi iniziali, ma significativi, di regole comuni "globali", ad esempio nei settori della ISO (standard internazionali di qualità) o delle norme contabili internazionali (**Sugranyes**).

La finanza e il bene comune globale

I compiti più urgenti nel dare un volto al bene comune globale sono la lotta alla povertà e alla diseguaglianza e la promozione dell'inclusione. Questo è un appello rivolto a tutte le persone e alle istituzioni, comprese quelle finanziarie, e molto resta ancora da fare. Siamo di fronte ad una frammentazione e ad una paralisi della politica (**Martin**) e la disuguaglianza è così alta che bisogna fare qualcosa per contrastarla (**Bonnici**). L'esclusione finanziaria è soltanto una parte di un problema più grande che riguarda la diseguaglianza nel suo complesso (**Felice**).

Anche la proposta concreta di un contributo di solidarietà proposto da Bonnici è stata apprezzata e discussa. La tassazione solidale è in realtà prevista da diverse tradizioni religiose; e contributi di solidarietà possono essere assegnati per creare posti di lavoro, soprattutto per i giovani disoccupati (**Martin**). Inoltre, il concetto di solidarietà dinamica, sviluppato nel maggio 2014 nel Seminario della Fondazione Centesimus Annus, include una proposta che migliora la prospettiva di Piketty: incorpora esplicitamente una prospettiva intergenerazionale (**Pammolli**).

La finanza ha bisogno di riscoprire la sua missione e di analizzare i modi per compierla (**Rossi di Montelera**). Per quanto riguarda il recente passato, ci sono relazioni interrotte che devono essere ripristinate: le relazioni economiche tra la finanza e la reale fornitura di beni e servizi, in modo che

la prima possa essere al servizio degli investimenti produttivi; il rapporto sociale tra famiglie ed opinione pubblica, da un lato, e le banche, dall'altro, in modo che la fiducia possa essere ricostruita; e, a livello culturale, la relazione interrotta tra il presente e il futuro. Riconnettere l'economia, la società e la cultura è parte di un processo per contrastare le asimmetrie di potere e aggredire la complessità; e per favorire l'inclusione – in particolare dei poveri e dei giovani (**Beretta**).

Il bene comune riguarda la ricostruzione della fiducia nella società, l'umanizzazione dell'economia, la collocazione della famiglia umana sopra gli interessi nazionali (**Ridpath**). Richiede leader con una prospettiva di lungo termine, ancorata alla religione (**Garonna**). Nella gestione delle istituzioni finanziarie per il bene comune, la sensibilità verso i clienti e una leadership virtuosa sono fondamentali, in quanto la competenza tecnica non è tutto ed è necessaria l'umiltà (**Zahra**).

Le questioni di governance globale

Perseguire il bene comune globale richiede istituzioni e processi appropriati.

Poiché la struttura della società civile è di tipo "poliarchico", il bene comune è un concetto intrinsecamente "plurale", cui ogni istituzione è chiamata a contribuire. Si prendano i mercati come esempio: non saranno mai istituzioni perfette, ma possono essere rese più inclusive con un'azione riformatrice quotidiana. Per quanto riguarda la regolazione, dobbiamo determinare chi è il detentore del potere e a chi spetti controllare il detentore del potere in società sempre più "senza Stato" (**Felice**).

Nel ragionare su autorità "globali", è utile considerare che le strutture internazionali esistenti si concentrano principalmente sul mantenimento degli interessi nazionali. Così i Paesi possono passare a strategie regionali quando le prospettive multilaterali diventano troppo impegnative, come nel caso del WTO. Inoltre, i Paesi tendono a mobilitarsi per le emer-

genze solo se esse rappresentano una minaccia per la loro sicurezza o per gli interessi nazionali, come nel caso del virus Ebola; oppure come nel caso dell'intervento in applicazione del cosiddetto principio della "responsabilità di proteggere". Allo stesso tempo, c'è anche un'efficace opinione pubblica "globale" emergente che a volte riesce a determinare il cambiamento, come nel caso del Trattato di Ottawa, che è stato approvato e aperto alla ratifica nel 1997, sotto pressioni significative da parte dell'opinione pubblica globale (**Martin**).

Nessuna soluzione per la governance mondiale (e anche europea) potrà essere trovata in un quadro immutabile. Abbiamo bisogno di impegnarci in un approccio dinamico; ma dove non c'è fiducia, non ci sarà una dinamica positiva. Nessuna società può funzionare senza la generosità e la fraternità (**Pastor**). In altre parole, perseguire il bene comune è questione di attivare processi, dal momento che "il tempo è superiore allo spazio", come dice l'*Evangelii Gaudium*, al punto n. 222 (**Beretta**).

D - Gestione prudente e servizio al cliente

D1. La finanza al servizio del popolo

Mentre gli sforzi riformatori sono in corso e dovrebbero essere mantenuti e rafforzati, crediamo che qualcosa di importante manchi o in gran parte sia stato trascurato: ossia, l'attenzione per l'etica finanziaria, affinché si possa dire che la finanza sia veramente al servizio della gente. Questa mancanza di attenzione dovrebbe essere corretta, rafforzando e ricostruendo i fondamenti etici della finanza e promuovendo una "ricapitalizzazione etica" del settore, del contesto istituzionale, degli attori e di tutte le parti interessate al mondo finanziario.

Ecco la prima cosa da fare, se si considera che il cambiamento è un fatto che ci accompagna e che le esigenze finanziarie stanno cambiando. I modelli familiari si trasformano:

prevalgono le famiglie formate da una sola persona e i giovani tendono sempre più a vivere da soli; la mobilità territoriale e la mobilità professionale sono in aumento; nuove comunità si stanno sviluppando, comprese le comunità virtuali per i giovani. In questo scenario, anche la banca tende a diventare non una sede fisica, ma un pacchetto di servizi.

Per far fronte a questi cambiamenti, sono necessari dieci elementi critici per la ricostruzione del capitale etico: conoscere i bisogni finanziari di base delle persone (inclusi i nuovi clienti, come i poveri e le comunità virtuali dei giovani); promuovere l'inclusione finanziaria e le pari opportunità; incoraggiare l'educazione finanziaria; investire nel capitale umano e nella formazione; sfruttare le nuove tecnologie; migliorare e diversificare i canali di distribuzione; rendere la legislazione a tutela dei consumatori, e tutte le istituzioni ad essa correlate, più efficaci; sradicare la frode, la corruzione, gli abusi e la negligenza; sviluppare istituti finanziari indipendenti, imparziali e responsabili; e, infine, migliorare gli standard etici universali per la finanza globale. Il dialogo interreligioso sulla finanza e l'ecumenismo finanziario dovrebbero essere promossi tenendo questi punti a mente; la Chiesa cattolica universale ha un ruolo unico e fondamentale da svolgere nell'educare i leader di domani (**Garonna**).

D2. L'interesse e l'informazione del consumatore

La povertà di idee, nonché una moralità ondivaga di fronte alle questioni etiche, sono una parte del motivo per cui gli operatori finanziari non riescono a prendere sul serio questi problemi. Per dare sostanza a ciò che la Finanza Sostenibile può significare, si dovrebbe parlare di:

1. un movimento per promuovere pratiche finanziarie consapevoli di fronte alla società e all'ambiente;

2. un'attenzione specifica alla riduzione delle asimmetrie informative tra istituzioni e consumatori;

3. un riconoscimento del fatto che l'arbitraggio normativo sia stata una delle maggiori fonti di profitto per l'industria dei servizi finanziari e che dovrebbe essere frenato;

4. l'esigenza di ridurre l'influenza dei gruppi di pressione sulle imprese di servizi finanziari;

5. una attenzione all'inclusione finanziaria e alla tutela dei consumatori.

A livello micro, l'alfabetizzazione finanziaria è un problema serio; l'educazione finanziaria è necessaria, ma probabilmente non è sufficiente. Oltre alla persistenza di diversi tipi di distorsioni cognitive, vi è anche una questione di formazione morale. Inoltre, vi è la sfida di rendere la rendicontazione del credito più trasparente: molta informazione proveniente dalle agenzie che erogano dati finanziari è erronea e l'alfabetizzazione finanziaria in sé non rende capaci i consumatori di leggere contratti di 1.200 pagine, a volte nemmeno facilmente accessibili a loro.

A livello meso, l'arbitraggio regolamentare contribuisce alla socializzazione dei rischi e dovrebbe essere frenato, adeguando le norme e le disposizioni di legge ad un contesto transnazionale e in ultima analisi globale, mettendo un freno alla "corsa al ribasso" tossica nei centri finanziari (i paradisi fiscali, anche se nocivi, impallidiscono al confronto). La lobby dei servizi finanziari, soprattutto nel Regno Unito e negli Stati Uniti, è stata molto attiva nel frenare ogni riforma significativa. Inoltre, la maggior parte dei regimi di regolamentazione nei paesi anglofoni ha una struttura biforcata, dove gli investitori qualificati, accreditati o registrati sono esclusi da leggi di tutela dei consumatori. Quando investitori che operato essenzialmente al dettaglio (gestendo grandi portafogli azionari o fondi pensionistici IRA – Individual Retirement Accounts IRA sono indotti a qualificarsi come investitori accreditati, finiscono per acquistare erroneamente una gamma di prodotti, compresi i derivati tossici, con tragiche conse-

guenze per l'economia reale. Ad ogni modo, dal momento che le operazioni finanziarie sofisticate sono più redditizie rispetto alle attività finanziarie al dettaglio, le istituzioni finanziarie hanno abbandonato il segmento di la clientela al dettaglio come troppo costoso, mettendo a rischio l'inclusione finanziaria, che è un criterio chiave di successo. Anche se il microcredito e il prestito *peer-to-peer* possono essere molto efficaci, possono anche essere di tipo predatorio e, di conseguenza, hanno bisogno di standard internazionali (**Coffman**).

D3. Etica nella finanza: la sfida del dopo-crisi

La sfida etica dell'epoca post-crisi può essere introdotta da una citazione da Aristotele: "Noi siamo ciò che facciamo ripetutamente. L'eccellenza, quindi, non è un atto, ma un'abitudine". Un'abitudine non facilmente acquisita, in quanto richiede sia educazione che perseveranza. Il settore finanziario ha perso la sua reputazione, ma gli abusi – che purtroppo continuano ad accompagnarci – sono sempre meno tollerati. Trasformare i principi etici in azione è la grande sfida, la fiducia è il principale "bene" nella finanza. L'etica va al di là delle norme – le azioni possono essere immorali, anche quando non sono illegali. I Consigli di amministrazione e i manager sono i primi responsabili del comportamento etico, in cui la trasparenza, l'integrità e la prudenza sono fondamentali e la *corporate governance* deve andare oltre i controlli interni e la conformità.

In questo quadro, le autorità di vigilanza debbono fungere da guardiani; i processi di supervisione e di valutazione dovrebbero considerare non solo i coefficienti patrimoniali e di liquidità, ma anche il livello di sostenibilità di un modello di *business* e la qualità della *corporate governance* (la struttura interna generale, il rischio e la cultura aziendale, il funzionamento dell'organo di gestione, le pratiche retributive, la gestione dei rischi e il controllo interno, il sistema di informazione, le modalità di pianificazione del recupero). A livello di

settore, la diversità – inclusa una più ampia gamma di imprese e modelli di business – è preziosa, in quanto implica un approccio centrato sul consumatore. In realtà, la funzione del settore finanziario è quella di aiutare le aziende e le persone a realizzare i loro progetti e di contribuire così allo sviluppo sociale. L'etica economica non è contraria alla redditività, dal momento che rappresenta un investimento sulla fiducia dei clienti (**Gonzalez Páramo**).

Discussione – Sezione D

Affrontare la sfida etica post-crisi

Gli elementi non negoziabili di un modello sociale desiderabile includono: la priorità del lavoro, l'imprenditorialità, un welfare delle opportunità e delle responsabilità, il consumo "di qualità" (in contrapposizione al consumismo), e il supporto alla famiglia per lo sviluppo intergenerazionale (**Marseguerra**). Dobbiamo passare dalla "*transaction finance*", basata sullo scambio anonimo, ad un modello finanziario basato sulle relazioni e sulle *partnership* nel lungo periodo; in altre parole, passare dalla stretta efficienza a breve termine alla "fecondità" di lungo termine (**Dembinski**).

In termini pratici, abbiamo bisogno di finanziamenti per promuovere l'inclusione e affrontare la disoccupazione di lunga durata (**Vanni d'Archirafi**). Identificare e implementare nuove forme di finanziamento dell'innovazione e di progetti innovativi (come *start-up*) sono priorità a breve termine (**Tiliacos**).

Una linea complementare di azione si concentra sul comportamento delle famiglie: la promozione del risparmio (**Zahra**); anche "costringendo" la gente a risparmiare in modo considerevole (**Pammolli**). Ancora più fondamentale, abbiamo bisogno di sottolineare l'importanza della famiglia come l'ambiente più significativo in cui la cultura, la fede e gli atteggiamenti degli individui si formano (**Zahra**).

In termini di cultura e di motivazioni, una "meso-questione" da affrontare è il contributo, attraverso l'educazione permanente, alla cultura professionale nel mondo degli affari e alla cultura politica e civica nei governi – in modo che "le strutture per il bene comune" possano prevalere, correggendo così quelle strutture "di peccato" esistenti che sono invece contrarie al bene comune (**Dembinski**). La fiducia, la generosità e la fraternità sono necessarie per il funzionamento della società (**Pastor**). Rispondere alla chiamata alla santità personale è una condizione necessaria anche al fine di individuare soluzioni strutturali (**Fieler**).

Conclusioni e raccomandazioni

Nella discussione finale è stata elaborata una lista di possibili conclusioni e raccomandazioni in materia di etica e di riforma finanziaria finalizzate al bene comune. Esse si fondano su un elenco di parole-chiave emerse dalla discussione che è già stata riassunta nelle sessioni precedenti. La discussione della lista di conclusioni e raccomandazioni proposte inizialmente dal Presidente Sugranyes, ha portato a sottoscrivere all'unanimità le "Proposte di Dublino sulla finanza e sul bene comune", che il lettore può consultare.

La discussione ha anche ragionato sul ruolo specifico di questo gruppo, descritto come un forum in cui è possibile avviare processi (**Ceyssens**); un gruppo che non è una lobby – in quanto non ha interessi particolari da difendere, ma vuole servire la verità (**Sugranyes**) e migliorare la conoscenza della Dottrina sociale della Chiesa (**Gattamelata**). Le conclusioni formulate dal gruppo dovrebbero rivolgersi non soltanto alla comunità cattolica, ma a banchieri e a uomini d'affari in generale, secondo un approccio "missionario" (**Zahra**). L'obiettivo è quello di lavorare insieme come gruppo indipendente, eticamente orientato a ricercare e a sperimentare i principi della Dottrina sociale della Chiesa e a perseguire l'inclusione e la giustizia sociale (**Martin**).

PARTECIPANTI

Beretta Prof. Simona, Università Cattolica Sacro Cuore

Bonnici Prof. Josef, Governor Central Bank of Malta

Ceyssens Dr. Jan, Member of Cabinet, Cabinet of Vice President E.U. Commission M. Barnier

Coffman Dr. D'Maris, University of Cambridge

Costa Prof. Antonio Maria, FCAPP Scientific Committee

Dembinski Prof. Paul, FCAPP Scientific Committee

Estanislao Prof. Jesus, University of Asia & The Pacific, Manila

Felice Prof. Flavio, Pontificia Università Lateranense

Fieler Dr. Sean, Equinox Partners LP New York

Garonna Prof. Paolo, FCAPP Scientific Committee

Gattamelata Dr. Massimo – Secretay General FCAPP

Gonzalez-Páramo Prof. José Manuel, BBVA Board Member

Marseguerra Prof. Giovanni, Università Cattolica Sacro Cuore

Martin H.E. Msgr. Diarmuid, Archbishop of Dublin

Pammolli Prof. Fabio, Institutions Markets Technologies Lucca

Pastor Prof. Alfredo, FCAPP Scientific Committee

Pujos Dr. Antonin, Secretary General Zermatt Summit Foundation, Switzerland

Ridpath Mrs. Barbara, Director St Paul's Institute

Rossi Di Montelera Dr. Cte Lorenzo, FCAPP Board member

Schulte Dr. Markus, Cabinet Member of Vice-President E.U. Commission G. Oettinger, FCAPP German member

Sugranyes Dr. Domingo, President FCAPP Board

Tiliacos Dr. Eutimio, CAPP Foundation

Vanni d'Archirafi Dr. Francesco, CEO Citibank Holdings Inc.

Zahra Dr. Joseph F.X., FCAPP Board member

THE DUBLIN PROPOSALS ON FINANCE AND THE COMMON GOOD

Economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends. Instruments that are good in themselves can thereby be transformed into harmful ones. But it is man's darkened reason that produces these consequences, not the instrument per se. Therefore it is not the instrument that must be called to account, but individuals, their moral conscience and their personal and social responsibility.

(Benedict XVI, 'Caritas in Veritate' 36).

A financial reform open to such ethical considerations would require a vigorous change of approach on the part of political leaders. I urge them to face this challenge with determination and an eye to the future, while not ignoring, of course, the specifics of each case. Money must serve, not rule! The Pope loves everyone, rich and poor alike, but he is obliged in the name of Christ to remind all that the rich must help, respect and promote the poor. I exhort you to generous solidarity and to the return of economics and finance to an ethical approach which favours human beings.

(Francis, 'Evangelii Gaudium' 58)

Can these statements and other similarly strong appeals inspired by Catholic Social Teaching be followed by practical recommendations? To try and answer this question, the *Centesimus Annus pro Pontifice* Foundation organized two seminars attended by bankers, banking supervisors, financial economists and specialists in financial ethics. A full summary of debates can be found on the Foundation's website www.centesimusannus.org.

In spite of such a diverse composition, the group agreed on a few practical recommendations. These are not all-embracing, they do not pretend to explain the reasons which led the group to agree or expose all the numerous constraints

which can make them difficult to apply. The publication of these recommendations aims rather at promoting further debate and elaboration at a time when there is a generally acknowledged need for an ethical renewal of the financial industry.

A. General Framework

To be at the service of the human person, economic activity requires an ethical framework. The market can only work within an ethical framework of trust. Wherever the rule of law is not respected, it is almost always the poor who pay the highest price. Unethical behaviour hurts them too. The poor pay the price of corruption; they often pay the price of protectionism; they pay the price of inefficiency in public services and suffer the consequences of financial wrongdoing.

Whether it be for financial reform or the fight against poverty, the bottom-up approach, which starts from local groups and from the people involved, offers opportunities which need to be systematically constructed and monitored. The bottom-up approach is always complex and sometimes degressive; it demands a governance culture based on personal dignity, concern for the common good, subsidiarity and solidarity; all these demands tie in well with the ethical and social teaching of the Catholic Church. The mainly technical macro-economic solutions are generally of the top-down nature, an area where the Church is not particularly competent. But the governance-culture related solutions, which need to come both from the top down and from the bottom up, are mainly of an ethical and social nature and fall well within the duty and responsibility of the Church.

The debate in developed countries, marked by anxiety and a defensive attitude, is a prisoner of the warnings threats of sceptics and populism under various forms. It is in the Church's genes to speak from a world-wide standpoint, well beyond the exhausting polemics of purely national discus-

sions. On those lines, it is necessary to recognize and support the extraordinary steps accomplished within the European integration process, especially in the field of instruments and policies for financial reform.

The publicity about some financial bad practice and the corresponding penalties contributes to a crisis in trust between finance and public opinion. A real "peace building" process is required, in which different parties agree to relinquish some positions and to convert to the goal of the common good. In terms of the financial and economic wellbeing of communities, this specifically means that the values of integrity, honesty and transparency must become part of the fabric of each business, and not just a public relations campaign.

B. Giving Change in Finance a Human and Ethical Perspective

No matter what the verdict is about their past role and the cost of the financial crisis, the fact is that banking and the financial sector are undergoing profound change, both through added regulation and through internally promoted reform. The call to give this reform a human and ethical perspective can be translated into practical ways and processes, both from the micro-economic and macro-economic standpoints. This includes an acknowledged ethical approach to finance, but it also involves another dimension, which can be summarized in the idea of "inclusive finance", i.e. "finance that helps fight exclusion".

1. *Begin at the level of the corporation*

In order to create ethical sectors or segments of the economy and world finance and thus build ethics into finance as a whole, the proper place to begin is the corporation: there is a human being at the beginning and end of each and every transaction – be it with customers, employees, suppliers or

shareholders. This needs to be recognized, sometimes against the demands of technology and regulation, and it requires a change in managerial logics.

2. *Helping job creation through decentralized lending*

Work is the basic instrument for economic inclusion, and the greatest possibilities of job creation lie at the level of small enterprise and in a more flexible redistribution of employment among adaptable and creative companies. This requires from banking and financial institutions a renewed approach to decentralized lending, which can come about either through greater autonomy of local branches or through non-regulated credit intermediation. The process is complex when at the same time more cautious underwriting conditions need to be applied and when excessive regulation can lead borrowers to use less secure financial resources. Existing banks and credit institutions need to make this an objective and lead the process towards more personalized and decentralized lending to small and medium-sized businesses and to reorganization projects with one or several SMEs.

3. *Seek reasonable levels of return on equity in banking and finance*

A business model based on very high expected returns on equity that require excessive leverage must be revised. The financial sector must build a new business model, with reasonable risk-based return targets, consistent with the banks' essential role in economic development, but not excessively different from levels of profitability in the economy as a whole.

4. *Fighting fraud, corruption, abuses and malpractice*

To rebuild trust towards the financial sector it is essential that more comprehensive and balanced information be offered to all by the financial sector itself. Practices based on 'regulatory arbitrage' (taking advantage of differences in

regulations) should be voluntarily curtailed. The Church's support is needed to clearly denounce fraud and corruption, especially through money-laundering.

5. *Make consumer protection more effective*

The complexity of financial products and processes in a globalized world require transparency, i.e. that financial institutions simplify and clarify product information and protection in such a way that consumers can clearly understand the risks and benefits involved. The way investors are categorized as "retail customers" requiring protection or as apparently well informed customers must be reconsidered in order to avoid risky mis-selling to unprepared institutions.

6. *Explore fair and equitable deleveraging for households*

Financial institutions need to maintain the ethical principle that "debts are there to be paid". However, to the extent that excessive leverage, especially in households, is a serious obstacle to healthy consumption, fair and equitable deleveraging should become a common policy where both creditors and debtors share the risk and the level playing field is respected among all financial institutions.

7. *Integrate intergenerational perspective*

All financial reform proposals, including those concerning bank bail-in and bail-out processes must take into account the effects on pension funds and the sharing of risk between present earners, pensioners and future generations.

8. *Mobilize banks' expertise in the service of inclusive finance*

Some are convinced that large banks can become leaders in the building of ethics into finance; others believe this will require the creation of smaller entities. In any case, and de-

spite recent shortcomings, financial institutions have also become what they are in developing processes of risk reduction through diversification, good reporting and control, productive use of limited financial resources, applied technology and intensive training of personnel. These achievements can be of enormous value in the construction of a financial sector which helps fight exclusion.

C. Finance for the Poor

9. *Support financial institutions with a strong orientation to social development*

Financial institutions with a strong development orientation have a supportive role to play: they can help identify emerging enterprises, they can prepare them for entry into capital markets and they can facilitate the organization of funds where small enterprises can have easy participative access.

10. *Help and guide microfinance*

Involvement of global financial institutions from developed countries can help control microfinance – avoiding the risk of usury – and help develop microcredit to deepen financial inclusion through programmes of partnership covering a whole range of suppliers.

11. *Use mobile money for inclusion*

Mobile devices and the broadening acceptance of digital money are a significant tool in fighting financial exclusion. Digitizing government disbursements, health services and supply chains can be decisive for inclusion and set the groundwork for further developments in credit, savings and insurance at the service of development.

12. *Promote a solidarity fund rather than levies on financial turnover or capital*

There is concern about inequalities growing wider among or even within countries, which leads many to support proposals for an international tax on financial turnover or on capital; but these would be difficult to apply and could be confiscatory. The Church could support and promote the idea of voluntary charges that would not end in the coffers of governments, but in an independent world-wide solidarity fund to support meritorious causes at the service of the poor.

D. Ethics, Motivation and Education

13. *Make unethical behaviour prohibitively expensive*

A true construction of financial ethics can only be obtained through corporate-led internal change and education of the young. In the meantime, regulators are also focusing on ethics; while it is difficult to drive ethical behaviour through regulation, unethical behaviour can however be made prohibitively expensive, both through regulation and internal corporate governance.

14. *Set long term incentives*

Incentives and bonus policies should be linked to long term group objectives, and never to short term profit performance. The incentive structure should be independent from short term share price performance.

15. *Enrich business and financial education*

Business and financial education should include substantially more history and philosophy to avoid transmitting an apparently "neutral" or "value-free" framework and to culti-

vate the capacity for critical analysis. This is in the interest of students and the financial industry's sustainability. Teachers in these subjects should be valued and better remunerated.

16. *Educate for free judgment*

Financial institutions should establish the necessary structures to allow employees to express their concerns in a free and protected way. They should also feel encouraged to channel their suggestions for improvement.

17. *Promote consumer education*

To rebuild long term trust the financial sector should help in setting up initiatives for consumer education and financial literacy, especially from the point of view of family stability and careful financial management of family resources.

18. *Reinvent mission and motivation*

The financial sector needs to motivate young people to work in financial institutions; this will not be easily managed without rediscovering and reformulating a mission statement, where the financial sector, far from remaining enclosed and focused on itself, puts itself at the service of the entire economy and society: finance with a purpose.

"FINANZA E BENE COMUNE": LE PROPOSTE DI DUBLINO

…l'economia e la finanza, in quanto strumenti, possono esser mal utilizzati quando chi li gestisce ha solo riferimenti egoistici. Così si può riuscire a trasformare strumenti di per sé buoni in strumenti dannosi. Ma è la ragione oscurata dell'uomo a produrre queste conseguenze, non lo strumento di per sé stesso. Perciò non è lo strumento a dover essere chiamato in causa ma l'uomo, la sua coscienza morale e la sua responsabilità personale e sociale.

(Benedetto XVI, 'Caritas in Veritate' 36)

…Una riforma finanziaria che non ignori l'etica richiederebbe un vigoroso cambio di atteggiamento da parte dei dirigenti politici, che esorto ad affrontare questa sfida con determinazione e con lungimiranza, senza ignorare, naturalmente, la specificità di ogni contesto. Il denaro deve servire e non governare! Il Papa ama tutti, ricchi e poveri, ma ha l'obbligo, in nome di Cristo, di ricordare che i ricchi devono aiutare i poveri, rispettarli e promuoverli. Vi esorto alla solidarietà disinteressata e ad un ritorno dell'economia e della finanza ad un'etica in favore dell'essere umano.

(Francesco, 'Evangelii Gaudium' 58)

A queste affermazioni e ad appelli simili ispirati all'insegnamento in materia sociale della Chiesa Cattolica è possibile far seguire raccomandazioni pratiche? Per cercare di rispondere a tale quesito la Fondazione *Centesimus Annus Pro Pontifice* ha organizzato due seminari a cui hanno partecipato banchieri, organi di controllo, economisti e specialisti in etica finanziaria. Un panorama esaustivo del dibattito tenutosi è disponibile nel sito della Fondazione www.centesimusannus.org.

Nonostante la diversa estrazione professionale e culturale dei partecipanti, il gruppo ha convenuto su alcune raccomandazioni pratiche. Queste non sono esaustive né pretendono di spiegare le ragioni che hanno condotto il gruppo a farle pro-

prie, né dettagliano in modo completo le cause che possono renderne difficile la applicazione. La pubblicazione di queste raccomandazioni tende piuttosto a promuovere la prosecuzione del dibattito e dell'elaborazione in un momento in cui molti chiedono un rinnovamento su basi etiche dell'industria finanziaria.

A. Contesto generale

Per essere posta al servizio della persona umana l'attività economica necessita di essere inserita in un contesto etico. Il mercato può funzionare unicamente se si basa su un presupposto etico e prevale la fiducia reciproca. Ogni qual volta il rispetto delle leggi è infranto sono i poveri a pagare i prezzi più alti. Al di là dell'aspetto meramente legale, il mancato rispetto dei principi etici colpisce anche e soprattutto loro. Sono i poveri che pagano il prezzo della corruzione; sono loro che subiscono anche il costo del protezionismo; ancora loro sono quelli che pagano le inefficienze dei servizi pubblici e soffrono le conseguenze delle condotte criminali in campo finanziario.

Sia per attuare una riforma finanziaria sia per lottare contro la povertà, un approccio che parta dal basso e che tragga origine nell'operare dei gruppi a livello locale o tra le persone direttamente coinvolte, offre delle opportunità che necessitano di essere gradualmente trasformate in azioni concrete che vanno a loro volta accuratamente monitorate. Questo approccio è sempre complesso e a volte deviante; richiede una solida cultura della *governance* basata sulla dignità personale, sull'interesse al bene comune, sulla sussidiarietà e la solidarietà; tali esigenze sono profondamente in corrispondenza con l'insegnamento etico e sociale della Chiesa Cattolica. Le soluzioni macroeconomiche sono generalmente del tipo *top down* (dall'alto verso il basso) ed hanno un carattere prevalentemente tecnico, un'area questa in cui la Chiesa Cattolica non è particolarmente competente. Al contrario le soluzioni collega-

te alla cultura della *governance*, che necessita sia dell'approccio dall'alto (*top down*) sia di quello dal basso (*bottom up*), sono di natura etica e sociale ed appartengono alla sfera dei compiti e responsabilità che sono propri anche della Chiesa.

Il dibattito nei paesi sviluppati, contrassegnato dall'ansia e da atteggiamenti difensivisti, è prigioniero dello scetticismo e delle varie manifestazioni del populismo. È nella natura stessa della Chiesa aver riguardo alle problematiche secondo un'ottica mondiale, ben oltre le affatiganti polemiche basate su considerazioni puramente nazionali. In questo senso è necessario riconoscere e sostenere gli straordinari risultati conseguiti nel processo di integrazione europea specialmente in tema di strumenti e politiche di riforma finanziaria.

La notorietà di alcuni errati comportamenti in materia finanziaria e delle sanzioni comminate per tali errori contribuisce alla mancanza di fiducia istauratasi fra ambiente finanziario ed opinione pubblica. È necessario un vero e proprio processo "di ricostruzione della pace" tale che ciascuna parte accetti di rinunciare ad alcune posizioni e si converta all'obiettivo del bene comune. Tradotto in termini di benessere economico e finanziario delle comunità coinvolte questo significa in particolare che i valori della integrità, onestà e trasparenza debbano diventare parte dell'intima trama su cui si fonda ciascuna impresa finanziaria, e non una campagna di relazioni pubbliche.

B. Conferire ai cambiamenti in campo finanziario un connotato umano ed etico

Qualunque sia il verdetto su quanto avvenuto e sul costo che ha comportato la crisi finanziaria, è un fatto che l'attività bancaria e il settore finanziario in generale stiano subendo profondi cambiamenti, sia come risposta ad una più stretta regolamentazione sia attraverso riforme promosse dall'interno. Il richiamo a conferire a queste riforme una prospettiva umana ed etica può trovare espressione attraverso dei proces-

si concreti sia sotto il profilo micro-economico sia sotto quello macro-economico. Ciò comporta il riconoscimento della necessità di una rinnovata etica professionale, ma comporta anche l'idea di una ulteriore requisito che può essere sintetizzato nella formula "finanza inclusiva" ossia "finanza che assecondi la lotta alla esclusione".

1. *Iniziare dalle singole entità*

Per cominciare a costruire segmenti o settori etici della economia ed estendere gradualmente la motivazione etica a tutta la finanza mondiale è necessario prendere a riferimento iniziale le singole società finanziarie: c'è un essere umano all'inizio e alla fine di ciascuna transazione – riguardi questa un cliente, un dipendente, un fornitore o un azionista. Questo processo deve trovare riconoscimento anche quando la tecnologia e le norme regolamentari sembrano tendere in senso contrario, e necessita di un cambiamento delle logiche manageriali.

2. *Facilitare la creazione di posti di lavoro mediante la erogazione su base decentralizzata di prestiti*

Il principale strumento di inclusione economica è il lavoro e la più ampia possibilità di creare nuovi posti di lavoro risiede nel far leva su imprese di piccole e medie dimensioni e su un sistema più adattabile alla redistribuzione della occupazione fra società capaci di adeguarsi all'evoluzione del mercato e provviste di creatività. Ciò comporta per il settore bancario e le istituzioni finanziarie in generale un approccio di tipo nuovo alla problematica dei prestiti decentrati dal momento che può essere realizzato o conferendo alle agenzie locali un più ampio margine di autonomia o con lo sviluppo della finanza non bancaria, e quindi non regolamentata. L'adozione di maggiori margini di autonomia è una operazione complessa dato che le banche vengono obbligate a modalità di sottoscrizione

dei prestiti più caute mentre un eccesso di regole sull'attività bancaria può indurre, chi ne abbia bisogno, a far ricorso a canali alternativi di finanziamento meno sicuri. Le banche attualmente operanti sul mercato devono pertanto porsi l'obiettivo della soluzione a questo problema e farsi carico di guidare il processo di erogazione del credito adottando procedure meno impersonali e maggiormente decentralizzate nei confronti dell'impresa piccola e media, dando corso a progetti di riorganizzazione che coinvolgano una o più PMI.

3. *Fissare obiettivi di rendimento sul capitale investito nel settore bancario e finanziario ragionevoli*

Va rivisto il modello di business consistente nell'aspettativa di ritorni di utile molto alti sul capitale investito fondati su un livello eccessivo di *leverage.* Il settore finanziario deve perseguire un nuovo modello di business con obiettivi di utile in relazione ai rischi che si vanno ad assumere che sia in assonanza con il ruolo essenziale che la banca deve assolvere nello sviluppo della economia e quindi preveda ritorni non eccessivamente differenti dai livelli di profitto conseguiti dalla economia nel suo complesso.

4. *Combattere le frodi, la corruzione, gli abusi e le pratiche illecite*

Per ricreare fiducia nei confronti del settore finanziario è essenziale che una informativa più esaustiva ed equilibrata sia fornita al pubblico per iniziativa dello stesso settore finanziario. Alcune pratiche di sfruttamento degli "arbitraggi regolamentari" (che sfruttano le differenze esistenti nella regolamentazione fra vari paesi) andrebbero eliminate su base volontaria per iniziativa degli stessi soggetti coinvolti. Il sostegno della Chiesa si rende indispensabile a tale riguardo nel denunciare fermamente le frodi e la corruzione, specialmente quando tali pratiche assumono i connotati del riciclaggio del denaro.

5. *Rendere più efficace la protezione del consumatore*

La complessità dei prodotti e dei processi finanziari in un mondo globalizzato richiede trasparenza, in altri termini necessita che le istituzioni finanziarie semplifichino e chiariscano bene la natura dei prodotti che propongono rendendo altresì chiara la comprensione dei rischi e dei benefici che possano conseguire al loro acquisto. Il modo in cui si applica la classificazione dei clienti tra *retail* (che richiedono protezione) e istituzionali (teoricamente ben informati) va rivista per evitare i casi in cui delle istituzioni poco preparate siano oggetto di vendite ingannevoli.

6. *Esplorare secondo quali processi sia possibile una ragionevole ed equa riduzione di indebitamento delle famiglie*

Le istituzioni finanziarie non possono derogare al principio etico "che i debiti debbano essere onorati". Tuttavia nella misura in cui il rapporto fra indebitamento e reddito risulti eccessivo e possa essere di ostacolo, principalmente per un sano rilancio dei consumi delle famiglie, si dovrebbero perseguire politiche mirate ad una ragionevole ed equa riduzione dell'indebitamento e verso prodotti dove i rischi vengano condivisi fra creditori e debitori senza pregiudicare l'uguaglianza di condizioni per tutte le istituzioni finanziarie.

7. *Integrare le iniziative da intraprendere in una prospettiva che tenga conto degli effetti intergenerazionali*

Qualunque proposta di riforma finanziaria, comprese quelle che fanno riferimento al salvataggio di istituzioni finanziarie attuato mediante contributo alla ricostruzione del capitale da parte dei creditori ed obbligazionisti (bail-in) o dello stato (bail-out), debbono tener conto degli effetti che tali azioni possono produrre sui fondi pensione e sulla distribuzione temporale dei rischi fra percettori attuali del reddito rispetto ai pensionati e a quelli delle generazioni future.

8. *Mobilizzare la competenza delle banche per una finanza inclusiva*

È opinione di alcuni che in modo specifico le grandi banche possano essere di guida nell'adozione di principi etici in campo finanziario; altri invece sostengono che tale obiettivo sia meglio perseguibile da parte di entità più piccole. In tutti i casi e nonostante i difetti appalesatisi recentemente, le istituzioni finanziarie sono diventate ciò che sono attualmente diversificando gli impegni per contenere i rischi, sviluppando accurate metodologie di reportistica e controllo, mediante un uso produttivo di risorse finanziarie limitate, e ancora attraverso l'applicazione di nuove tecnologie e un intenso addestramento del personale. I risultati conseguiti possono essere di enorme valore nella edificazione di un sistema finanziario che contribuisca a combattere la esclusione.

C. Una finanza per i poveri

9. *Sostenere le istituzioni finanziarie con forte orientamento allo sviluppo sociale*

Le istituzioni finanziarie con spiccata vocazione allo sviluppo hanno un importante ruolo da giocare: anzitutto possono essere di ausilio nella identificazione di imprese emergenti dotate di buon potenziale, possono predisporle per un ingresso nel mercato dei capitali e possono partecipare alla creazione di fondi di investimento a cui le piccole imprese abbiano più facile accesso in chiave partecipativa.

10. *Aiuto e guida alla micro-finanza*

Il coinvolgimento di istituzioni finanziarie di paesi sviluppati operanti in chiave globale può essere di valido aiuto al controllo della micro-finanza – ovviando il rischio dell'usura, con ciò permettendo anche che il micro-credito possa

realizzare efficacemente l'obiettivo della inclusione finanziaria con l'applicazione ad un largo spettro di produttori di beni e servizi.

11. *L'uso di strumenti monetari legati a tecnologie mobili come strumento che faciliti la inclusione*

I dispositivi mobili e la graduale diffusione di mezzi di pagamento attuati per via digitale costituiscono un significativo strumento per combattere la esclusione finanziaria. La digitalizzazione dei pagamenti effettuati dal settore pubblico, dei servizi legati alla salute, e quelli concernenti le catene logistiche possono essere risolutivi per favorire questa inclusione e porre le basi per ulteriori sviluppi nel campo del credito, dei risparmi e delle assicurazioni al servizio dello sviluppo.

12. *Promuovere un fondo di solidarietà in vece di una tassazione sulle transazioni finanziarie o sul capitale*

Cresce la preoccupazione relativa alla divaricazione dei redditi tra paesi e all'interno stesso di ciascun paese che porta alcuni a proporre una tassa sulle transazioni finanziarie o sul capitale; tuttavia tale tassa potrebbe risultare di difficile applicazione e avere carattere confiscatorio. La Chiesa potrebbe sostenere e promuovere l'idea di una contribuzione volontaria che non sarebbe gestita direttamente dai singoli governi ma potrebbe affluire in un fondo internazionale di solidarietà a sostegno di ben motivate cause a servizio dei poveri.

D. Etica, motivazioni e processi educativi

13. *Rendere i comportamenti contrari all'etica proibitivamente costosi*

Una costruzione solida dell'etica finanziaria è possibile solo se realizzata attraverso un processo interno alle società che punti ad un cambiamento culturale ed educativo dei gio-

vani. Allo stesso tempo i regolatori vorrebbero anche loro imporre principi etici; mentre però è difficile imporre una linea di condotta etica con la semplice introduzione di norme regolatorie, i comportamenti che deroghino dall'etica possono però essere fortemente penalizzati economicamente, sia per normativa interna che esterna.

14. *Fissare incentivi basati sui risultati conseguiti sul lungo termine*

Gli incentivi e le politiche di bonus andrebbero legati/e ad obiettivi di lungo periodo e mai ad andamenti di breve periodo. La struttura degli incentivi nelle società quotate dovrebbe prescindere dai corsi azionari sul breve periodo.

15. *Arricchire l'educazione finanziaria e agli affari*

I programmi educativi in materia di business e di finanza dovrebbero recepire contenuti propri della storia e filosofia per evitare di trasmettere nozioni che si pretendono "neutrali" e "prive di riferimenti a valori ideali", e favorire invece la capacità di analisi critica. Questo nell'interesse stesso degli studenti e della capacità dell'industria finanziaria di perpetuare la propria attività nel tempo. Gli insegnanti di queste materie dovrebbero essere valutati e meglio remunerati.

16. *Favorire la libertà di giudizio*

Le istituzioni finanziarie dovrebbero creare le strutture necessarie perché al loro interno ci sia la possibilità per i dipendenti di esprimersi con piena libertà di giudizio. Dovrebbero in altre parole trovare incoraggiamento a far pervenire i loro suggerimenti di miglioramento.

17. *Promuovere l'educazione anche dell'utilizzatore dei servizi finanziari*

Può contribuire al ristabilimento della fiducia reciproca nel settore finanziario anche porre in atto iniziative di formazione dirette agli utilizzatori dei servizi finanziari che li guidi nell'apprendimento dell'equilibrio e della gestione attenta delle risorse familiari.

18. *Reinventare missioni e motivazioni*

Il settore finanziario ha la necessità di motivare meglio i giovani che lavorano all'interno di strutture finanziarie; ciò non sarà facilmente attuabile se non riscoprendo e riformulando i principi stessi della missione a cui sono chiamati a collaborare, laddove il settore finanziario – lungi dal rimanere ripiegato in sé stesso – va posto al servizio dell'intera economia e di tutta la società secondo la formula: *Finance with a purpose.*

GLI AUTORI

Abela Prof. Andrew, CUA (Washington)

Beretta Prof. Simona, Università Cattolica Sacro Cuore (Milan)

Bonnici Prof. Josef, Governor Central Bank of Malta

Celli S.E.R. Mons. Claudio Maria, President Pontifical Council for Social Communications and FCAPP International Ecclesiastical Counsellor

Ceyssens Dr. Jan, Member of Cabinet, Cabinet of Vice President E.U. Commission M. Barnier

Coffman Dr. D'Maris, Centre for Financial History, University of Cambridge (UK)

Costa Prof. Antonio Maria, past Executive Director, United Nations Office on Drugs and Crime – UNODC (Italy), FCAPP Scientific Committee

Dallaire General Roméo, Founder of The Roméo Dallaire Child Soldiers Initiative; Former Canadian Senator and Senior Fellow at the "Montreal Institute for Genocide and Human Rights Studies" and Co-Director of the "Will to Intervene Project" (USA)

De Los Mozos Fr. Alvarez SJ, Social Justice and Ecology Secretary, Society of Jesus (Italy)

Dembinski Prof. Paul, Observatoire de la Finance, Geneva FCAPP Scientific Committee

Dempster Prof. Michael, Centre for Financial Research, University of Cambridge (UK)

Diotallevi Prof. Luca, Università Roma Tre (Italy)

Estanislao Prof. Jesus, University of Asia & The Pacific, Manila

Felice Prof. Flavio, Pontificia Università Lateranense

Fieler Sean, President Equinox Partners, LP (USA)

Garonna Prof. Paolo, Federation of Banks, Insurance and Finance, Rome, FCAPP Scientific Committee

Giraud Fr. Gael SJ, Economist (France)

Gonzalez-Páramo Prof. José Manuel, BBVA Board Member (Spain)

Gonzi Dr. Lawrence, past Prime Minister of Malta

Jeanbart Metropolitan Jean-Clément Archbishop of Aleppo (Syria) (Melkite Greek Catholic Church)

Langlois His Eminence Cardinal Chibly, Bishop of Les Cayes (Haiti)

Leblanc Dr. Robert, President Les Enterpreneurs et Dirigeants Chretiens (France)

Lui Prof. Francis T., Hong Kong University of Science and Technology (Hong Kong)

Marseguerra Prof. Giovanni, Università Cattolica del Sacro Cuore (Milan) - Secretary, CAPP Foundation Scientific Committee

Martin H.E. Msgr. Diarmuid, Archbishop of Dublin

McCarrick His Eminence Cardinal Theodore, Archbishop Emeritus of Washington (USA)

Medova Dr. Elena, Centre for Financial Research, University of Cambridge § Managing Director, Cambridge Systems Associates (UK)

Melina Prof. Livio, President of the Pontifical John Paul II Institute for Studies on Marriage and Family

Milanovic Dr. Branko, The Graduate Center, City University of New York (USA)

Nalewajek Robert A., President, CAPP-USA

Oakley Revd Canon Mark, Canon Chancellor of St Paul's Cathedral, London

Pabst Prof. Adrian, University of Kent (UK)

Pammolli Prof. Fabio, Institutions Markets Technologies Lucca (Italy)

Parolin His Eminence Cardinal Pietro, Secretary of State, Holy See

Pastor Prof. Alfredo, IESE (Barcelona) FCAPP Scientific Committee (Spain)

Pilz Dr. Renate, CEO Pilz GmbH & Co. KG, Sichere Automation (Germany)

Pujos Dr. Antonin, Secretary General Zermatt Summit Foundation, Switzerland

Quadrio Curzio Prof. Alberto, Emeritus of Economics and President of the Centro Cranec, Università Cattolica Sacro Cuore (Milan), President of Moral Sciences Class at the Accademia Nazionale dei Lincei President of FCAPP Scientific Committee

Ridpath Mrs. Barbara, Director St Paul's Institute (UK)

Rossi Di Montelera Dr. Cte Lorenzo, FCAPP Board member (Italy)

Ryscavage Fr. Richard S.J. Director, Center for Faith and Public Life, Fairfield University; Past Vatican representative to the UN's "High Level Dialogue on Migration" (USA)

Schwalbenberg Dr. Henry, Director Graduate Program in International Political Economy and Development, Fordham University (USA)

Schulte Dr. Markus, Cabinet Member of Vice-President E.U. Commission G. Oettinger, FCAPP German member

Strassburger Mr. Brian A. S.J., Rapporteur New York Conference (USA)

Sugranyes Dr. Domingo, President FCAPP Board

Tomasi Archbishop Silvano Maria, C.S. Nuncio to UN Organizations in Geneva; Past Nuncio to Ethiopia, Eretria and Djibouti and Secretary of the Pontifical Council for the Pastoral Care of Migrants, Itinerant People

Toso HE Bishop Mario, Secretary of the Pontifical Council for Justice and Peace

Vanni D'archirafi Dr. Francesco, CEO of Citi Holding and member of Citigroup Operating Committee, London

Young Stephen, Global Executive Director Caux Round Table (USA)

Zahra Dr. Joseph F.X., FCAPP Board member, Auditor at Prefecture for the Economic Affairs of the Holy See

INDICE

Volume's Abstract 5

Sommario del volume 6

Discorso del Santo Padre Francesco ai partecipanti all'incontro promosso dalla Fondazione Centesimus Annus – Pro Pontifice 7

Address of Pope Francis to Participants in the Meeting Promoted by the Centesimus Annus – Pro Pontifice Foundation 9

Discurso del Santo Padre Francisco a los participantes en el Congreso Internacional anual organizado por la Fundación Centesimus Annus – Pro Pontifice 12

Ansprache von Papst Franziskus an die Mitglieder der Stiftung Centesimus Annus – Pro Pontifice 15

Indirizzo di saluto al Santo Padre del Presidente della Fondazione "Centesimus Annus – Pro Pontifice" Domingo Sugranyes Bickel 19

Address to Pape Francis by Domingo Sugranyes Bickel, Chaorman of "Centesimus Annus – Pro Pontifice" Foundation 22

Discurso del Presidente de la Fundación "Centesimus Annus – Pro Pontifice" Domingo Sugranyes Bickel al Santo Padre 25

Alberto Quadrio Curzio and Giovanni Marseguerra (with the collaboration of Ilaria Pasotti), Introduction: Solidarity and Community 29

Alberto Quadrio Curzio e Giovanni Marseguerra (con la collaborazione di Ilaria Pasotti), Introduzione: solidarietà e comunità 45

FCAPP, 2015 Statement. A reformed Market Economy: Entrepreneurship for Human Development 61

FCAPP, Dichiarazione 2015. Un'economia di mercato riformata: un'imprenditorialità per lo sviluppo umano . . . 71

THE GOOD SOCIETY AND THE FUTURE OF JOBS: CAN SOLIDARITY AND FELLOWSHIP BE PART OF BUSINESS DECISIONS?

Convegno Internazionale

Città del Vaticano, 8-10 maggio 2014

Alberto Quadrio Curzio and Giovanni Marseguerra, Foreword International Conference 85

Alberto Quadrio Curzio e Giovanni Marseguerra, Prefazione Convegno internazionale 89

Program International Conference 93

SESSION 1
Paper by Keynote Speaker

Branko Milanovic, "Global Ineguality in Numbers: The History and Today" 97

Abstract 111

Alfredo Pastor, Remarks on Branko Milanovic's Report . . 113

Abstract 116

Francis T. Lui, Remarks on Branko Milanovic's Report . . 117

Abstract 122

SESSION 2
Paper by Keynote Speaker

Adrian Pabst, Prosperity and Justice for All: Why Solidarity and Fraternity are Key to ajn Efficient, Ethical Economy 125

Abstract 160

Antonio Maria Costa, Remarks on Adrian Pabst's Report . 163

Abstract 168

Francisco Álvarez de Los Mozos, Remarks on Adrian Pabst's Report 169

Abstract 174

SESSION 3

Round Table Chaired by Andrew Abela on "Solidarity and Gift in Business Decisions" 175
Abstract 203

FINAL SESSION

Lawrence Gonzi, Moving Towards a Good Society 207
Abstract 222

Fabio Pammolli, Summary Report 225
Fabio Pammolli, Rapporto riassuntivo 239

S.E.R. Mons. Claudio Maria Celli, Meditazione 255

POVERTY AND DEVELOPMENT:
A CATHOLIC PERSPECTIVE

Convegno CAPP-USA and Fordham University

September 26-27, 2014 – New York City

Program Conference 265

His Eminence Pietro Parolin, Address of His Eminence Secretary of Vatican State to the Participants to che Conference 269
S. Em.za Rev.ma Pietro Parolin, Indirizzo di saluto di Sua Eminenza Segretario di Stato Vaticano ai partecipanti alla Conferenza 275

His Excellency Msgr. Silvano M. Tomasi, Issues of Immediate Relief, Lasting Development and the Need for Solidarity 281
Abstract 299

His Em. Card. Theodore McCarrick, Introduction to the Examination of "Responding to Immediate Emergencies" 301
Abstract 309

Roméo Dallaire, The "Obligation to Intervene" 311
Abstract 323

Son Éminence le Cardinal Chibly Langlois, Pauvreté et développement. Perspectives d'Haïti 325
Abstract 333

His Excellency Msgr. Jean-Clement Jeanbart, The Suffering and Hope of a Terrorized Community 335
Abstract 349

Father Richard Ryscavage, S.J., Migration, Economic Development and Poverty 351
Abstract 360

Henry Schwalbenberg, What can Economics add to a Catholic Perspective on Poverty and Development? 363
Abstract 374

Robert A. Nalewajek, Fraternity and Solidarity: Without which "It is Impossible to Build a Just Society and a Solid and Lasting Peace" 377
Abstract 385

Brian A. Strassburger, Final Report 387
Brian A. Strassburger, Relazione conclusiva 409

THE DEBT CRISIS,
FINANCIAL REFORM AND THE COMMON GOOD

International Consultations

September 27-28, 2013 – Pontifical Academy of Sciences
Casina Pio IV – Vatican City

October 24-25, 2014 – Citibank – Dublin

Simona Beretta, International Consultation: A Synthesis of the Discussion 435

Simona Beretta, Consultazione Internazionale: Sintesi della discussione 467

Simona Beretta, International Consultation: A Synthesis of the Discussion 477

Simona Beretta, Consultazione Internazionale: Sintesi della discussione 509

The Dublin Proposals on Finance and the Common Good . . 545

"Finanza e bene comune": le proposte di Dublino 553

Gli autori 563

Indice 567

D PRINT – ROMA