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New forms of solidarity in the light of John Paul II teachings

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The principle of solidarity is an ancient one. It is one of the four pillars of Catholic Social Teaching (CST). So in which sense can we speak today of “New Forms”? It is a fact that we are facing in this time a silent counterrevolution, that of social desolidarity, which manifests itself in the growing expansion of the many areas of exclusion that tend to drive the “existential outskirts,” as Pope Francis calls them. What do we find at the roots of such a tendency? A specific cause has to do with the endemic and systemic increase of structural inequalities, which are advancing faster than the increase of income and wealth. Yet, inequality is not a fate, nor a historical constant. It is not a fate, because it has to do with the institutional structure, that is, with the rules of the economic game that society decides to give itself. We only have to think of institutions like the labour market, the banking system, the welfare system, the tax system, and the educational sector. Depending on how they are designed, different consequences affect how income and wealth are distributed among those who have contributed to produce them. Nor are rising inequalities a historical constant, because there have been times when, in some countries, they diminished.

The question then arises: if inequalities do not increase because resources are scarce, or because we do not know how to act, or because they are due to particular hardships affecting certain categories of persons or certain territories, what are they the ultimate result of? My answer is that this is due to the widespread belief in two dogmas of social injustice. The first is that

society as a whole would benefit if individuals acted for their own personal gain as the homo oeconomicus metaphor dictates. That is doubly false, as the literature has shown for a long time. I will just point out that the poor are not so by nature, but because of the way economic institutions are designed. Condorcet had already realized this in 1794 when he wrote in *his Esquissei*:¹ “It is easy to show that fortunes tend *naturally* to equality and that excessive disparity either cannot exist or must quickly cease unless civil laws impose *artificial means* to perpetrate them” (‘Civil laws’ are nothing but what today we call the rules of the game.)

The other dogma of injustice is the belief that elitism has to be encouraged because it produces efficiency, in the sense that the welfare of the majority increases all the more if the abilities of the few are promoted. Therefore, resources, incentives, and attention should be reserved for the most gifted, because it is their commitment that advances the progress of society. The exclusion of the less talented from economic activity, for example in the form of job insecurity and unemployment, is something to be accepted to foster growth. Also, this dogma lacks any scientific foundation; it has been disconfirmed both theoretically and empirically. Yet, there are many ‘rational fools’ (in the sense Amartya Sen)² who continue to believe it.

The teaching of Pope John Paul II insisted constantly on this aspect. In his speech to the United Nations on 5 October 1995 the pontiff stressed that it is possible to reach an agreement on social and political issues on a shared common basis since “the universal moral law written on the human heart is precisely that kind of “grammar” which is needed if the world is to engage this discussion of its future.”³ In February 2004, in his address to the members of the Congregation for the Doctrine of the Faith, John Paul II – after recalling that the natural moral law can be a dialogical tool for everyone, said that the main obstacle to this was the diffusion among faithful of an ethics based on fideism, hence the lack of an objective benchmark for laws, which are often

1 Nicolas de Condorcet, *Esquisse d'un tableau historique des progrès de l'esprit humain*, 1794.

2 Amartya Sen, *Rational Fools: A Critique of the Behavioural Foundations of Economic Theory*, „Philosophy & Public Affairs.” 6 (4), s. 317-344.

3 John Paul II, *Apostolic Journey of His Holiness John Paul II to the United States of America. The Fiftieth General Assembly of the United Nations Organization. Address of His Holiness John Paul II*, United Nations Headquarters (New York) Thursday, 5 October 1995, p. 3. https://www.vatican.va/content/john-paul-ii/en/speeches/1995/october/documents/hf_jp-ii_spe_05101995_address-to-uno.html

based on social consensus alone.⁴ This line of thought – embraced, also by Benedict XVI – has in *Caritas in Veritate*⁵ its first complete theorization. For that matter, before becoming Pope, Cardinal Ratzinger, in his work *God and the World*, wrote: “Natural law reveals to us that even nature contains a moral message. The spiritual content of creation is not only mechanical or mathematical [...] There is a surplus of spirit, of ‘natural laws’ in the universe, which is imprinted with and which reveals to us an inner order.”⁶

In his many writings, Pope John Paul II seeks to awaken consciences to the scandal of a humanity which, despite ever greater potential at its disposal, has yet to succeed in overcoming some of the social plagues that humiliate the dignity of the person. In line with the Magisterium of his predecessors, the Holy Father declares his emphatic opposition both to “ideologies” that defend the absolute autonomy of markets and financial speculation, and to an attitude of indifference that characterizes today’s political, economic, and social situation.⁷

To such elements of irresponsibility and social disintegration, one must respond with a determined search for an economy based on respect for the dignity of the human person – an inclusive economy, supported by justice, temperance and the culture of gift as gratuitousness, capable of marking a substantial change in the conditions, styles and models of life of all humanity, preserving and improving the environment for current and future generations. The first observation of the Social Doctrine of the Church, as well as of social ethics founded on integral human development, is that every political and social action should have a clear anthropological perspective; in fact, economic and social systems do not automatically serve human dignity; rather, they should always be guided by our responsible action inspired by human dignity and, accordingly, carried out with the right intention, oriented by wise national and international policies, and supported by appropriate levels of spiritual, social and material capital.

4 See. John Paul II, *Address of John Paul II to the Participants in the Biannual Plenary Assembly of the Congregation for the Doctrine of the Faith*, Friday, 6 February 2004, p. 5. https://www.vatican.va/content/john-paul-ii/en/speeches/2004/february/documents/hf_jp-ii_spe_20040206_congr-faith.html

5 Benedict XVI, Encyclical letter *Caritas in Veritate*.

6 J. Ratzinger, *God and the World*, San Francisco, 2002, p. 142.

7 See: John Paul II, Encyclical letter *Centesimus Annus*, 1991.

That is why Pope John Paul II declares his opposition to ideologies which defend the absolute autonomy of the marketplace and financial speculation. On this point we read in *Sollicitudo Rei Socialis* (1987): “Responsibility for this deterioration is due to various causes. Notable among them are undoubtedly grave instances of omissions on the part of the developing nations themselves, and especially on the part of those holding economic and political power. Nor can we pretend not to see responsibility of the developed nations, which have not always, at least in due measure, felt the duty to help countries separated from the affluent world to which they themselves belong. Moreover, one must denounce the existence of economic, financial and social mechanisms which, although they are manipulated by people, often function almost automatically, thus accentuating the situation of wealth for some and poverty for the rest. These mechanisms, which are maneuvered directly or indirectly by the more developed countries, by their very functioning favor the interests of the people manipulating them at in the end they suffocate or condition the economies of the less developed countries.”⁸

It is an acknowledged fact that, in our time, the market and the culture of contract on which the market is based have grown progressively more important in our lives. There are those who believe that now the global market will recreate social obligation and rebuild human relationships, and they want everything in our social, political, and cultural life to be directed towards the efficiency of mechanisms and the effectiveness of procedures. The “good news” of competition and globalization seems to have become, in recent years, the true ideology of the post-Fordist society, a sort of “single thought.” CST (Catholic Social Teaching), instead, believes that a new human dimension to all this integration of the economies through the market is needed and that a model of development is a good one *not only* for the efficiency of the results it achieves, but also for its ability to take into account the *whole* human being – in all his dimensions – and *all* the human beings, bearing in mind the right of each individual to realize his potential and aspirations. While the *Magisterium* underlines this aspect it does not at all, as some would wish, reject the market, the social role of private enterprises, and finance.

Rather, SRS (*Sollicitudo Rei Socialis*) and CA (*Caritas in Veritate*) hold that everyone can help make the rules and build the institutions, to select the aims and decide the priorities by which the economy is governed. And if in

8 John Paul II, Encyclical letter *Sollicitudo Rei Socialis*, 16.

the teachings of the Church there is critical reference to the dominant model of development, this is not because its enormous potential and the benefits it has brought to humankind are not acknowledged, but because such potential is too often exploited to create inequalities rather than to enhance solidarity; to increase what is superfluous rather than to redistribute necessities; to impose the dominance of one particular model of development rather than to acknowledge the resources of the different models.

Humanistic management in a post-modern society

The landscape of contemporary corporations is changing. Since the financialization of the economy in the early 1980s, corporate governance practices have tightly linked the purpose of business with maximizing shareholder value. However, as the 21st century pushes on, there has been an increased emphasis on other stakeholder values, particularly social and environmental concerns. This trend in corporate governance has fuelled the emergence of new organisational forms. So far, attention has been devoted mainly to the business model. The time has come to reconsider the role of the management model as well.

Empirical evidence shows that the major crises of our time are a result of the way we conduct business. The traditional corporate form has, in many ways, monopolized our understanding of how we think and talk about business. The rise of new forms of organization will require re-imagining what the fundamental building blocks of business are. As C. Mayer has recently written: “The corporation has evolved substantially over the past hundred years, but the very evolutionary processes that might have been expected to make it better suited to the world in which we live, have done exactly the opposite.”⁹ One cause of this is certainly our own misconception about the nature and role of the company. It is dangerously reductionist to characterize it as a mere “nexus of contracts” between different parties, such as employees, suppliers, investors, clients and the community. According to the received view, the company exists for the benefit of its owners – the shareholders – and those charged with running it – the directors – have a duty to further their

9 C. Mayer, *Firm Commitment*, Oxford, 2013, p. 2.

interests. Today we know that this approach has serious defects, as was remarked, among others, by pope John Paul II in his encyclical *Centesimus Annus* (1991).

The Report¹⁰ by United Nations on the results achieved during the first fifteen years since the launch of the UN Global Compact, gives evidence that corporate practices are changing, albeit in slow motion, as a consequence of high-profile clashes between companies and civil society. It has becoming increasingly clear that the single-minded goal of profit maximization at any cost is fracturing societies and destroying the environment. Essentially, business has been threatening the very elements that underpin its own existence. Today, the umbrella of corporate sustainability (both social and environmental) covers a much broader range of issues than before. However, there is still a very long way to go before sustainability is fully embedded into the DNA of business globally, but there are clear signs of progress. In this regard, a strategically important role has been and will be played by civil society organizations, that contribute to a cognitive overhaul around the purpose of business and its obligations to society, inspiring a new narrative around business as a force for good. The notion of “structures of sin,” coined for the first time by John Paul II in *Sollicitudo Rei Socialis* is of great relevance in this respect.

The question arises: which factors should be held responsible for the serious reductionism mentioned above? There is no doubt that a major factor has to do with the benign neglect towards the ethical dimension in the discourse concerning business life. Indeed, while principles of morality are well developed in relation to individuals, they are not in respect of companies. Yet, the corporation is a moral agent in so far as it is a juridical person. In fact, the competitive advantage of nations depends on the moral fiber of their corporations. The risk of moral decay through market interactions has been discussed extensively in politics, ethics, and sociology, but not in economics. Yet, empirical evidence shows that market interaction causally affects the willingness to accept negative consequences for a third party—what in the economic literature are called pecuniary externalities, not to be confused with technical externalities. Ethics in business schools tends towards economic instrumentality and a utilitarian outlook. This attitude is prone to the so-called “cut

10 The Report by United Nations, *Impact. Transforming Business, Changing the World*, New York 2015.

flowers syndrome”: the language of values may look attractive for a while, but severed from their cultural and spiritual roots, they wither.

A relevant piece of evidence about the “cut flowers syndrome” comes from the recent experiment carried on by A. Cohn, E. Fehr, M. Marechal¹¹ concerning the financial sector’s business culture – a sector that in recent years has been involved in numerous scandals that have undermined confidence in the financial industry. The results suggest that the prevailing business culture in the sector favors dishonest behavior, implying that measures to re-establish an honest culture are of decisive importance. For example, several experts and regulators have proposed that bank employees should take a professional oath, analogous to the Hippocratic oath for physicians. Such an oath, supported by ethics training, could prompt employees to consider the impact of their behavior on society rather than focusing on their own short-term benefits. A norm change also requires that companies remove financial incentives that reward employees for dishonest behaviors. These measures are an important step towards fostering desirable and sustainable changes in business culture.

In the search for the origins of unethical behavior by entrepreneurs, attention has been given to the potential influence of a cognitive process known as moral disengagement that serves to deactivate the self-regulatory process that normally deters individuals from actions that violate their own moral standards. Three basic mechanisms tend to generate moral disengagement.¹² Firstly, individuals can cognitively distort reprehensible acts so that they appear benign (e.g., true, we did pump our waste into the lake, but the pollution we generate is trivial). Secondly, people minimize their personal role in the unethical decisions through diffusion of responsibilities (e.g., I evade taxes, since the tax pressure is too high). Finally, people can hold victims as responsible for the harm they experience (e.g., they did not pay attention, so it is their fault if they are suffering). Indeed, a full understanding of morality must explain not only how people come to behave morally but also how they can behave inhumanely and still retain their self-respect and feel good about themselves.

Which consequences stem from the phenomenon briefly outlined in the previous paragraph? A major consequence is the scandalous increase of global

11 See: A. Cohn, E. Fehr, M. Marechal, *Business culture and dishonesty in the banking industry*, Nature, Dec. 2014.

12 See: A. Bandura, *Moral Disengagement*, New York 2016.

inequality¹³ that is today one of our most urgent social problems. Curbed in the decades after World War II, it has returned in the past thirty years with a vengeance. We all know the scale of the problem, but there has been little discussion of what we can do but despair. Yet, a comprehensive set of policies that could bring about a genuine shift in the distribution of income and wealth is possible. We need fresh ideas, and in this context, the role of entrepreneurs is fundamental. In particular, we have to go beyond placing new taxes on the wealthy to fund existing programmes. We need new policies in areas such as technology, employment, social security, the sharing of capital, and also taxation. Above all, we need to go against the widespread arguments and excuses for inaction: that intervention will shrink the economy, that globalization makes action impossible, and that new policies cannot be afforded. All this is simply untrue.

The truth is that the inequalities we observe are the result more of power relationships, generated by the unfettered market's tendency toward monopoly, than of marginal product. Today, sectors such as telecoms, cable TV, digital branches, health insurance, finance, pharmaceuticals, agro-business, and a few others cannot be understood through the lens of competition. These sectors are simply oligopolies maintaining huge market power. It should be noted that the increase in inequality affects not only individuals and families but also firms. For example, the 90th percentile firm in the USA sees returns on investment in capital that are more than five times the median. A quarter of a century ago, this ratio was two. The implications are profound. The social and political legitimacy of the market economy is based on the assumption of the competitive model. But if markets are monopolistic, hence based on exploitation, the rationale for laissez-faire disappears. Our economies have fallen short of any conception of a good economy – an economy offering a life of richness for all. The preoccupations are targeted at prospering, not flourishing.

Authentic inclusion cannot be regarded merely as the product of material outcomes, for example, a function of ensuring adequate levels of equality of income in a society. Solidarity is not just a matter of the redistribution of wealth. Rather, inclusion is a matter of participation in the common good, a participation through which persons and their communities become truly “dignified protagonists of their own destiny,” as Pope Francis has put it.

13 See: B. Milanovic, *Global Inequality*, New York, 2016.

Inclusion in this full sense requires us to take human freedom into account. We cannot simply provide more things to people but rather must foster the conditions in which their own agency can be engaged and employed in constructing together the common good of all.

It is for this reason that *subsidiarity* is a necessary condition for the generation of authentic solidarity and inclusion. Subsidiarity is not merely a tool for maximizing efficiency in the delivery of social services. Instead, it is grounded in the requirements of human dignity and the need for persons to participate freely in realizing their own good and the good of others with whom they are in community.

The essential centrality of subsidiarity to fostering inclusive solidarity can be confirmed concretely by a variety of recent empirical studies as well. For example, it helps explain why some distance adoption programmes work better than others, why mentorship is much more effective than business skills training in generating successful entrepreneurship among the poor, and why government human rights interventions to reduce domestic violence in city slums have less impact than local initiatives to foster women's education and employment, and adequate child care.

While subsidiarity is essential to building inclusive solidarity in this way, it is also true that solidarity is needed to prevent the principle of subsidiarity from becoming merely a form of devolution and decentralization. Only in relation to the common good can one judge when and how a community like the state should intervene with a *subsidium* for a primary, more local community. Subsidiarity without solidarity can become an abandonment of the poor and marginalized to their own conditions rather than fostering their freedom, agency, and participation.

The notion of common good at the heart of solidarity

In current ethical and political discourse, the concept of the common good (CG) occupies a central place, although it is defined in many diverse ways. It had a prominent place in the political philosophy of Aristotle and Aquinas; it lost ground when Western philosophy took an individualistic turn and when the idea of the non-existence of a unitary conception of the good became dominant. However, it continued to be one of the main pillars of Catholic Social

Teaching, according to which: “The common good does not consist in the simple sum of the particular goods of each subject of a social entity. Belonging to everyone and to each person, it is and remains ‘common’ because it is indivisible and because only together it is possible to attain it, increase it and safeguard its effectiveness.”¹⁴ Three are the key components of CG that appear in this definition: not being a sum total; indivisibility; jointness in accessing.

In recent times, the notion of CG has returned to relevance in view of the modern manifestations of totalitarianism and new forms of war, as a response to questions such as: is it possible to have a politics founded on a universal morality? Can there be a univocal notion of good in a multicultural world? Is a welfare state that combines economic progress with social justice viable? etc. Having long been absent from discourses in the public sphere and supplanted by notions such as “the general interest,” “the total good,” and “the public good,” CG is making today its comeback. It refers to the vocation of any human community to “good life,” i.e. to a life where all members of the community, as well as the community itself, can achieve their full potential. However, the concept of CG is far from being universally accepted. When it is identified with a set of democratic freedoms or human rights, or with the generic object of redistributive policies, it is widely accepted. But when it is presented as a good that not only is shared by citizens but also exists in its own right, the level of acceptance declines considerably.

An intriguing issue deserving further and serious research is the one dealing with the phenomenon of economic complicity. It is known that our decisions can have far-reaching effects by either unabling or debasing human lives. In his important contribution, *Market Complicity and Christian Ethics*, Albino Barrera raises a fundamental question: “Are we morally responsible for the distant harms spawned by our market transaction? If so, what are the grounds for these non-contractual obligations?”¹⁵ The author identifies how the market’s division of labor and specialization makes us unwitting collaborators in others’ wrongdoing and in collective ills. There is little scholarship on economic complicity and even less on moral complicity. To what extent — asks

14 *Compendium of the Social Doctrine of the Church to His Holiness Pope John Paul II Master of Social Doctrine and Evangelical Witness to Justice and Peace*, p. 164. https://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_just-peace_doc_20060526_compendio-dott-soc_en.html#Rights%20of%20peoples%20and%20nations

15 See: A. Barrera, *Market Complicity and Christian Ethics*, Cambridge 2011.

Barrera – are we culpable for the unintended consequences of our actions? Common sense tells us that we cannot be held to account for everything. But where do we draw the limits of our moral obligations? To compound the dilemma, there is the fact that we often have to deal with cumulative harms in which acts that seem benign at the individual level become very injurious at an aggregate level.

An important case for market complicity is the strengthening of the wrong-door's economic viability in the field of human trafficking. This occurs by increasing the demand for the wrongful activity. The incremental demand furnished by customers willing to buy the services provided by trafficked victims directly assists the many criminal organizations by pushing them beyond their shutdown point. This occurs whenever increased consumer demand helps these organizations achieve economies of scale in production. So, individual buying decisions can potentially be the tipping point in bringing the organization over the top to its optimum scale of production. The power of consumer agency is confirmed by hard empirical evidence.

Concerning the freedom to migrate, a major element of profound differentiation between today's migrations and those of the past is that the thesis in vogue since the 80s of the last century does not seem to be supported by the facts. According to the thesis, the most effective instrument for reducing the migratory pressure would be to increase the employment potentialities in the developing countries. That is, the only credible way to stop the *increase* in the migratory flows would be to intervene on the process of economic growth of the countries that generate the flows. How solid is this conviction? It is often stated that economic development, by increasing per capita income, reduces the incentive to emigrate. This belief is fallacious for two reasons: on the one hand, as the well-known "Kuznets curve" teaches, in the first phases of the development process, the increase in income is always accompanied by an increase in the inequalities between social groups. That is, the increase in income *never* takes place in an equi-proportional way among all the segments of the society. And as we all know, an increase in inequalities is a powerful factor that encourages emigration. On the other hand, empirical evidence confirms that in the initial phases of the development process, an increase is always recorded in the propensity to emigrate as a result both of the structural change (development expels workers from agriculture in order to channel them towards the industrial sector, but this takes time, and

so a part of the ones expelled takes off for abroad), and the change in expectations in life (once the old equilibrium of stagnation is broken, not everyone feels like waiting for the definitive take-off, and so they take off for abroad).

Some policy implications for present-day situation

I would like to underline some of the many relevant implications still valid for the present-day situation stemming from the warm and paternal invitation of John Paul II to move ahead towards a different kind of economy, one that is inclusive and not exclusive, humane and not dehumanizing, one that cares for the environment, not despoiling it.

First

The still prevalent mood in economics is based on a wrong concept of value, according to which value is identified with market price only. Such a reductionist notion of value has major consequences for the way the economic system is structured. For example, relational goods, care goods, commons, gratuitous goods, etc., do not enter the metric of GDP. Yet, they are essential for our flourishing. An extractivist and technocratic mentality prevents distinguishing public values – those that are collectively created by a plurality of actors – from public goods that depend on pricing efficiency for their identification.

Second

Companies need to embrace a sense of purpose beyond making only profits; they have to consider the well-being of all the stakeholders. Investors need to focus on the long term and to consider explicitly the social and environmental impact of their investments. Civil society organizations need to work together to address global challenges through community organizing practices. We need to understand our corporate civilization in light of the failures of mainstream thought to provide us with analytical concepts adequate to our corporate world, in which productive property is owned by abstract legal entities rather than persons. Today, enlightened business leaders are understanding

that focusing on maximizing shareholder value has no future. The tendency is to move towards the “total societal impact,” according to which companies, as cognitive institutions, are considering the impact of their activities on the social and environmental dimensions as well as on the economic one.

Third

It is urgent to rewire finance, which requires that the financial accounting systems include social and environmental metrics and that impact investing becomes a norm of behavior. Indeed, the pursuit of profit is not a problem, per se. The real problem is in the incompleteness of the profit calculation, namely what is left out. And the omissions are today unbearable. Liberalized finance plays a key role in contemporary rentier capitalism, which in turn contributes to creating rising inequalities. The Covid-19 outbreak has not only revealed our false securities, it has also exacerbated the deep fault lines in the global economy. We record the value of what we harvest from nature, but make no matching entry for its degradation.

Fourth

Governments need to reaffirm their fundamental role in fixing the rules of the economic game in view of the common good and not of the interests of particular groups of actors. Without rules, globalization becomes a jungle. The global market poses problems but can become the solution if we change the rules of the game. It is not acceptable, nor sustainable, for an economy in which the market and political powers allow privileged individuals and businesses to extract a great deal of rent from everybody else. Weak competition, feeble productivity growth, high and growing inequalities, and degraded democracies are failing citizens. Democracies have to cooperate among themselves to write down rules, especially in the area of the international trade regime.

Fifth

Wanting to do the right thing is something different from knowing the right thing to do, and that in turn is something other than actually doing the right thing. It is a specific responsibility of scholars and academic institutions not

only to see the world as it is, but also to imagine the world as it might be. Mainstream economics suffers today from serious sins of omission: it ignores many important topics and problems when they are difficult to approach according to the standard way of doing research. We need pluralism in our universities and research centers, since different terrains call for different vehicles. (A sailboat is useless in crossing a desert!) Hence, we need to re-examine the institutions that host publications and promote young economists.

Sixth

Integral human development is meant to be transformational in that it aims to improve people lives by enhancing their capabilities. The integral human development approach in the sense of *Laudato Si'* (2015) differs from conventional approaches to development that suffer from paternalistic practices substituting one's own values to those of the people one is trying to help. Such practices might favor the growth of income and riches, but do not promote authentic human development.

In view of the considerations above, the following questions are worthy of great attention:

- a) Since performance indicators of an economy have an impact on the modes of performing, which proposals should be advanced to change the way the goodness of an economy is measured? In particular, what can be said about the *Better Life Index* released by OECD for the first time in May 2011? Or the Pew Research Center's *Life Satisfaction Index*; or the *Social Progress Index*; or the UNDP *Human Development Index*? Which improvements can be proposed?
- b) Given that it is impossible for marginalized people to engage in public reasoning processes without being nurtured by certain webs of relations which first recognize them as persons, what can be done, at the grassroots level, to revert processes of urban segregation and exclusion? It is a fact that the usual approach of international agencies is to build adequate governance structures. While this remains indispensable, it should not be the only focus. While rushing to create multi-party parliamentary systems, independent judiciaries, free press, etc., one should not forget the bottom-up way. Even with the best of governance and visionary leadership, if there is no inclusive development allowing

people to cooperate among themselves, those institutions will never function properly.

- c) The social economy has been reinvigorated in recent decades. Yet it has enormous, untapped potential to be put to work. Which strategies are needed to provide the institutional and practical support that social economy organizations require if they are to be able to face the inclusion challenge? The experience of social businesses demonstrates that people can be active in creating their own work and enterprises. An economic system is like a natural environment. It requires diversity to strengthen its resilience. It follows that the many different organizational forms (cooperatives; B-corporations; for-profit corporations; social businesses; ethical banks; social agriculture, etc.) should be sustained. They contribute to the generation of social capital, as well as economic value. Which proposals can be advanced to avoid that inadequate regulation might harm this biodiversity by favoring the “one-size-fits-all” thesis?
- d) It is well accepted that one of the most effective routes towards inclusive solidarity is the promotion of decent work for all workers in all sectors of the economy, including the informal economy. In 1999, the ILO proposed to include the Decent Work Agenda within the post-2015 Development Agenda. Not much has been done so far. So, what should be done in this regard? In 2016, the ILO started a round of discussions about Decent Work in Global Supply Chains (GSCs). What should be the role of multinationals in this regard? Are the “Ruggie Principles” strong enough to guarantee the promotion of decent work in GSCs? How can international labor standards be adjusted to take into consideration the specificities of the various geographical areas, avoiding the risk of using the concept of decent work as a tool to encourage excessive protectionist policies? What strong actions should policy-makers take in order to promote access to decent jobs for all segments of society and to promote access to education for skills?
- e) Evidence suggests that specific and new welfare policies offer an important contribution to this end, in particular with regard to NEET youngsters. How should we conceptualize an updating of the traditional welfare state in the direction of a new relational welfare system where expressions such as social governance by networking, co-production,

circular subsidiarity, social innovation and the like can find their proper expressive way?

- f) In recent times, financial global development has been accompanied by amplified economic volatility. Due to the heavy public cost of the bail-out processes, the financial sector is undergoing profound change, both through added regulation and through internally promoted reform. The call to give this reform a human and ethical perspective also involves the idea of *inclusive finance*, i.e. finance that helps fight exclusion. Which actions should be implemented to this end?

By way of conclusion

This essay advocates a point of view on the relationship between CST's criteria and an effective path to inclusive prosperity that is alternative to the two views that are prevalent today. One holds that the Catholic conscience cannot but be radically anticapitalist, seeing in capitalism an adversary to vanquish no less dangerous than communism. This school appeals – too often naively and sometimes instrumentally – to the line of thought running from *Rerum Novarum* (1891) through *Quadragesimo Anno* (1931) and *Gaudium et Spes* (1968) to the *New Catholic Catechism* of 1992, which affirms: “The Church rejected the totalitarian and atheistic ideologies associated, in modern times, with ‘communism’ and ‘socialism’. However, it also rejected, in the political practice of ‘capitalism’, individualism and the primacy of the law of the market over human labor.” The other view – which is today in minority – contends that at least since John Paul II's encyclical *Centesimus Annus* (1991) there has been the long-awaited turnabout. That is the thesis of M. Novak and other intellectuals known in America as “neo-conservatives,” who argue that the origins of the failure of what they call “democratic capitalism” to connect with the Catholic ethic lie in the mistaken identification of the “bourgeois spirit” with a lack of faith.

To me, both these interpretations, legitimate and interesting as they may be, are reductive: one takes justice, the other liberty, as the sole governing principle for gauging assonance or dissonance between Catholicism and capitalism. Catholic thought has always refused this kind of dichotomy. Rather, its intent is to hold together the three basic principles of any social

order – exchange of equivalents, redistribution, and reciprocity – acting not only on the cultural but also on the strictly institutional plane. Truth to tell, this project has not always – or should we say, almost never – been fully realized. Historically, deviations from the mainstream – corporatist, capitalist, communist – have been the rule rather than the exception. Interestingly, where in 1891 Leo XIII identified the main problem as “the abuses of capitalism and the illusions of socialism,” a hundred years later, John Paul II decried “the abuses of socialism and the illusions of capitalism.” But none of this warrants the conclusion that the Catholic ethic can be dragged to one side or the other and reduced to a partisan vision.

The guiding idea of CST is interdependence among four well-known principles. As the Compendium of the Social Doctrine reminds us: “The principles of the Church’s social doctrine must be appreciated in their unity, interrelatedness and articulation.”¹⁶ Of course, the forms that it may take change with time and place, but the Catholic ethic can never be called on for cultural support for modes of production or economic organization that, in practice, apart from verbal statements, deny the perspective of the common good that constitutes a sort of overarching framework.

That a kind of revival of the concept of the common good is under way today is confirmed by numerous signs, which speak, in essence, of a renewed interest in seriously considering the civil economic viewpoint, at least as a working hypothesis. There is nothing to marvel at here. When one acknowledges the looming crisis of our civilization, one is practically obliged to abandon any dystopic attitudes and dare to seek out new paths of thought. Ultimately, this is the main legacy of John Paul II’s testimony that constitutes an authentic *ispiera* – the ray of light that, penetrating through a crack in a shadowed environment, illuminates it, making visible what is stationed within.

There are two wrong ways – warns Pope John Paul II of facing up present-day major challenges. One is to yield to the temptation to remain above reality through utopia; the other is to remain below reality through resignation. But if society is to be a match for today’s challenges, it must avoid such pitfalls. It must not waver between the blithe optimism of those who see the historical process as a triumphant onward march of humanity towards its

16 *Compendium of the Social Doctrine...*, p. 162.

full realization, and the despairing cynicism of those who believe, in Kafka's words, that "there is a destination, but no way there."¹⁷

Hence the need for a new message of hope. The certainties that technical and scientific progress offer us do not suffice. It has certainly increased, and will continue to increase, our ability to find the means of attaining all manner of goals. But although the problem of means now seems far less serious than it used to be, we cannot assume that the same will be true of the problem of ends — a problem that can be stated as 'What should I want?', rather than 'What should I do to obtain what I want?' Today the human being is afflicted by the need to choose his/her ends and not just his/her means. Hence the need for new hope: faced with an ever-stronger chain of means, people today seem unable to find any alternative to submitting or rebelling. Things were different when the chain of means was weaker. It is understandable that the have-nots will focus their hope on having: this is the "old hope." But it would be wrong to continue believing this today. Although it is true that it would be foolish to abandon the pursuit of means, it is even more true that the "new hope" must be focused on ends. What hoping means today is precisely this: not considering ourselves either as the mere result of processes that are beyond our control, or as a self-sufficient reality that does not need fraternal relationships with others.

17 Franz Kafka, *The Zürau Aphorisms* (1931), section 26.

Abstract

New forms of solidarity in the light of John Paul II teachings

After specifying the sense in which it is necessary to talk of new forms of solidarity, the essay focuses on the fundamental contribution of Pope John Paul II to the updating and expansion of the reach of Catholic Social Teaching. Particular attention is then devoted to explicating the notion of humanistic management, whose main target is to overcome the shareholder value myth: profit maximisation is not the only purpose a corporation should aim at. The paper then proceeds to define the category of Common Good and to show the proper relation between it and the principle of solidarity. The final section deals with some of the most urgent changes that need to be implemented in the institutional set-up of present-day market economies if one wants to arrive at an economy that is inclusive and not excluding, humane and not dehumanising, caring for the environment and not despoiling it.

Keywords: solidarity, Catholic Social Teaching, humanistic management, common good, decent work, subsidiarity

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