

Pope, foundation urge equitable economic model

Sarah Delaney Catholic News Service | Jun. 16, 2009

ROME -- Pope Benedict XVI called for a new world economic culture that gives priority to solidarity, ethics and human dignity.

The crisis that has affected industrialized and developing nations alike shows that "certain economic-financial paradigms that have been dominant in recent years need to be rethought," he said June 13 to members of a papal foundation.

The pope spoke to members of the "*Centesimus Annus* Foundation in a special Vatican audience at the conclusion of a conference in Rome on "Values and Rules for a New Model of Development."

He praised the group for seeking to promote a new economic model "that pays more attention to solidarity and is more respectful of human dignity," than the one that has led to the current crisis and increased disparity between rich and poor.

"*Centesimus Annus*, Latin for the 100th year, refers to a 1991 encyclical by Pope John Paul II that dealt with the economy and all its ramifications for society.

Pope Benedict will soon issue his own encyclical on social and economic justice, tentatively titled "Caritas in Veritate" ("Love in Truth"). He told the group that it would address "the vast theme of economy and work."

It will list "those objectives that we Christians must pursue and the values we must tirelessly promote in order for people to truly live together in freedom and solidarity," he said.

Michel Camdessus, former head of the Bank of France and managing director of the International Monetary Fund until 2000, was one of the keynote speakers at the conference held at the Pontifical Gregorian University June 12. He blamed a system of "individual and collective greed and a desire to have more" that led to an inevitable breakdown of the economy.

The crisis of 2008-09 occurred "in a cultural context in which we were totally blinded," he said. "All rules and regulations were abandoned, and money made the world go around, Camdessus said.

But many trillions of dollars of that money have been lost, he said, "creating incredible poverty, the likes of which we have never seen before."

Governments are working to stabilize the global economy, but only a "radical change in behavior from the top down" can bring a lasting improvement, Camdessus said. "We can only win with the sacrifice of the cross, through brotherhood and working for the common good."

He proposed a sort of "world governance group" with much stronger rules and regulations in economy and finance. In an ideal system, he said, there would be no speculation, tax havens or conflicts of interest. Instead there would be greater transparency in tracking the flow of money and a culture of ethics at the executive level.

Camdessus, who ran the IMF from 1987 to 2000, also warned that enough consideration is not being given to the great economic upheaval that will result from climate change.

"We close our eyes to the fact that there will be between 75 (million) to 200 million new migrants," mostly from Africa, which he said "is the only continent that is not contributing to the current crisis."

Italian economist Alberto Quadrio Curzio referred in the conference to Catholic social doctrine as a guide for a new economic paradigm. In the short term, he said, governments were responding as best they could to keep the world economy afloat, "but in the long range, we must reflect on new means of development."

He proposed a formula that includes creative solidarity for weaker elements of society, incisive instruments to stimulate the economy and sustainable development.

Andrea Goldstein, a senior economist at the Organization for Economic and Cooperative Development, also proposed a form of "global governance." He told conference participants that a "coherent, effective system" was needed to deal with the changing role of developing nations and challenges in climate change, resource security, failure of states, terrorism and corruption."

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