



Centesimus Annus pro Pontifice Foundation

International Conference 2022

Inclusive growth to eradicate poverty and promote sustainable development and peace

Palace of the Chancellery, Vatican City, 6th, 7th and 8th October 2022

SUMMARY

The 2022 Conference of the Centesimus Annus Foundation (CAPPF), entitled "*Inclusive Growth to Eradicate Poverty and Promote Sustainable Development and Peace*", derives from the need to examine the strategies to be adopted in the fight against poverty after the worldwide changes brought about by the Covid-19 pandemic and by the recent conflicts. Indeed, times are particularly difficult; the climate crisis, the war of aggression in Ukraine, the energy crisis and the resurgence of inflation have dramatically highlighted the unsustainability of the current growth model and the critical link between peace and poverty.

Following Pope Francis' recommendations, the Conference has therefore had the opportunity, to reflect, discuss and make its contribution for the identification and construction of new inclusive and sustainable models of social economic development. Inspired by the principles of the social doctrine of the Church, it is important to recover the centrality of the person for an integral human development.

Opening the Conference, the Chairwoman stated that only an inclusive economic growth, capable of ensuring the well-being of the whole of mankind and the care for creation, can contribute concretely to "eradicate" poverty by creating decent work.

It is therefore only through the promotion of these inclusive development models that living conditions can be improved structurally and in the long term, so that everyone, according to his or her possibilities, can actively participate in society and thus live a full life.

This is a goal that is strictly linked with respect for human rights and access to educational and employment opportunities for the whole population.

Inclusive economic growth means enabling all men and women of all social classes, races, gender, and religions to take an active part in the economic life of the community and enjoy its fruits.

Inclusiveness does not merely produce economic effects in terms of redistribution of income and wealth, but is essential to avoid social marginalisation and ensure a solid foundation for the democratic fabric of our countries, promoting peace.

Inclusion is thus both sharing the fruits of growth and participating in the growth process.

This is a radical change of perspective: from a short-sighted, narrow vision based on the selfishness of profit and growth at all costs to a forward-looking, integral sustainability-based vision, in which inclusiveness is the very foundation for growth.

Inclusive growth is in fact sustainable at different levels: economically, because it produces work and is integrally sustainable; socially, because it is effective in reducing poverty and inequality; relationally, because by preventing marginalisation it strengthens both communities and relationships; and, finally, spiritually, because only a development model that is inclusive, focused on the search for a meaning and not on the search for mere goods, can enable us to accumulate the most important capital, i.e. the spiritual capital.

The conference consisted of several sessions. Inspired by the teachings of the Social Doctrine of the Church, representatives of institutions, businesses, young people, academia and faith debated together on how to develop new solutions to the problems faced by our society, trying to combine the three languages: of the mind (thinking), of the hands (acting) and of the heart (love).

1. Poverty today and the new forms of poverty¹

This session sought to highlight the effects of poverty on growth and global conflicts, knowing that only through the eyes of the poor can we find solutions to the problems plaguing the planet.

The Conference examined the different dimensions of poverty, which is not only material poverty. All dimensions can ultimately be traced back to the fragmentation and spiritual poverty of our society.

Many are the problems plaguing our time, and they have exponentially increased due to the health emergency and the economic crisis. They have generated new forms of servitude, such as the

¹ Here are the speakers of the first session: H.E. Card. Jean-Claude Hollerich S.J. , Sr. Helen Alford, MSGR, Guy-Real Thivierge, Aloysius John, Máximo Torero Cullen, H.E. Monsignor Vincenzo Paglia.

precariousness and exploitation of labour, the sale of organs, and surrogate motherhood. They have damaged both relationships and participation in social life, giving rise to phenomena such as loneliness and isolation, particularly of the young and the elderly, also due to the difficulty of finding a job, with serious implications on mental health. Other concerning emergencies: access to food and water as well as to a safe and healthy environment.

Poverty prevents the enjoyment of basic human rights especially by the most disadvantaged groups: women, young people, the elderly, and the disabled.

All these forms of poverty are deeply rooted in inefficient forms of governance, which need to be reassessed.

Two basic principles should be followed:

1. The poor must be the protagonists of change; marginalisation must be avoided while inclusion must be promoted. It is not possible to act for the poor without the poor, it is necessary to implement the "preferential option for the poor" especially through the creation of decent work for all,
2. Integral human development requires a multidimensional approach: to combat poverty, it is first necessary to acknowledge that poverty is not only material.

Therefore, there are several actions that need to be taken: improving social protection systems while reducing inequalities by promoting education and employment opportunities. The tools and resources necessary to implement these reforms should be obtained through fair and progressive taxation and forms of multilateral cooperation.

2. The role of business and finance in reducing poverty. ESG and the new labour market models²

During the second session, it was emphasised that companies operating according to sustainability criteria and sustainable finance play a crucial role in combating poverty.

Sustainability requires a radical change in business models, strategic objectives, production (and consumption) processes, leadership styles and staff organisation. It adopts a long-term vision according to which business activity is not just focused on the immediate return but rather on the well-being of all people and care for the planet. In essence, the ability to combine efficiency and solidarity, aiming to produce a fair profit with a positive impact on both people and the

² Here are the speakers of the second session: **Jeffrey Sachs, Elena Beccalli, Fabio Pompei, - Francesco Perrini,- Vittorio Grilli.**

environment. It requires a transformative/regenerative approach with changes in leadership style, personnel management and organisation.

ESG (Environment, Social and Governance) criteria play an important role as a first step towards integral sustainability. They are increasingly relevant for financial investors when deciding the 'sustainable' companies in which to invest. Investors, especially institutional investors, become increasingly aware that economic, social and environmental sustainability translates itself into long-term financial sustainability. In this process, the role of the state is crucial, as it regulates the markets, especially financial markets. It has also been observed that it is necessary to acquire adequate tools to appropriately assess ESG criteria, guaranteeing access to accurate and current data and avoid in any way cosmetic sustainability as the so-called *greenwashing* and *social-washing*.

The strategic role of technology was also emphasized; technology must be ethically designed and implemented, and made available to everyone in order to guarantee a better quality of life to all people of all races, backgrounds, religions independent from where they live around the globe.

Finally, it was emphasised that if we want financial inclusion to become an effective strategy to combat poverty, we need to invest extensively in financial education and, above all, to ensure access to services and bank credit for all.

3. The role of governments and institutions in the fight against poverty and the greater importance of preventive vs redistributive measures ³

The third session addressed concrete actions that international and national communities should take to promote a more inclusive and equitable economic/financial order.

The effects of the COVID-19 pandemic hit poor and vulnerable countries hardest, threatening the hard-won growth of recent decades while exacerbating inequalities between and within countries. It has been observed that the current model of growth has not been able to reach the poorest; the policies implemented by various countries have increased exclusion and inequality; growth has had and still has a negative impact on the environment. Furthermore, it has been observed that developing countries have become the dumping ground of developed countries. This approach is counterproductive as it is based on the production of goods that many people cannot afford.

³ The speakers of the third session were: Šuica Dubravka, Andrew Abela, Olivier De Schutter, Rodrigo Mardones, Daniel Calleja Crespo.

Therefore, they feel excluded, thus fuelling the phenomenon of relative poverty. In order to avoid these negative effects, measures must be taken to create jobs even for the least qualified and to produce medium-quality goods with production methods that do not harm the environment.

Addressing the issue of peace, the Conference emphasised that peace is closely linked to poverty and inequality. States must act on two fronts: internally, to reduce the poverty of their people, and externally, to reduce inequalities between and amongst the states. In short, we must return to a responsible state capable of guaranteeing freedom and equality for all. Peace requires fraternity, positive feelings, no hatred, sound institutions, policies that prevent exclusion and strive for justice for all, as well as appropriate international regulation.

In this regard, a major problem is emission reduction policies, and particularly decarbonisation policies, pursued by Western governments and companies. Despite its good intentions, this agenda jeopardises the ability of developing countries to access the energy needed for their industrialisation processes.

The problem, therefore, is to reconcile the process towards environmental sustainability with the need to protect the poorest and most vulnerable people and nations, through the adoption of concrete support measures so that the transition process is fair.

It was noted that at European level, an example of solidarity is the Next Generation EU, an agreement reached by the countries of the European Union that for the first time 'mutualises' debt at the level of the Union's institutions, producing enormous benefits for countries with more fragile public finances. The debt is granted on much more favourable terms than these states could have obtained individually. Next Generation EU funds must be allocated to economically and socially sustainable projects.

It is essential to strike the right balance between the economic, social, environmental and human dimensions. Sustainable development goes in this direction and is the first objective to be pursued to reduce poverty, which is both an economic necessity and a moral obligation.

It has been remarked that rethinking the growth model is not impossible if we bear in mind that, for the good of all, it is not enough to increase the size of the pie. We need to consider how to share it and understand that inclusive growth means health, education, security, freedom, participation, conviviality, democracy, creativity, national and international solidarity, and social protection for all. This is why it is important to study, plan and implement inclusive policies ex ante and not ex post as it is the case now. Growth policies must be inclusive from the very beginning and not provide for a possible redistribution after their implementation in order to redress inequalities and exclusions.

4. The Voice of Youth 4

During the fourth session, four young people held a broader discussion. We wanted to hear their voices, to find out how young people perceive poverty and what they think should be done to reduce it in the light of the various proposals presented in the previous sessions.

We witnessed an emotional attitude and a very personal approach based on a comparison between one's own privileged situation and the situation of widespread poverty, which is complex and difficult to solve.

Some of the young *panellists* attended the Economy of Francis event in Assisi and listened to the Holy Father put the poor at the top of the priorities to be addressed and wondered if they are doing enough to reduce poverty. They also analysed youth poverty, which accounts for 50 % of the total worldwide. They spoke about some of the initiatives that have been undertaken to provide employment opportunities for young professionals.

Summary by Giuseppe Morgante

4) The fourth session was attended by Gert-Jan Boon, Claudia Cannas, Sofia Horsfall and Nicholas Sawicki