



Fondazione Gentesimus Annus  
Pro Pontifice

## **2022 CAPPF International Conference**

**Inclusive growth to eradicate poverty and promote sustainable development and peace.**

*7th October 2022*

### **Opening Remarks**

*by Giovanni Marseguerra<sup>1</sup>*

I am very pleased on behalf of the Foundation's Scientific Committee to welcome you to our annual International Conference and let me warmly thank all our distinguished guest speakers for the high qualified contribution they will bring to our Conference.

This year International Conference has the very ambitious and demanding goal to push further on our analysis devoted to build the new model of social life forcefully supported and promoted by Holy Father. As clearly indicated by Pope Francis in the Fratelli tutti (n. 21): *"Some economic rules have proved effective for growth, but not for integral human development. Wealth has increased, but together with inequality, with the result that "new forms of poverty are emerging"*. The problem is then to understand how economic growth and fair and balanced development can be prompted in the digital age by a more solidaristic behavior so to orient the current digital transformation to generate a more inclusive and equal society.

In a world characterized by an unprecedented level of material well-being, technological means and financial resources, that millions of persons are living in extreme poverty is a moral outrage. Poverty is not only an economic issue, but rather a multidimensional phenomenon that encompasses a lack of both income and the basic capabilities to live in dignity. Persons living in poverty experience many interrelated and mutually reinforcing deprivations that prevent them from realizing their rights: dangerous work conditions; unsafe housing; lack of nutritious food; unequal access to justice; lack of political power; limited access to health care. Many of these dimensions of poverty will be carefully analysed in our Conference today.

At the start of 2021, an estimated 700 million people were living in extreme poverty, that is, living on less than \$1.90 a day. Over one-fifth of the global population live below the higher \$3.20 poverty line (1,803 million people), and over two-fifths (3,293 million people) live below \$5.50 a day. The World Bank projected that COVID-19, rising global inequality and the shock of food price rises supercharged by the war in Ukraine will add almost 200 million extreme poor during 2022, reversing two decades of progress in the fight against poverty. Oxfam now estimates that rising global food prices alone will push 65 million more people into extreme poverty, for a total of 263 million more extreme poor this year —equivalent to the populations of the UK, France, Germany and Spain combined - resulting in a total of 860 million people living below the \$1.90 a day extreme poverty line. Moreover, this crisis is far from equal. All people are in some way affected but crisis hits the poor hardest. The IMF estimates that food costs account for 40% of consumer spending in Sub-Saharan Africa, more than double what it does in advanced economies. But even within these advanced

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economies there is deep inequality: the poorest 20% in those societies are spending four times more than the top 20% on food, as in the case of the US. The long-term impacts of lack of nutrition risk permanently worsening the lives of the poorest. It is a crisis disproportionately felt by women and girls - the last to eat, the first to be excluded from a school that can't be afforded, and whose unpaid care work is as ever the shock absorber of crisis.

With specific reference to Europe, an estimated 21.7 % of the EU population — or some 95.4 million people — were at risk of poverty or social exclusion. The risk of poverty or social exclusion was greater across the EU for women (rather than men), young adults (rather than middle-aged or elderly persons), people with a low level of educational attainment (rather than those with a medium or tertiary level of educational attainment) and for unemployed people.

The effects of the global pandemic have pushed the world further off track in meeting all the Sustainable Development Goals (SDGs) – critically SDG 1 on eliminating poverty and SDG 10 on tackling inequality. And the challenge is more acute in the poorest countries with the least resilience to crises and shocks.

Poverty can be a cyclical trap. For people to rise above poverty, they need education, proper health care and sanitation, access to clean water, and job opportunities that can help them improve their financial situation. Unfortunately, people in poverty often live in areas low on these resources. Therefore, the people become trapped in a vicious cycle in which they can't get better jobs until they improve their situation (in this respect education is particularly helpful), but they can't afford to improve their situation until they get better jobs.

But poverty is strictly linked to conflict as it is both a product of conflict and a cause. Poverty fuels frustration and hopelessness which are key ingredients in generating violence. As a matter of fact, poverty tend to be concentrated in countries marked by conflict and fragility, so that to alleviate poverty it is crucial to invest in peace. A comprehensive approach to building strong, stable societies that recognizes the complex link between poverty and conflict is urgently required.

Poverty, inequality, lack of peace. Here are the challenges we have to face, and we are going to address today in our Conference. True integral human development - the scope of our living together - today is not taking place. We urgently need to change our model of living together and identify new paradigms capable of supporting the Economy of Francis which postulates a holistic vision of relations between people, and between humans and creation. And we need to make inclusiveness constitutive to a paradigm of care, placing the human person at the center, giving priority to those at the margins, to those that the current economic system has left behind and to those that suffer disproportionately from economic, social, and environmental degradation.

According to the Organization for Economic Co-operation and Development (OECD), inclusive growth is an economic development that creates opportunities for all socio-economic groups of the population and is able to distribute the monetary and non-monetary growth fairly across society. This concept expands upon traditional economic growth models to include focus on the equity of health, human capital, environmental quality, social protection, and food security. In essence, the analysis of inclusive growth is ultimately about whether, and to what extent, economic development can go hand-in-hand with an improvement in the quality of life of all population groups.



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Growth is a necessary condition for firms and economies to survive and thrive. Productive infrastructure, access to ICT and new technologies, and a stable macroeconomic environment are some of the most important determinants of long-term growth. But it is today imperative to find solutions fostering economic growth in the long-run in a more inclusive way, where the gaps between the rich and the poor – not only in terms of income, but also in other dimensions that matter for people – are less pronounced, and opportunities, as well as the “growth dividend”, are shared more equally. In this respect inclusive growth - being both sustainable and inclusive - may be an effective way forward, capable moreover to substantially reduce poverty. Moving from current unrestrained growth to inclusive growth may very well be an intermediate step forward. It requires to promote innovation through collaboration, within and across organizations—accelerating the ability to grow through advances in technology and capabilities, spurring innovation without damaging the planet, and bringing people along in equitable, inclusive ways. While getting there is challenging, it is possible. Inclusive and sustainable growth, however, is still an intermediate stage to promote true integral human development. A development for every person, for all the dimensions of the person, that respects the earth, our ‘common home’. Always remembering - as Pope Francis keeps teaching - that *“Economic and political objectives must be sustained by ethical objectives, which presuppose a change of attitude: what the Bible would call a change of heart. .... the ‘ecological conversion’<sup>2</sup>.*

Our Foundation is a community based on solidarity in which individuals with different skills and responsibilities meet as equal and share common values. The challenge we face today is to put into action - again and effectively - our core values: solidarity, subsidiarity, human dignity.

Thank you.

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<sup>2</sup> Pope Francis, Address to the participants at the Conference on “RELIGIONS AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS): LISTENING TO THE CRY OF THE EARTH AND OF THE POOR”, 8 March 2019.