

OPENING ADDRESS TO THE 2020 INTERNATIONAL CONFERENCE
HUMAN Economy in the post-pandemic world: from concept to action

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Eminence, Excellencies, dear Members and Friends,

Good afternoon and welcome to this International Conference in web form dedicated to how to concretely achieve an economy with a “human face” inspired by integral ecology as put forward by Pope Francis in the encyclical *Laudato Si’*.

It is a great honour and pleasure to see so many of you.

This is the second year that *Centesimus* is dealing with this encyclical which has proved prophetic in the time of the coronavirus pandemic.

Five years ago, the Holy Father in *Laudato Si’* reminded us of the urgent need for a change of course and invited us to work to remedy the many distortions we were experiencing: the squandering of non-renewable resources, the reduction of biodiversity, the climate changes that impact above all on the poor, the water and food crises, the increase in economic gaps and social inequalities, the spread of the throwaway culture which discards people and things.

Over these five years these inequalities have not disappeared, they are still present because improvements have been very slow, uneven and fluctuating, so much so that the Holy Father in the General Audience of 26th August last stated: "In today's world, a few wealthy people possess more than the rest of humanity. This is pure statistics. This is an injustice that cries out to heaven! At the same time, this economic model is indifferent to the damage inflicted on our common home. We are close to exceeding many of the limits of our wonderful planet, with serious and irreversible consequences: from the loss of biodiversity and climate change to rising sea levels and the destruction of tropical forests. Social inequality and environmental

degradation go together and have the same root (cf. Encyclical. *Laudato Si*, 101): wanting to possess and wanting to dominate over one's brothers and sisters, wanting to possess and dominate nature and God himself."

The invitation addressed to us by the Holy Father, is to change behaviors, goals, strategies, to change everything in order to concretely pursue a new world inspired by integral ecology. This is such a complex goal that we decided to continue our reflection this year too with a particular focus on what changes must be made in governance, in production, consumer and educational models to achieve and accelerate the transition towards a model of fairer, more just, more supportive, more sustainable and environmentally friendly development.

Talking about how to create a new model of socio-economic progress is particularly pertinent at the present time in which we are all called to "rebuild" a health, economic and social situation devastated by the pandemic.

As Pope Francis said in the above-mentioned General Audience: "The pandemic has highlighted and exacerbated social problems, especially inequality." "These symptoms of inequality reveal a social disease; this is the virus that comes from a sick economy. And we must say it clearly: the economy is sick. It has become ill. It is the fruit of unequal economic growth - this is the illness: the fruit of inequitable economic growth - that disregards fundamental human values."

Shocking words, perhaps difficult to fully understand, but which remind us of our responsibilities as politicians, rulers, representatives of institutions, entrepreneurs, executives, professionals, academics and individuals.

The epoch-making change that the Church demands to all of us is based on a different concept of development, not the one that is still prevalent today which makes development coincide only with economic growth, but an integral human development. This was clearly stated 53 years ago by Saint Paul VI in the encyclical *Populorum Progressio* (promulgated 26th March, 1967) "Development cannot be restricted to simple economic growth alone. To be authentic, it must be well-rounded, which means aimed at fostering the development of each person and the whole person".

It is a concept strongly proposed by Pope Francis in *Laudato Si'* and in his subsequent interventions including the recent encyclical *Fratelli Tutti*. In this encyclical Pope Francis says “Let us care for the needs of every man and woman, young and old,” (FT, 79) and of the fragility of our planet, aware that the earth’s resources are not unlimited. “God willing, after all this (the pandemic), we will think no longer in terms of “them” and “those”, but only “us”. (FT, 35)

I was particularly struck by a phrase used by Pope Francis in the aforementioned 26th August General Audience: “We are experiencing a crisis. The pandemic has put us all in crisis. But let us remember that after a crisis a person is not the same. We come out of it better, or we come out of it worse. This is our option... Let's think about this. May the Christian communities of the twenty-first century recover this reality - care for creation and social justice: they go together -, thus bearing witness to the Lord's Resurrection.”

The Holy Father stresses the urgent need for change and invites everyone to work together to achieve a global movement capable of changing things, with courage and creativity, and of leaving a better world for the young people for whom we are responsible.

In His Message to the European House-Ambrosetti Forum, Cernobbio 4th-5th September 2020 Pope Francis reminds us that “This conversion and creativity necessarily imply training and encouraging the next generation of economists and entrepreneurs”, “to put themselves at the service of the community and the creation of a culture of encounter”.

We must recognize that the last two/three years have seen some positive signs that the pandemic has accelerated: growing attention to economic, social and environmental sustainability and a certain timid evolution towards sustainable Capitalism. We already talked about it last year. The effects are not yet relevant, we do not know if we are really experiencing a global and transversal movement aimed at the structural and permanent reduction of inequalities, exclusion and environmental degradation, but they are an important positive signal. Activities we are observing [I cite just a

few examples: The Business Roundtable Statement, Davos Manifesto, statement by Jack Welch, Blackrock CEO, recent Financial Times article, as well as adoption of ESG (Environment, Social, Governance criteria by companies] are moving towards greater attention to social and cultural growth.

The central theme of sustainability that underlies everything, is the creation of value: what value, for whom, how is it achieved.

The Catholic Social Doctrine (CSD) invites us to consider the company as a community of people working for a common goal that cannot only be the creation of value in the form of profit for shareholders, but the creation of value for all those who in some way contribute to the success of the company itself and therefore to the creation of the well-being of employees, suppliers, customers, and the care of the territory in which the company operates. This involves a fundamental change in the very concept itself of business.

Taking care is the main action for the CSD, therefore the “good business” is the one that feels responsible for the consequences of its work on an economic, social and environmental level, which does not intend to obtain a high profit by polluting, selling poor products or treating its suppliers badly. The "good business" does not impose high human and environmental costs on the community and in doing so also maximizes the value for shareholders in the long term, as demonstrated by not a few researches. The *business* models we are discussing and that are put forward by the CSD are those that aim to achieve balanced, long-lasting and sustainable development combining efficiency and responsibility, profit and collective well-being with respect for nature and man (*Laudato Si'*). In this way the company becomes a place of civil co-existence and social solidarity. A place where everyone gives and receives.

This business concept obviously has a great impact on strategies, production models, the role of the bosses and the entire internal organization.

Today, many recognize that the transition to a new development model and a new way of envisaging and doing business is indispensable but, in the same time everyone recognizes that there is a cost to bear.

In fact the transition from the old to the new world changes the global equilibriums, therefore it is necessary to manage the transition so as not to aggravate social and economic imbalances. (Fratelli Tutti Encyclical invites us to be builders of a new social link). Because it is complex, the transition must be fair, methodical and shared, as many observers maintain. In particular achieving the “*just transition*” requires greater cooperation within and between countries; between governments, businesses, institutions and the third sector; between the private and public sectors. The European Union has decided to allocate 40 billion euro to the “*just transition*”.

As you have seen at today’s meeting there are speakers of great competence and experience who will testify respectively what Central Banks, the European Union, the International Monetary Fund and a large energy company are doing to pursue a solidarity, sustainable and green economy. Their testimony it is important to understand that changes of thought and action necessary to evolve the current model it is possible. The path is neither easy nor painless but absolutely necessary to bring about a change of pace in everyone's behavior with the aim of pursuing respect for human dignity, social justice, care for the common good and for the creation.

I thank Francois Villeroy de Galhau, Governor of the Bank of France, Mariya Gabriel, European Commissioner for Innovation, Research, Culture, Education and Youth, Gian Maria Milesi-Ferretti, Deputy Director of the Research Department of International Monetary Fund and Claudio Descalzi, ENI CEO, for agreeing to bring their testimonies to our international conference.

I especially thank His Eminence Cardinal Parolin for honoring us with his opening address.

An affectionate thanks to our friend Dawn R. Elm for agreeing to moderate the session.

I am sure that practical indications will emerge from the various interventions on what to do to change the goals and rules of the game.

We could thus make our contribution to the Holy Father who, on 15th Oct.2020, in the video message addressed on the occasion of the meeting

“Global Compact on Education. Together to look beyond” asked everyone “to commit themselves to finding other ways of understanding the economy, politics and progress in order to be at the service of the human family in the perspective of an integral ecology.”