



## CENTESIMUS ANNUS PRO PONTIFICE (CAPP) FOUNDATION

### SUMMARY OF 2017 INTERNATIONAL CONFERENCE

#### CONSTRUCTIVE ALTERNATIVES IN AN ERA OF GLOBAL TURMOIL

##### Job Creation and Human Integrity in the Digital Space

##### Incentives for Solidarity and Civic Virtue

“Promotors of Catholic social teaching in the economic world”: in his introductory words and prayer, **Cardinal Domenico Calcagno** opened the conference by inviting the audience of 300 professionals, business executives, academics, public administrators and religious leaders from 25 countries to fully assume their commitment as supporters of the Centesimus Annus pro Pontifice (CAPP) Foundation, which was created in 1993 by St John Paul II. In his address during the Award ceremony of the third international prize for “Economy and Society” established by CAPP,<sup>1</sup> **Cardinal Pietro Parolin**, Secretary of State, thanked the Foundation for issuing the CAPP 2017 Statement which “proposes a multidimensional and non-ideological approach to the social sciences, as well as to political and economic praxis, so that they may genuinely be at the service of the common good. Thank you for the replies to the teachings and exhortations of the Holy Father contained in the declaration. These replies demonstrate the vitality of the thought of Christian entrepreneurship”. In their opening speeches, **Domingo Sugranyes Bickel**, chairman of the Foundation, and **Giovanni Marseguerra**, coordinator of its Scientific Committee, both expressed their hope to reach concrete conclusions in order to match such high expectations, especially remembering the Pope’s words at the previous year CAPP annual conference, when he urged participants to generate “new models of economic progress more clearly directed to the universal common good, inclusion and integral development, the creation of labour and investment in human resources”.<sup>2</sup> **Marseguerra** outlined a conceptual framework for this endeavour, based on participation and responsibility for inclusion as responses to injustice and growing inequalities, while **Sugranyes Bickel** emphasized the Foundation’s choice of concrete areas which are at the

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<sup>1</sup> The Jury is presided by **Cardinal Reinhard Marx**. The prize winners in 2017 were Markus Vogt for his book *Prinzip Nachhaltigkeit. Ein Entwurf aus theologisch-ethischer Perspektive*; Fr Dominique Greiner for his blog *La doctrine sociale sur le fil*; and Burkard Schäfers for his radio show on *Oswald von Nell-Breuning – Was von der katholische Soziallehre geblieben ist*.

<sup>2</sup> Pope Francis, address to the CAPP Foundation, May 13, 2016  
[http://w2.vatican.va/content/francesco/en/speeches/2016/may/documents/papa-francesco\\_20160513\\_centesimus-annus-pro-pontifice.html](http://w2.vatican.va/content/francesco/en/speeches/2016/may/documents/papa-francesco_20160513_centesimus-annus-pro-pontifice.html)

heart of everybody's moral concern, like youth unemployment, human trafficking or financial crime, so as to reach concrete conclusions which lead to action.

### **Catholic Social Teaching in a Digital Age**

Each of us has a given perception of the “digital revolution”. According to the journalist **Delia Gallagher**, the diagnosis is gloomy: the main fact is an overwhelming, never-ending stream of images, ads and distractions. Real news stories struggle to capture people's attention and the popularity of stories – which brings more advertising income – requires constant ethical decisions by editors who wish to respect newsworthiness. User-generated reports, fake news and machine generated “filter bubbles” make for ideologically closed audiences which only wish to reinforce their own opinions. The virtual world produces a dangerous demise of language: “The greatest challenge posed by the virtual world is not in any one particular ethical problem that it presents, it is that we will no longer see them as problems”. All this requires intensive discussions about Christian ethics in the technological age.

**Helen Alford OP** observed that Catholic social teaching (CST) started in another period of significant change when European countries were still coming to terms with the “industrial age” and struggling with its social impact: “CST emerged as both an attempt to re-interpret the moral and social vision of Christianity in terms of the new society, and as a form of resistance against the negative impacts of laissez-faire capitalism and industrialisation.” CST is no stranger to tremendous change. It is essential in the first place to understand what are the main aspects of the current great upheaval: the essential role of processing information; the “info-sphere” where “what is real is informational and what is informational is real”; and the way we understand the human person in the midst of these changes “seeing ourselves, or seeing others, as no more than a [...] bundle of characteristics that puts us in a certain category [...] in a culture where proxies (linked-in profiles or ‘likes’) take the place of real things”. What about CST in this digital age? According to **Sr Alford**, there are three ways in which we need to search for a new synthesis: (1) “engage with the situation promoting the use of the new means where they help human beings, as in the industrial period”. This requires asking afresh certain classical questions which were essential to CST since its beginnings: how to deal with private property rights, now not of fixed capital but of information data? How to promote cooperative forms of organisation and business for the new corporate realities of the digital world? How can digital services be put to the use of the common good, for example mitigating climate change? (2) “Resist what is evil just as CST has done in the industrial age” which means questioning a purely “techno-centric” dominant paradigm, whereby technology instrumentalises every other good. And (3) “Be present in society where the voice from CST is needed. Our industrial age has produced technologists who are capable of designing many technical resources, but it has not produced a similar level of ethical reflection”. The challenges are great, but perhaps the present upheaval offers CST a chance to really come into its own.

## **In search of a common thread**

The conference discussed three different themes: youth unemployment, human smuggling and economic crime, incentivizing solidarity and promoting civic virtue. What is the common thread?

**Alfredo Pastor** explained that these three questions are intimately related to the aim of “generating new models of economic progress” requested by Pope Francis. Figures of youth unemployment and NEETs (neither employed nor in education nor training) are staggering. When there is unemployment, young people tend to be more affected than the rest because national legislation protects older workers and because the youth lack work experience. They are the most vulnerable part in a context where employment in rich countries is facing adverse developments due to globalisation and digitization. The current technological changes will eliminate a great portion of routine employment and repackage activities in different jobs, not necessarily fewer in number but of different contents. What sort of education is needed to accompany this transformation? Isn't there a bias towards higher education, supported by certain vested interests? How can workers be prepared so that they become more employable? We also need to question the way technological change is financed and supported, often with public funds, without considering the need and adaptability of innovation.

The second subject followed from last year's CAPP debate on migration and human trafficking: if one looks at the whole picture, and not only at the situation in Europe, the fact is that migrants try to stay as close to their country as possible; it is our duty to provide shelter, but our countries should not make promises they cannot fulfil. Human smuggling reaches an annual flow close to one million people and a turnover estimated at 120 billion USD. Of the flow of people 80 per cent are women, prostitution being the fate for most of them. There is a supply and a demand side to this market, and too little is being said about the customers, whose number is growing in our societies.

The common thread among these problems is that they concern us all, they are not marginal facts, and they all appeal to our solidarity. Is “forced solidarity” through taxes enough? No, because our public systems are not set up to accompany people back into normal life. This requires a strong personal commitment which the State cannot provide. This is the reason why some CAPP members are setting up a network of Voluntary Solidarity Funds. But the search for alternative models also requires civic virtue to sustain a good society and a reflection on consumption and what is the true purpose of human life. This, **Pastor** concluded, makes it clear why the conference ended on a (purposely) provocative question: can solidarity and civic virtue be promoted by incentives? Employing material incentives for this may be a self-defeating exercise, but the question needs to be asked if, as in the economist's profession motto, “humans respond to incentives”.

## **The Scandal of Youth Unemployment: Scarce Skills, not Scarce Jobs?**

In the US, according to **James Bessen**, there were 500,000 jobs in the steel industry in 1958 and today there are fewer than 100,000. Three quarters of the loss are due to technological automation. These changes are the cause of growing inequality and affect

the less well-established sectors of society in rich countries, such as the young and immigrants. The trend also applies to emerging countries affected by “premature deindustrialization”. And automation through “machine learning” is only at the beginning. However, **Bessen** argues, “widespread fears about automation creating mass unemployment are misplaced for the near future. New technologies are, indeed, disrupting our societies, but new technologies are creating more jobs than they are destroying. The real challenge, instead, is that the new jobs require new skills, often learned on the job; these skills are difficult to acquire and the opportunities to learn are too limited”. It is important to look at past experience: 98% of the labour required to produce a yard of cloth in 1810 was taken over by machines in 1910, but jobs for textile workers during the 19<sup>th</sup> century grew dramatically because demand continued to increase for a number of decades. So far at least, computer automation has followed a similar pattern: electronic systems automated much of the work of supermarket cashiers, legal clerks, bank tellers... but employment grew in the same areas due to demand. Is the “machine learning” or “artificial intelligence” stage changing this trend? It is difficult to tell, but the point is that demand will continue to determine whether automation will increase or decrease employment. The problem is one of unequal distribution of skills: some people are given opportunities to work with the new technologies, whereas others are not. And the new skills are more difficult to acquire than just switching occupations, because new technologies change rapidly and they are not standardized. Is it possible for workers to become permanent learners? People must learn through experience on the job (“learning by doing”) and many workers find this difficult. There is a growing digital divide, a major problem especially for the young: many young people have early familiarity with computers, but it is less clear that they are gaining access to the critical workplace technologies. What can be done? (1) Encourage “learning by doing”, which means encouraging non-classroom education, including vocational training, firm job training programs, work-study programs and apprenticeships. Higher education is not the right solution for everyone. (2) Encourage strong labour markets by reducing obstacles to employee mobility and (3) Encourage wide acceptance of open standards and knowledge sharing: “A population that is skilled at working alongside advanced information technologies will best promote the development of future technologies that augment human capabilities rather than replace them”.

From the point of view of the data-gathering industries, according to **Carlo d’Asaro Biondo**, the internet offers an unprecedented chance to expand education, information and employment to everyone. Their mission is “organising the world’s information and making it useful and accessible to everyone”. According to their findings, each high-tech job in a local economy creates more than four additional non-high-tech jobs in the same region: from lawyers to physicians, wait staff, taxi drivers, school teachers and so on. “Everyone deserves to benefit from technology so as to start a business or find opportunities to excel in what matters to you.” The worldwide web offers unprecedented possibilities to interact, the question is to make good use of it through respectful dialogue and searching for common ground. **Raúl González Fabre SJ** sounded a different note: “Whatever can be done by a machine will be done by a machine rather sooner than later” and thus the future of work is unpredictable. Demand is for functions, not for products, and technology can generate new “needs” for new functions, while a trend is developing of “customers’ hours” replacing employee working hours: traditional paid jobs are competing not only against machines, but also against customers’ self-imposed hours.

While “learning by doing” is certainly the right solution for the next twenty years, long term education – schools and universities – should move in the opposite direction by concentrating on the basics and essentials rather than “updated” skills. In the end, it will be unavoidable to decouple consumption and social integration from paid jobs, either through some kind of universal income, or through “popular capitalism” where ownership of the capital is still much widely dispersed than today. This means that the ways of ownership will have to be changed: it is a big challenge for CST, analogous to the one addressed by Leo XIII in *Rerum Novarum* when he examined the limits of the ownership of the means of production.

**Oliver Roethig**, from his standpoint as European trade union leader, stated that working life should provide “long-term stability, predictability and a career perspective (...). Employment for life with decent pay and decent working conditions remains the goal. We need a standard employment relationship 4.0. The European social model (...) relies, besides on business, on strong collective bargaining systems as well as a legal and regulatory framework that in the first place aims at forwarding the interest of citizens, not business”. A new equilibrium will not happen by itself, and traditional training does not work when no core competencies are lasting. Is it possible to make quicker choices with less knowledge of the future? Globalisation and the speed of change also reduce the utility for large companies to develop core competencies which they can find elsewhere at lower cost. The major negative impact is on mid-skilled, mid-salary jobs, and this is a source of polarisation and more inequality which also exacerbates the gender gap. In the extreme, digitization brings an employment model with “a global virtual labour exchange where people work without having an employer, colleagues, a workplace or a legal framework”. The way forward against such a dystopian work future lies in purpose education, vocational training and lifelong learning systems for all workers, based on enforceable rights, a proper funding system and the recognition of transferable skills. These reforms need to be supported by an appropriate legal framework, but the actual provision of training is best organized by social partners, employers and trade unions. The changing frontiers of company-level initiatives require an industry-wide approach, for which renewed social dialogue platforms are necessary: “We need a joint effort by governments, employers, trade unions and society, including the churches, to reinforce these elements; they bring to life the principles of human dignity, solidarity and subsidiarity that should characterise a fair and just society”.

Panel chair **Paolo Garonna** had underlined at the beginning that the “scandal” of youth unemployment – a strong word often used by Pope Francis – implies not only a fact that has deeply negative effects on society in general, but also an outrage, an offense which erodes social capital and the future. He had asked speakers to go beyond analysis and to look precisely at what is wrong in what we are doing, and what we should do instead so as to reverse the trend and generate positive contagion. The debate that ensued, as well as the previous work of several local groups of the CAPP Foundation on the same subject,<sup>3</sup> showed the need for a commitment towards different approaches of education and vocational training and for renewed social dialogue to examine the use of technology and the search of a new social pact.

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<sup>3</sup> Their reports were presented in a special session chaired by *Alois Konstantin Prince of Löwenstein* and are available on the Foundation’s [www.centessimusannus.org](http://www.centessimusannus.org) website.

## **The fight against Human Struggling and Economic Crime**

Before touching on this second subject, the conference participants received a special briefing by **René Brülhart** about the reforms on the Vatican financial scene. Three institutional mandates to contain financial crime were issued internationally during the recent crisis: the Financial Action Taskforce to fight money laundering and the financing of terrorism; the Financial Stability Forum (later Financial Stability Board) to deal with supervision and regulatory needs; and the Global Forum for Transparency managed by OECD to act against tax evasion. The Vatican, in spite of being a very small, basically non-commercial financial centre, was nevertheless classified as “high risk jurisdiction” because it had never undergone independent assessment. The necessary legislation was soon issued under Pope Benedict and the implementation was strongly executed under Pope Francis. The Vatican signed a 2009 monetary convention with the European Union regarding the use of the Euro as official tender, which required added prevention against money laundering. In 2012 the present team joined the Vatican Financial Information Authority (FIA) which has a double role of regulator and intelligence unit. The only institution carrying out financial activities for a now well-defined and limited circle of third parties is the IOR, which is supervised by the FIA. The Vatican being a sovereign jurisdiction, the cases of non-compliance discovered by FIA are brought before the Promoter of Justice and the Vatican Court. The number of dormant accounts at IOR and the conditions for being a client have been drastically reviewed and reduced. The number of suspicious activity reports has increased, which means that the system is working well and proper monitoring is in place. Step by step implementation will continue. As Vatican regulator Dr **Brülhart** feels responsible not only to the Pope, but also to 1.2 billion Catholics worldwide.

**Antonio Maria Costa**, though recognizing the efforts made by international institutions after the 2008 financial crisis, stressed that much has still to be done to deal with the real dimension of organized crime, which has reached macro-economic significance. Drug trafficking alone is estimated by the UN to represent an annual turnover close to the value of the GDP of a country like Sweden. This is a necessary discussion about public bad and deadly sins.

**Raymond Baker** estimated that human trafficking generates 150 billion US\$ in annual profits. How can this happen in a hidden manner? By using the shadow financial system that Western capitalism itself has created “in its obsession with hiding profits”. Shifting and hiding income and wealth is made possible by tax havens, secrecy jurisdictions, anonymous trust accounts and foundations, arranged trade invoicing and holes in tax legislations. All these routes may have been created for legitimate safety purposes, but they are being used by organized crime too. Some large transfers appear unrelated to legitimate purposes: the group Global Financial Integrity estimates on the basis of IMF figures that 1 trillion US\$ a year moves illicitly out of poor countries mainly into rich countries, which is more than the total of overseas development aid and foreign direct investment flowing into developing countries: “We have accumulated idle wealth beyond our capacity to utilize productively”, a thought which links up with the previous discussion on youth unemployment in rich countries. Part of this accumulation is connected with transnational organized crime which is growing in many related forms:

human trafficking, arms, drugs, illegal organ trade, illicit cultural property trade, illegal wildlife trade, illegal fishing, logging, mining, oil theft and more. “We created a system that now facilitates the transfers of revenues and safe deposits of wealth arising from transnational crime. We created a system which we dubiously thought was to our advantage, and now we find that criminals the world over are using our system to their advantage [...]. The primary threat to peace and stability moving forward is coming from us, from our weakening of legal, ethical, moral practices in global economic affairs”.

**Ernie Allen** added another factor which has made the shadow economy even more significant: the so-called “dark internet” which has monstrously increased the effects of children abuse. “Prior to the internet, someone with sexual interest in children felt isolated, aberrant, alone. Today, he is part of a global community. He can interact online with people of identical interests worldwide. And they do it all with virtual anonymity”. According to estimates, there may be between 35 and 100 million people sexually attracted by children, and the practice of it generates criminal transactions using cryptocurrencies and other new vehicles. This global phenomenon requires global cooperation. Draconian regulation is often counter-productive and trying to curb new technologies is no answer. The central challenge is anonymity on internet, and this problem should be addressed. “I submit that our challenge is to maximize individual privacy and human rights while balancing them against the rights of children to be free from abuse and exploitation”, **Allen** concluded.

What can be done against such an apocalyptic background? For **Max-Peter Ratzel**, organized crime in fact is not anonymous at all, it is very individualized and also happens every day close to each of us. To some extent, each of us can avoid becoming somehow involved in organized crime, each of us can dispute, resist and counteract it: “We have to do our utmost to assist clarifying the structures involved in smuggling of human beings [...]. We have to check our own behaviour and our business models or attitude as service providers for transportation, as car dealers, as sellers of vessels or life-vest, as owners of industrial or residential buildings, as bankers [...]. Many people in the past realized that some customers did launder their money via bank transfers and strange-looking companies but they did not inform the police [...]. If a responsible banker does report suspected money laundering to the Financial Intelligence Unit of his country, he risks losing a client. But moral and ethical standards do not allow him not to do it”. It is a struggle where everyone needs to do their part.

But how can constructive action start? **Marco Impagliazzo** presented a case of proactive initiative entitled the “humanitarian corridors”, promoted by the Community of Sant’Egidio together with other Christian organizations. The proposal tries to counteract human trafficking by offering people a guarantee of safe and regular access routes to the EU, in accordance with the European juridical framework. Article 25 of the EU Visa Regulation grants each member state the possibility of issuing visas with limited territorial validity for humanitarian reasons, reasons of national interest, or existing international obligations. Thanks to this provision, an agreement was signed with Italian authorities to grant a group of 1,000 refugees from Lebanon, mostly Syrian nationals (Lebanon, with a population of 4,5 million, hosts approximately 1.2 million refugees: in proportional terms, Italy should host 13 million). The agreement grants legal entry and the possibility of filing asylum requests to vulnerable families, elderly and sick people, victims of persecution... selected in loco through representatives of the sponsoring

organizations. Once safely in Italy, the people are settled in reception homes and helped to integrate into the local social and cultural fabric. This project, entirely financed by the sponsoring organizations at no cost to the State, is being followed by similar agreements in Italy and in several European countries. This is just the beginning of something, a drop in an ocean of anonymous crime and exploitation.

In the ensuing questions and answers session, other examples of positive action were mentioned. The Australian Ambassador to the Holy See **Melissa Hitchmann** explained how the Australian government is organizing concerted action for displaced people in partnership with Indonesia; she also mentioned the businessman Andrew Forrest's "Walk Free" Foundation whose aim is "to end modern slavery in our generation". As a provisional conclusion, asked to indicate just one essential measure to start reverting the trend, **Impagliazzo** proposed effectively ensuring children birth registration in Africa. Other panel members added an equally important simple rule: to know the beneficial ownership of every account or company you are doing business with.

### **Incentivizing Solidarity and Civic Virtue?**

**Adrian Pabst** introduced the third session by linking it to the previous one: are money transactions made for purposes which help the common good, or are they diverted for corrupt and criminal use? If we can identify vice, it is because virtue is there before. Quoting St Augustine who said that the evil is privation of the Good (*privatio boni*), vice does not stand on its own; it is parasitic on virtue, it is the lack of virtue. If virtue is first, it can be encouraged and rewarded. However, as shown in the recent financial turmoil, arrangements are often made which incentivize greed, not virtue.

Reflecting on solidarity, **Luigino Bruni** pointed out that incentives tend to replace gift, which is "too dangerous and subversive to be compatible with the needs of businesses and institutions (...). The governments of the organizations need the creativity and freedom of the gift, but they want only the one that can stay within established boundaries (...). The communities of civil society, even businesses, are in many cases born of passions, desires, overflow... that is, from our gratuitousness. Then ideals become practical, leaders emerge, rules are written. Hence contracts, regulations, and soon the inevitable hierarchy are formed (...). Once our gratuitousness has generated organizations, the inherent dynamics of their government eventually denies the expression and practice of those free gifts. At the base of the progressive elimination of the free gift, a key role is played by the transformation of the gift into incentive [...]. The utopia of every organization is to be able to acquire the creativity, passion, energy and generosity of the homo donator without the inherent ambivalence, without bonds. And so they perform a genetic manipulation and turn it into homo oeconomicus". But the truth is that the creativeness of people remains ("we cannot help giving gifts") as long as they are alive. From **Bruni's** point of view, incentivizing solidarity has no meaning. However, it is true that virtue can be rewarded. We tend to forget that people respond to many kinds of rewards, not just to incentives.

**Luigi Gubitosi** reckons that due to globalization and automation, Western societies are having a rough time with the "California Paradox": a rich society, home to the internet revolution, with the highest true poverty rate in the US. There are less stable jobs, social

mobility has slowed down, and this generates uneasiness and despair. This explains why immigrants become the target of people's rage and populist politicians' success. And still, solidarity is growing, an impressive number of people do volunteering to help others, and this attitude can be spread and promoted. Globalization and protectionism will continue to fight each other, but it remains possible to underline the positive trends and promote constructive civic virtue. **Jean Sung** explained how social entrepreneurs are effectively using incentives and rewards to foster solidarity. It is perfectly possible to start a virtuous circle of growing co-operation among workers and management, with incentives working both ways, linking the brand to social purposes but also mobilizing those at the bottom of the pyramid. "If you sponsor ethical sources and the company is proud of it and you advertise it, then everyone who enters the company somehow absorbs the culture and virtue becomes part of the job description, it's part of the job [...] Financial support is just the beginning of any corporation doing good and improving civic responsibility. Once this aim permeates, it's really the employees who will be able to carry these values as ambassadors".

**Lord Skidelsky's** intention was "to open a conversation between economics and ethics. At present they speak largely incompatible languages, making conversation impossible". There is a "thin utilitarian bridge between the two, which links growth of GDP to the ethical aim of reducing suffering" but that is not sufficient. Whereas all economic choices are truly ethical choices about the means and the ends being pursued, whereas even natural scientists are increasingly aware that they need to understand the ethical implications of their work, this is not happening with economics. We need to reintegrate ethics, which had been banned from economic mainstream thinking by the "marginalist" revolution. Today surely economists would agree that the reduction of avoidable suffering is an ethical goal and that GNP growth is a measure of success. But then economists argue that "scarcity will always be with us and there is therefore no further need to think about the ethics of growth". But "drop the highly unrealistic assumption of insatiability and a torrent of ethical questions emerges": are there "natural" limits to growth? Is off-shoring jobs an efficient way to reduce poverty in poor countries? Is it right to use robots to replace human labour? Is ethical consumption a sound economic idea, or is it just a private preference? Economists can't avoid making ethical judgements about the private property system, relations between employers and employees, the value of self-interest, the ends of economic activity, the value of nature and the value of wants. **Skidelsky** argued that "economists are in tune with popular feeling in seeing growth of material prosperity as the royal road to a good life for all. But economists have also been struck by the fact that beyond a certain income level, people's contentment seems not to increase [...] Growth should stop at the point when further growth no longer produces a net improvement in the quality of life". But what is a happy life? Doesn't that mean a redirection of spending towards "social goods" like education, health-care or public infrastructure? "Maximising happiness is interpreted as maximising the goods and services that people want. This is probably the best that economics can do". And this definition can change, as shown for example by the Green movement's influence on the general understanding of the value of nature, life and human flourishing. "The biggest barrier to economics taking ethics seriously is the failure, shared by the liberal tradition as a whole, to distinguish between wants and needs. Needs are absolute. This is the argument for poverty reduction. But wants are relative and in principle limitless. This is the basis of the economist's assumption of insatiability. By failing to distinguish between the two economists find

themselves trapped in the position of advocating economic growth without end to ensure the satisfaction of wants which will never be satisfied”.

**Bishop Paul Tighe** looked for answers to this in the encyclical *Laudato Si'*. In it Pope Francis states that one cannot deal meaningfully with ecological dilemmas without asking deeper questions which relate to anthropology and philosophy. And this is something people are reluctant to do because of the deep influence of the myths of modernity, like the utilitarian “I have to do something for myself” or the fact of looking only at measurable, short-term predictable consequences while becoming blind to others. Even measurable things are not being measured correctly when environmental consequences and costs are not included in the calculation. Wants are different from needs, it is true, and wants are often produced for us by those who are then going to satisfy them. We tend to follow an image of a good life where beauty is used and perverted to sell us things. What then would be a more enlightened self-interest? We need a spirituality, a concept of flourishing, of fulfilment as human beings. Pope Francis thinks that change will not come so much from an intellectual argument around this, but rather from communities living a simpler life-style. Perhaps virtue cannot be incentivized, but at least disincentives can be fought, the exercise of virtue can be made less counter-cultural and vices, which in fact subvert the possibility of good living, can be penalised. “I think our Christian anthropology would like to say that if we’re made in the image and likeness of God, if we find this truth in response to others, not privileging our own interests, then there is an inevitable goodness which I think will be accessible to people in different cultures”. **Bishop Paul** concluded that we can’t probably incentivize virtue, but we can set a standard, for example against corruption, and recognize that many people will need encouragement to behave in the way they know they should behave. And “we need to discover, first for ourselves, that the good life happens when we can begin to share it and to try and convince others of such ideas”.

### **Living stones**

The conference title situated us in “an Era of Global Turmoil”. In his meditation, **Archbishop Claudio Maria Celli** quoted the words that Jesus spoke during the last supper: “Do not let your hearts be troubled. You trust in God, trust also in me. In my Father's house there are many places to live in; otherwise I would have told you. I am going now to prepare a place for you, and after I have gone and prepared you a place, I shall return to take you to myself, so that you may be with me where I am” (John 14, 1-4). These words are addressed to us as disciples, and the trouble is not so much outside, but within ourselves. Jesus himself was troubled at the tomb of Lazarus and when he spoke of his own imminent sufferings. He asks us to follow his own pace: trust the Father and do not let your hearts be troubled, and he adds: you trust in God, trust also in me. As adults we know what trouble means when we face difficult moments. Jesus says that a place has been prepared for us, and that brings us great comfort. But if I’m not interested while living on earth, being with him later has no meaning. With confidence in God’s tender love, we should assume now our role in the construction of a just society as in Peter’s first letter: “He is the living stone, rejected by human beings but chosen by God and precious to Him; set yourselves close to Him so that you, too, may be living stones making a spiritual house as a holy priesthood to offer the spiritual sacrifices made

acceptable to God through Jesus Christ” (1 Peter 2, 4-5). How close are we to Him? And what are those spiritual sacrifices? These are questions we should ask ourselves as Christians without letting our hearts be troubled.

The turmoil in the Middle East immediately comes to mind. In his presentation on the Holy See’s action to protect Christians and other religious minorities, **Archbishop Paul R. Gallagher** underlined how Pope Francis often expresses his concern, not only for Christians, but also for Muslim and other minorities such as the Yazidi: “The Holy See’s efforts in that region are guided by the principle of defending the human rights of all people, regardless of race, religion or ethnic identity”. Christians in the Middle East have been living side-by-side with different ethnic and religious groups for centuries. In a 2014 message, Pope Francis reminds them of their unique and specific vocation: “Your very presence is precious for the Middle East. You are a small flock, but one with a great responsibility in the land where Christianity was born and first spread. You are like leaven in the dough [...]. Almost all of you are native citizens of your respective countries, and as such you have the duty and the right to take full part in the life and progress of your nations. Within the region you are called to be artisans of peace, reconciliation and development”. Although this letter was addressed to Christians, the Holy Father was not silent about the suffering of other religious and ethnic groups: “Nor can I remain silent about the members of other religions and ethnic groups who are also experiencing persecution and effects of these conflicts”.<sup>4</sup> The Holy See has been actively involved in raising awareness about the humanitarian emergencies in the region. The Pope has also expressed deep concern about terrorism and often affirmed jointly with other Christian and Muslim religious leaders that there can be no religious justification for any form of violence. An essential element of eradicating terrorism is addressing the root causes, whether they are social, political or economic. In this regard it is important to insist on religious freedom and the limits that exist on religious freedom in the Middle East. On the field, the many humanitarian actions supported by the Holy See indicate a way for help and reconstruction. **Archbishop Gallagher** said the following: “Constructing new buildings is perhaps the easiest part; the more difficult task is rebuilding society and laying once again the foundations for harmonious and peaceful coexistence”. This requires not only State-building; there is also an urgent need to promote initiatives for job creation in the Christian communities throughout the Middle East. There is space for everyone to intervene in this process.

On a similar note, extended to the world in general, **Cardinal Pietro Parolin** declared that “We truly need the involvement of all social agents, especially entrepreneurs, not only to increase the commitment to charity, but also to address in a decisive manner the problem of inequality and disparity of income [...]. This leads to situations of vulnerability for many people and for families, even in developed countries. What is needed, above all, is a spirit of noble generosity [...]. For this reason it is important to encourage the **Voluntary Solidarity Funds** which are a tangible sign of the thorough dialogue within the Centesimus Annus Foundation”.<sup>5</sup>

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<sup>4</sup> His Holiness Pope Francis. Letter to the Christians in the Middle East, 21 December 2014 [http://w2.vatican.va/content/francesco/en/letters/2014/documents/papa-francesco\\_20141221\\_lettera-cristiani-medio-oriente.html](http://w2.vatican.va/content/francesco/en/letters/2014/documents/papa-francesco_20141221_lettera-cristiani-medio-oriente.html)

<sup>5</sup> The VSF initiative is being developed separately but as a consequence of CAPP’s work. It was presented to the conference by **Pascal Duval**; the relevant information is accessible on the VSF International website ([www.thevsfinternational.org](http://www.thevsfinternational.org)). It represents an opportunity for all those who wish to contribute financially

## **A change of attitudes, opinions and life-styles**

At the end of the conference **Marcella Panucci** brought the support of Italian and European employers' organizations to the idea of enriching social responsibility of business decisions. In a concluding address, **Archbishop Diarmuid Martin** asked: how do we encourage people to do what they know they should do? One possible answer is: public opinion. It can greatly influence the common ethics of business, of politics, of international affairs. Change in public opinion can actually surprise the pragmatic. You need men and women of intuition and conviction who are prepared to take a principled, uncompromising stand. Because an ethic which builds on compromise alone will always be weak. Of course, public opinion is a two-edged sword, it can be manipulated, it can be emotional rather than rational. To influence public opinion in the sense of the common good, ethics must have an independent foundation; it can't be an ideology or just a pragmatic program. The very nature of ethics is that personal responsibility must be at the centre. Ethics also requires governance and enforcement: we live in a world of humans where corruption will always be found. One of the most common forms of corruption is inefficiency which robs people, especially the most vulnerable, of quality services which are their democratic due. In that sense there should be no conflict between ethics and effective leadership. And how can religious values influence economic and social affairs? The basic message of Christian churches is about the love of God, which is gratuity and superabundance. These values stand in contrast to a market-driven consumer society in which everything is precisely measured out. "If we truly lived in an environment like that, where you only got what you paid for and nothing beyond, none of us would be here today. We are all here because someone put enough trust in us to give us a chance, because people gave themselves for us. The world and an economy need the values that make you care about another person, even when the person is weak, and that motivate you to really make an investment in the God-given capacities of others, so we can all flourish together".

Pope Francis concluded his address to the conference with the following essential message: "Dear friends, I encourage you, I encourage your efforts to bring the light of the Gospel and the richness of the Church's social teaching to these pressing issues by contributing to informed discussion, dialogue and research, but also by committing yourselves for that change of attitudes, opinions and lifestyles which is essential for building a world of greater justice, freedom and harmony"<sup>6</sup>.

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and through volunteering in existing projects and organizations which successfully help prevent further socio-economic decay and coaching people out of desperate poverty.

<sup>6</sup> His Holiness Pope Francis. Address to participants in the Centesimus Annus pro Pontifice Foundation, 20 May 2017

[http://w2.vatican.va/content/francesco/en/speeches/2017/may/documents/papa-francesco\\_20170520\\_centesimus-annus-pro-pontifice.html](http://w2.vatican.va/content/francesco/en/speeches/2017/may/documents/papa-francesco_20170520_centesimus-annus-pro-pontifice.html)

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## CONFERENCE INFORMATION

The annual international conference organized by the Centesimus Annus pro Pontifice (CAPP) Foundation was held at the Vatican from May 18<sup>th</sup> to 20<sup>th</sup>, 2017, under the title:

### *CONSTRUCTIVE ALTERNATIVES IN AN ERA OF GLOBAL TURMOIL*

*Job Creation and Human Integrity in the Digital Space. Incentives for Solidarity and Civic Virtue*

The list of speakers, chairpersons and rapporteurs included:

Sister Helen **Alford** OP, Vice Dean Faculty of Social Sciences, Pontifical University of St. Thomas Aquinas (Angelicum)

Ernie **Allen**, former President, International Centre for Missing and Exploited Children

Raymond W. **Baker**, Global Financial Integrity

James **Bessen**, entrepreneur and lecturer at Boston University Law School, Author of *Learning by Doing*

H.E. Cardinal Domenico **Calcagno**, President of APSA, Vatican

René **Brühlhart**, President, Financial Information Authority, Vatican

Luigino **Bruni**, Philosopher and Economist, LUMSA Rome and Sophia Institute, Loppiano

Archbishop Claudio Maria **Celli**, International Assistant, CAPP Foundation

Antonio Maria **Costa**, Member of CAPP Foundation Scientific Committee

Carlo **d'Asaro Biondo**, President, Google Europe-Middle East-Africa

Pascal **Duval**, Chairman of VSF (Voluntary Solidarity Funds) Steering Committee

Delia **Gallagher**, CNN Vatican correspondent

Archbishop Paul R. **Gallagher**, Secretary for Relations with States, Secretariat of State, Vatican

Paolo **Garonna**, Member of CAPP Foundation Scientific Committee

Raúl **Gonzalez Fabre** SJ, Universidad Pontificia Comillas, Madrid

Luigi **Gubitosi**, Extraordinary Commissioner – Alitalia S.p.A.

Marco **Impagliazzo**, President of Sant'Egidio and promoter of humanitarian corridors

Alois Konstantin Prince of **Löwenstein**, Member of CAPP Foundation Advisory Board

Giovanni **Marseguerra**, Coordinator of the CAPP Foundation Scientific Committee

H.E. Mons. Diarmuid **Martin**, Archbishop of Dublin

Fr. Paul **Mueller** SJ, Vice Director, Vatican Observatory

H.E. Cardinal Reinhard **Marx**, President of International Award Jury Award

Adrian **Pabst**, Member and Secretary of CAPP Scientific Committee

Marcella **Panucci**, General Director, Confindustria

H.E. Cardinal Pietro **Parolin**, Secretary of State, Vatican

Alfredo **Pastor**, Member of CAPP Foundation Scientific Committee

Max-Peter **Ratzel**, former Director of Europol

Oliver **Röthig**, European Regional Secretary, UNI Global Union

Lord Robert **Skidelsky**, Economist, author of *How Much is Enough?*

Domingo **Sugranyes** Bickel, Chairman of the Board, CAPP Foundation

Jean **Sung**, Head of The Philanthropy Centre, Asia J.P. Morgan Private Bank

Anna Maria **Tarantola**, CAPP Board member and Delegate of the Board for the Scientific Committee

Bishop Paul **Tighe**, Adjunct Secretary, Pontifical Council for Culture, Vatican