



PONTIFICIUM CONSILIUM
DE IUSTITIA ET PACE

JOINT COLLOQUIUM
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“Towards the common good at the global level”

I wish to begin with my own word of gratitude to our co-sponsors and everyone who has worked hard to make today’s joint colloquium possible, especially Mr. Burkhard Leffers, representing BKU and UNIAPAC, Mr. Martin Wilde of BKU, and Mrs. Gertrud Casel, the General Secretary of the German Commission of Justice and Peace.

My thanks also go to Mr. Carl Ludwig Thiele and the Deutsche Bundesbank for hosting this unique colloquium. We join many others, in Germany and internationally, in holding this institution in high regard.

I bring you warm greetings from the Pontifical Council for Justice and Peace, and in its name, I express my sincere thanks to each of you for dedicating a day out of your busy schedules to consider our Note, *Towards reforming the international financial and monetary systems in the context of global public authority*.¹

I. GENRE OF *THE NOTE* AND ITS MAIN POINTS

Let me recall briefly the nature of a *Note*. It is a document by a Dicastery (or a department) of the Holy See, that is meant to provoke reflection and generate discussion. A position it takes would not convey official Church policy, much less teaching; on the other hand, what it says is not contrary (or “displeasing”) to the Holy See. Thus, one should neither minimize nor exaggerate the authority with which, in late October 2011, Justice and Peace published its *Note* with the upcoming G20 meeting in Cannes in early November in view. It seemed an opportune moment² to engage – indeed stimulate – international reflection and discussion about the financial markets still in the grip of the crisis which burst open in 2007.

¹ Revised Edition, Libreria Editrice Vaticana, 2011, pp. 42. <http://www.pcgp.it/dati/2011-11/08-999999/Towards%20Reforming%20ENG.pdf>

² Earlier publications on economic and financial issues include *Social and Ethical Aspects of Economics – A Colloquium in the Vatican* (1992), Antoine de Salins and François Villeroy de Galhau, *The modern development of financial activities in the light of the ethical demands of Christianity* (1994), and *A New International Financial Pact* prepared for the International Conference on Financing for Development in Doha (2008).

The 42-page *Note* is in four chapters of roughly equal length.³

The first chapter, *Economic Development and Inequalities*, aptly **describes** the multiple causes of the crisis and its disastrous effects. “Since the 1990s, we have seen that money and credit instruments worldwide have grown more rapidly than the accumulation of wealth in the economy, even adjusting for inflation. From this came the formation of pockets of excessive liquidity and speculative bubbles which later turned into a series of solvency and confidence crises that have spread and followed one another over the years. The speculative bubble in real estate and the recent financial crisis have the very same origin in the excessive amount of money and the plethora of financial instruments globally” (p. 11).

The second chapter, *Three Ideologies and the Ethical Challenge*, provides an **analysis** of the economic liberalism, the utilitarian thinking and the rule or supremacy of technology which are at the roots of the crisis, plus the ethical and cultural shortcomings which exacerbate the damage.

The third chapter, *An Authority over Globalization*, makes a **proposal** grounded in the common good and oriented by solidarity and subsidiarity. It calls upon the world community to recognize that the global common good is seriously compromised by the inherent defects of the international financial and monetary systems, and accordingly to exercise proportional responsibility for it. This call for a supra-national or global approach would implement what the G20 leaders themselves acknowledged in the *Statement* they adopted at their Pittsburgh Summit in 2009: “The economic crisis demonstrates the importance of ushering in a new era of sustainable global economic activity grounded in responsibility.”⁴

The fourth chapter, *Towards Reforming the International Financial and Monetary Systems in a way that Responds to the Needs of all Peoples*, considers **implementation**. It elaborates what the 2009 Pittsburgh Summit itself generated: a proposal “to reform the global architecture to meet the needs of the 21st century,” and later a proposal “to launch a framework that lays out the policies and the way we act together to generate strong, sustainable and balanced global growth.”⁵

The *Note* then concludes with a historical **reflection** on globalization and states: “The time has come to conceive of institutions with universal competence, now that vital goods shared by the entire human family are at stake, goods which individual States cannot promote and protect by themselves. The conditions exist for going definitively beyond a ‘Westphalian’ international order in which States feel the need for cooperation but do not seize the opportunity to integrate their respective sovereignties for the common good of peoples” (p. 40).

II. THE COMMON GOOD

³ For an excellent explanatory summary of the *Note*, see Paolo Foglizzo, “Nuovi orizzonti per la finanza internazionale,” *Aggiornamenti Sociali*, 31.01.2012.

⁴ *Leaders’ Statement*, The Pittsburgh Summit, 24-25 September 2009, Annex, 1.

⁵ *Leaders’ Statement*, The Pittsburgh Summit, 24-25 September 2009, *Preamble*, nos. 18, 13.

With this recollection of the *Note*, we can now situate its argument in Catholic Social Teaching about the common good. The *Compendium on the Social Teachings of the Church* assembled by our Council provides the basic presentation:

*The principle of the common good, to which every aspect of social life must be related if it is to attain its fullest meaning, stems from the dignity, unity and equality of all people. According to its primary and broadly accepted sense, the common good indicates “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily”.*⁶

And the ultimate goal of the common good – its fulfilment – is nothing less than what Paul VI and Benedict XVI call integral human development, that is, the spiritual, moral, and material flourishing of each and every human being as free, responsible and social persons.⁷

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 is it possible to attain it, increase it and safeguard its effectiveness, with regard also to the future.

And going on to compare the personal and the social:

Just as the moral actions of an individual are accomplished in doing what is good, so too the actions of a society attain their full stature when they bring about the common good. The common good, in fact, can be understood as the social and community dimension of the moral good.⁸

The persons and communities who are economic actors are also moral actors by virtue of being human. Economic choices, whether as consumers, business-leaders, bankers, or policy-makers, therefore have an inescapable moral dimension. The economy is no more a morality-free zone than politics, civil society, or the family. Economics, like all positive sciences, contains its own truths upon which the Church does and must reflect. Those same economic truths, however, must be situated in the full truth about the human person – the one who alone is made as *Imago Dei*.

Now our relatively new context is globalisation, even though it has been anticipated by ideals like the one human family or images like the global village. What we experience, increasingly, is the complex interdependence of many human realities that we used to think of as separate from one another. For example, we now realize that the many different climates belong to a single global climate – even if we still cannot explain all or even many of the interconnections. Another example is our shared dependence on a single global warehouse of natural resources. So globalisation, among its multiple meanings, should also mean the globalisation of the common

⁶ Vatican II, *Gaudium et spes*, 26; cf. *Catechism of the Catholic Church*, 1905-1912; John XXIII, *Mater et Magistra*: AAS 53 (1961), 417-421; John XXIII, *Pacem in terris*: AAS 55 (1963), 272-273; Paul VI, *Octogesima Adveniens*, 46.

⁷ Especially in *Populorum progressio* and *Caritas in veritate*

⁸ Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Church*, Libreria Editrice Vaticana, 2004, § 164.

good. This is the presupposition of the *Note*: “Every individual and every community shares in promoting and preserving the common good” (p. 9).

At the national level, the ultimate guarantor and arbiter of the common good in each country is the State. The *Note* suggests that a corresponding Authority is needed at the regional and final global levels to discern competing values, to help various goods to stay in harmony or come into harmony, and to orient competing or unrelated interests toward the common good. The *Note* acknowledges that the development of such an authority is not without its potential risks, which is why it invokes the principle of subsidiarity to limit the sway of any such “higher” Authority.

This afternoon’s deliberations will focus on management, rules and institutions which all point towards “Authority” with a capital “A”. And this is of great interest to me because the next Plenary Assembly of the Pontifical Council for Justice and Peace, in early December this year, will take up this theme again. We will consider especially paragraph 67 of *Caritas in veritate* where the Holy Father makes the argument at the basis of our *Note* about the international financial and monetary systems.

Indeed, with his global perspective and tireless dedication to the common human good, the Holy Father echoed the *Note*’s concerns at the beginning of the new year of 2012, when addressing the Diplomatic Corps accredited to the Holy See:

The global economic and financial crisis ... has not only affected families and businesses in the more economically advanced countries where it originated, creating a situation in which many people, especially the young, have felt disoriented and frustrated in their aspirations for a serene future, but it has also had a profound impact on the life of developing countries. We must not lose heart, but instead resolutely rediscover our way through new forms of commitment. The crisis can and must be an incentive to reflect on human existence and on the importance of its ethical dimension, even before we consider the mechanisms governing economic life: not only in an effort to stem private losses or to shore up national economies, but to give ourselves new rules which ensure that all can lead a dignified life and develop their abilities for the benefit of the community as a whole.⁹

III. TODAY’S COLLOQUIUM

If we want to have sustainable movement in the desired direction, the movement that underpins our work, that over-arches it, that oversees it, must be concerted movement towards the common good. In this light, today’s Colloquium has several well-focussed and complementary objectives:

- to consider key features of the world’s international financial/monetary systems,
- to appreciate and critique them in the light of Catholic social thought,
- to make organizational or strategic proposals, and finally
- to resolve on continued coordinated efforts that would move us, as the *Note*’s title clearly suggests, *Towards reforming...*

⁹ Benedict XVI, *Address to the Members of the Diplomatic Corps accredited to the Holy See*, 9 January 2012.

Among the things we hope to do, may I suggest the following four:

- a) We hope to identify **key issues** which need to be resolved, and to suggest which **body** ought to address them (be it the G8, G20, IMF or some other), in order to develop financial and monetary systems which better serve the global common good.
- b) We hope to identify **indicators** of progress which could be monitored by bankers, academicians, the church and other civil-society organizations.
- c) We could specify what bankers, academicians and social activists like yourselves gathered here today, could contribute to the **betterment** of the regional (in this case, European) as well as global financial and monetary systems.
- d) We might suggest some kind of **on-going study** of these issues, who could be involved and who might offer the needed personnel, space and other resources for such work.

During the day, my contribution will be to accompany the discussions and encourage all to participate wholeheartedly. For *Gaudium et Spes* would make my role clear: “The Church guards the heritage of God’s Word and draws moral and religious principles without always having at hand the solution to particular problems.”¹⁰ So, even if I had studied economics and finance, I would still, in my capacity as a Churchman and as President of a Pontifical Council, limit myself to accompaniment and avoid pronouncing on the fascinating technical matters which will be debated in the coming hours.

However, I do offer you three qualities of reflection that characterize the *Note*, in the hope that you find them useful today. The *Note* strives to be *radical*, *ambitious* and *modest*. Similarly, during today’s Colloquium:

- Our thinking needs to be *radical* in order to penetrate to the real roots (*radix*) of the current crisis, and also to identify the deepest foundations for lasting solutions.
- Secondly, our proposals need to be *ambitious* in constructing proposals to reform the system and establish order at the global level. Being the economic, social and political creatures we are, this is our responsibility to one another in the global human family.
- Thirdly, our strategy ought to be *modest* in suggesting small first steps in the right direction. One cannot reform everything at once; it is better to have a series of limited, achievable goals, mapping each step so that it points toward the long-term goal.

Our ultimate objective, of course, is to have a properly global monetary authority and, eventually, a public Authority with universal jurisdiction, because this alone is proportional to the current prolonged crisis and to the inevitable future ones.

CONCLUSION

In conclusion, let me quote our Holy Father’s vision which challenges us to give our very best:

¹⁰ *Gaudium et spes*, § 33.

The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones. The crisis thus becomes an opportunity for discernment, in which to shape a new vision for the future. In this spirit, with confidence rather than resignation, it is appropriate to address the difficulties of the present time.¹¹

Thank you for gathering here and devoting your day with real willingness to carry forward the modest, radical, and ambitious programme of the *Note*. Let us throw ourselves wholeheartedly into the day. May God bless our efforts toward a better world, at once more human and more divine.

Cardinal Peter K.A. Turkson
President

¹¹ *Caritas in veritate*, § 21.