

## *INTERNATIONAL CONFERENCE*

*The Vatican, May 18-20, 2017*

*Luigi Gubitosi – Speech*

### *Abstract*

Lord Skidelsky has explained the phenomena of globalization and automation very well, so I will touch upon them just briefly.

Overall, globalization has been, although with some nuances, a very positive event for mankind. There are less people in extreme poverty in the world than 30 years ago, especially in developing countries. Less people are dying of hunger. Trade has increased not only among the G7 economies and the emerging market but also among the emerging markets themselves. As an example, trade between China and India was \$ 1,7 bln in 1997: it has grown to \$ 72 bln by 2014. Economic links between countries have multiplied. According to Bloomberg, textile manufacturers from China, Turkey and Bangladesh have invested in 2015 over \$ 2 bln in Ethiopia to open new factories. Similar investments have spurred the call centres hub development in the Philippines. In short, trade has played a positive role to reduce poverty and strengthen links between different countries and cultures, as it has often happened in the course of history.

However, in the Western world, globalization seems to have taken a somewhat negative connotation. Since the Great Recession of 2007, economic instability has been spreading anxiety in many Western countries; as a result, populist parties have emerged and thrived on this feeling of instability. They, in a nutshell, blame globalization both for the loss of jobs that have moved to the emerging markets and for the wave of immigrants that has swept Western Europe.

Indeed, Western societies have had a tough time, recently. Automation, even more than globalization, has taken a toll on employment. Take banking jobs, once the ultimate secure job in countries such as Italy: they have not gone global - with the possible exception of some back office activities - they moved to the Internet. The same is true for many retail jobs due to the emergence of the likes of global on line retailers such as Amazon.

Call it – if you wish – the California Paradox. The Golden State is home to the internet revolution, and boasts the same Gross Domestic Product as France. If independent would rank as the world's sixth largest economy. Nevertheless, according to a recent Census reported by Forbes, it has the highest true poverty rate in the United States.

Even where unemployment is back to pre crisis levels, unstable jobs have replaced stable ones: there are less bank clerks and more Uber drivers. There are less unions, limited benefits and no job stability. Social mobility has slowed down. What used to be known as the American Dream, is actually showing that people are moving down as much as up the social ladder, today. For the first time since WW2, you cannot take for granted that children will do better than their parents.

Thus, the perception of rising inequality generates uneasiness and despair among those that feel left behind in Western countries. This feeling may be negligible in emerging markets like China, where the economic high tide raises almost every boat, but inequality - if ignored - will soon become a significant social problem there as well. Demography has a negative role too. Smaller families and longer life expectancy put an extra burden on welfare systems. For many, aging

becomes a winding road to uncertainty. In short, there is widespread uneasiness in our society, which sometimes turns into rage.

Immigrants become the obvious target of such rage. Immigration has increased dramatically over the last few years, especially in Europe and the US – where it is much more visible – but as a matter of fact an even larger number of immigrants move yearly across emerging markets. Refugees flee war zones like Syria but also escape poverty. Any human being lives on projects and dreams, and fights for a better future to live. Immigrants escape hopelessness.

The arrival of immigrants typically polarizes societies: some are open towards the newcomers, others are suspicious. Particularly they worry about security. A comprehensive policy on integration is necessary to address the needs of immigrants and social stability. Many governments are struggling to address this issue: some can rely on established multicultural societies and adequate policies, others need to create their own policy from scratch. Take two examples under the same blue flag with twelve stars: on one hand you have France, that has a tradition of immigration from several generations. On the other hand you have Hungary: a central European state that has always been socially homogenous. Europe is in between these two extremes and finds it impossible to lead a common initiative on immigration. Italy is struggling with the same problem: it is on the forefront of the fight against human trafficking in the Mediterranean, but it has still to develop a comprehensive policy on immigration.

Immigrants are a perfect target for populist politicians. They are easily profiled in stereotypes. They are easily associated with the threat of religious extremism. They are an easy victim to any rhetoric of “us against them”. When times are tough, it doesn’t take much, in public discourse, to light the fire of racism.

Social cohesion is diminishing and values are not as commonly shared as they used to be. Last century’s ideologies have to a large extent disappeared, but a number of dividing lines within society are appearing which over time, if unchecked, can cause significant damage.

So how to incentivize solidarity in this complex context? Solidarity is still a significant pillar of our society. An impressive number of people volunteer to help others, every day. Religious values are barrier to rage and racism and promote cooperation and integration. Many organizations and private individuals reach out to help the weakest, the elders, the poor.

It is of paramount importance to spread this value and show the examples. Media must promote real, not alternative facts. And that must apply to fiction, movies and social media too. Education to accept and cherish diversity must start at kindergarten. Promoting these values must be part the main task for Public Broadcasting Media as a catalyst for the entire media sector and society at large.

At the same time, governments must promote economic growth and integration, reduce inequality, and ensure security in order to rally the people around key values. Social values and public policies are not mutually exclusive; they are necessary to each other, in fact.

Time is of essence. Globalization and protectionism will continue to fight each other. And in times of crisis, it is necessary to remember that there is a case for arguing that – in fact – the world is getting better. Science is curing many a disease, child mortality is decreasing in many countries and many African and Asian countries are slowly climbing up the social ladder and developing a strong middle class. People are living healthier and are more prosperous than their grandparents.

We have to ensure that our society accepts change, embraces diversity and proactively fights fear in order for the world, to paraphrase the title of a famous book, to remain flat.