



Fondazione Centesimus Annus
Pro Pontifice

2020 International Convention via Web

A Human Economy in the Post-Pandemic World: From Concept to Action

9th October 2020

Members Annual General Assembly - The work of CAPP: Ideas, proposals, actions

A summary of the local-country groups works

Giovanni Marseguerra¹

We have overall received from Foundation's Local-Country Groups eight documents, four from Italian chapters (Bologna, Roma, Bergamo and Milano) and four from non-Italian chapters (US, Malta, Madrid and Paris). All papers are interesting, all provide substantial food for thought and all together reveal the great effort made by local groups for this General Assembly.

The underlying event which has profoundly affected the reflections of all groups and which is in the background of all contributions is, of course, the pandemic, the outbreak of the COVID 19 which has deeply changed our lives. The eight papers can be grouped in four thematic areas:

- 1 - **Governance, Ethics and Corporate behavior:** in this area fall two papers, the one of the Paris Group and the one of the Madrid Group;
- 2 - **Economy and Finance for a sustainable society:** in this area fall the four Italian papers: Rome, Bergamo, Milano and Bologna;
- 3 - **The future of work** (Malta)
- 4 - **Social media and CST** (US)

In the remaining part of the present document the key contributions of each of the submitted papers will be briefly analyzed and summarized (but all papers are definitely worth full reading).

The work of the **French** group is focused on "*The keys to a new corporate governance in the post-COVID era*". The analysis is based on the assumption that the current period is the right time to start to question the model of long-term growth and value creation which has dominated in the last decades. We need to redefine the concept of value creation in a broadest sense considering its impact on the world. Financial performance has to be substituted by sustainable performance. Not only financial requirements, but also the requirements of respect for the environment, respect for human dignity and respect for society. The role of managers is precisely to synthesize them in their mode of governance, with sustainable performance in mind. Sustainable performance requires a

¹ *Università Cattolica del Sacro Cuore, Milano, and CAPP Foundation Scientific Committee Coordinator.*



Fondazione Gentesimus Annus
Pro Pontifice

business project, requires to reconcile financial profits and positive impact, both ecological and social, requires above all a long-term *raison d'être*.

Once the *raison d'être* is properly identified, the corporate purpose needs to be defined accordingly. Many contradictory objectives and constraints will arise on the leader's path and he or she will have to arbitrate constantly, remaining within the chosen *raison d'être*. In this respect, for a good governance system it becomes essential to have time for introspection and discernment in order to reconcile personal convictions with professional choices. The Catholic Social Teaching may then be considered as a compass particularly appropriate for entrepreneurial choices. And the French group identifies 4 key elements that should orient the leaders' choices in order to build a new societal model, more sustainable, equitable and inclusive:

1. Absolute respect for human dignity;
2. The search for the Common Good;
3. Systematic application of the principle of subsidiarity;
4. Solidarity, both inside and outside the company.

The French group identifies specific questions that the business leaders in the introspection process should ask themselves for each of the four dimensions, so that the introspection in this way becomes really concrete. Thus, the analysis moves from principles to action.

The paper by the **Madrid** group addresses another crucial issue within the general topic of governance and corporate behaviour, that is the need to adapt to the changes that digitization is bringing and specifically the role of companies on how their employees should be trained to achieve a more humane digital economy. The point is that work automation is going to make many of the current jobs disappear and re-skilling the labor force is crucial for employers. The economic damage caused by the Covid-19 pandemic is of course adding further pressure on companies. But how this reskilling should be provided? how this training can help our society to achieve a more humane digital economy? These are the specific research questions addressed by the Madrid group paper. The paper adds to the more theoretical part three specific and especially positive examples of how employers have trained their employees. For time reason I will here restrict myself to just one of the three examples of the paper but all are worth reading. And the example I want briefly look at with you is that of MAPFRE, which has almost 35thousands employees with more than 90 nationalities and with 4 generations working in the company and is currently promoting a profound strategic digital transformation. MAPFRE has launched the "Digital Challenge" initiative where the idea is that different paths are available for the employees and they can choose the one they consider more appropriate and pertinent for their needs. The dignity of the person as a core value that should be present in any interaction between manager and employees is the key element of the initiative. A few words on the conclusions of the paper and which derive from the examples analysed: First, training programs need to be centered on people as protagonists and they must be inter-active at all levels. Second, technological decisions must be widely explained through training



*Fondazione Centesimus Annus
Pro Pontifice*

programs and, finally but probably most importantly, redundancies are in many cases the bad solution as it is in the company's shareholders', executives' and employees' interest to pursue as a priority the full flourishing of internal capacities for change.

The four Italian papers (Milano, Rome, Bergamo and Bologna) fall within the broad area of Economy and Finance for promoting a more sustainable society.

The group of **Bergamo** has designed the program: Say yes, where yes is an acronym for youngs for economy and society. The program is an itinerary of reflection and of training which has been thought to promote a tangible engagement at local level. A group of (on average) 45 young people between 25/27 years has addressed several issues such as Enterprise and work; Work and social development, The world of cooperatives, School and education, European and International policy, New economies, Building of the civil community, New lifestyles.

For each topic a number of contributions has been identified. For example, as far as enterprises and work, in line with the previous analysis of the group of Madrid, it is pointed out the need to promote up-skilling and re-skilling policies to update the background of workers, to avoid obsolescence and marginalization of workers, to develop new competencies, to cover mismatch with the needs of the enterprises. It is also emphasized the need to facilitate the transition from a linear system (school-work) to a circular system (school-work-school). As far as school and education, the need to reinvent alternative school-work formulas is proposed. The itinerary of the group has been completed at the beginning of this month and it is perceived as a sort of starting point, so further results will be generated in the near future.

The group of **Milano** investigated another crucial issue in these difficult times, that is the importance to increase our social cohesion. Social cohesion is much more than the fight against poverty and social exclusion, as it requires shaping solidarity networks within the society capable, inter alia, to reinforce our ability to manage diversity, a factor of mutual enrichment. In this respect, the group examined the role of women in the workplace and the gender gap which still persists in our society. The point here is that equality fuels social cohesion and inequalities have instead a negative impact on social cohesion. Borrowing from a recent paper of our Chairwoman, it is emphasized how women probably possess today the best characteristics and the most appropriate values for promoting sustainable development, as a result of their sense of responsibility, their competence and determination. Companies should foster a corporate culture based on promoting diversity and inclusion. From the analysis of the group of Milano clearly emerges that equal opportunities cannot be reached focusing only on labor market and increasing the employment rate of women. More than that it is required. It needs to make sure that both men and women can attain the correct balance between work and life, between work and family. The paper addresses a number of further issues, as the diffusion of women entrepreneurship and the participation of women to companies'



Fondazione Gentesimus Annus
Pro Pontifice

boards. The conclusion is that social cohesion is sister of a sustainable economy, so that promoting social cohesion is also a way forward to a more sustainable world.

Sustainable finance is the topic addressed by the paper of the **Bologna Group**. As it is well known, sustainable finance generally refers to the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities and projects. As far as sustainable investment, however, terminology is still to be fixed as we have a number of similar terms which express close and related concepts: ethic finance, socially responsible finance, green finance, impact finance, ESG finance. According to Regulation 2020 n. 852 of the European Parliament and of the Council, for the purposes of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable when that economic activity contributes substantially to one or more of the following six environmental objectives: (a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; (f) the protection and restoration of biodiversity and ecosystems, and at the same time does not significantly harm any of the environmental objectives. The analysis of the paper is strongly rooted in the principles of Social teaching and it is in line with the indications of the *Oeconomicae et pecuniariae quaestiones* document, especially n.6 : *“It is especially necessary to provide an ethical reflection on certain aspects of financial transactions which, when operating without the necessary anthropological and moral foundations, have not only produced manifest abuses and injustice, but also demonstrated a capacity to create systemic and worldwide economic crisis” (OPQ, n.6).*

The paper of the Group of **Rome** analyses the role of the State as crucial actor in both developing a modern health system and investing in infrastructures. The analysis is mainly focused on the Italian case but it can be easily generalized to cover also other contexts. In the current period, characterized by a very high level of uncertainty, in order to design a more just and equal model of society, environmental issues are necessarily going to acquire increasing importance and public private partnerships will become fundamental elements of development. In order to grant equal opportunities to all citizens, infrastructures (such as highways, broad band, schools, universities, etc.) need to be in Government’s spotlight. At the same time, it is essential to have a properly financed health system. As far as the latter, the Group of Rome propose the application of the subsidiarity principle so that private entities are called to intervene in any situation in which the State is unable to provide the essential services. Finally, the paper elaborates a number of specific proposals based on a pact between citizens and the State and, specifically, a government debt issue



*Fondazione Centesimus Annus
Pro Pontifice*

in the form of a perpetual bond which should go hand in hand with structural reforms. The proposal is rather technical and I presume it will be presented in more details during the next session.

In the paper of the group of **Malta**, a thorough analysis is presented on how the COVID-19 crisis is going to affect labour markets worldwide in the longer term. A number of policy suggestions are then put forward for responding to these expected changes in the light of the principles of Catholic social doctrine. As we know, the effects of the virus are hitting hard the most vulnerable, with increasing insecurity and anxiety for already struggling segments of society as, for example, workers in the informal economy, which remain outside the system of social protection and health care, and young people, which face greater difficulty in entering work, and furthermore their training and education have been disrupted. Inequalities and widespread decent work deficits not only lead to economic inefficiency, they can also undermine social cohesion within countries. Significantly, seven out of the 11 subregions of the world experienced an increase in the incidence of protests in 2019, which suggests that discontent with the social, economic or political situation is on the rise. The mismatch between labour supply and demand extends far beyond the 188 million unemployed across the world in 2019. An additional 165 million people are in employment but wish to work more paid hours. Furthermore, around 120 million people are not classified as unemployed but are only marginally attached to the labour market. Moreover, world's labour markets are characterized by substantial inequalities, including stark geographical disparities in access to decent work. The paper also examines two job-related dynamics that could intensify further as consequence of the pandemic: increased automation, and the expanding gig economy. The implications of new forms of work are also considered. Finally, as already mentioned, some policy suggestions for a more humane return to a fully operational world are presented, all in the spirit of the principles of Catholic social doctrine. The conclusion is that sound policies that respect these principles (human dignity, the common good, solidarity, and subsidiarity) are good for individuals and reinforce the stability of our economies and societies.

Finally, the **US Chapter** document is devoted to present a project to evangelize the Church's social teachings in the digital sphere. The project is based on two building blocks: First the developing of a specific and informative website, and, second, a social media strategy (on Facebook, Twitter, and LinkedIn) to direct users to the website - where in-depth material and resources are available on CST. The new website, launched in July of 2019, is characterized by a flexible and dynamic architecture which allows quick updates. The goal has been since the beginning to target Catholic leaders in business, the professions, academia, the arts and, especially, young people, in order to show them how CST has answers to their pressing concerns. The strategy was to focus on contemporary issues (such as Climate Change and Covid-19) to provide an initial "spark" of interest. As a result of this impressive social media/website project is that in the one year since it was started;



*Fondazione Centesimus Annus
Pro Pontifice*

there has been greater interest, followers, and outreach than in over the preceding 10 years combined.

I conclude. The documents prepared by the local groups for our today general Assembly are a sign not only of great vitality and creativity but also of deep commitment and strong group identity. In this respect we should therefore be fully confident as far as the future of our Foundation is concerned. The Encyclica *Laudato Si'*, and now *Fratelli Tutti*, are effectively providing fundamental inspiration for all of us and both documents are guiding us in the attempt to reshape the world that will arise after the pandemic has passed. The present crisis is an opportunity to start anew, and to make sure that the world arising after this crisis is more sustainable and more just. As we know, "everything is connected" and, tragically, this health catastrophe has much in common with the ecological catastrophe. Both are global emergencies that are affecting many people and are experienced most deeply by the poor and vulnerable. Moreover, both will be solved only through a united effort that calls on the best of our core values. These lines of thought are substantially shared by all documents elaborated by our Local Groups so that we can safely assume that the main messages of Pope Francis teaching have fully gone through within our community of Members' groups. And this is very good news.

Thank you.