



Inclusive Solidarity and the Integration of Marginalized People – Final Statement



The “status questionis”

i. We meet at a time of realistic hopes and deepening crises. During the past generation, the world has achieved a significant reduction of extreme poverty and avoidable disease, and has the realistic prospect of ending extreme poverty in the coming years as called for by the Sustainable Development Goals (SDGs). Yet the social solidarity and environmental sustainability needed to achieve inclusive development are weakening and putting the world’s hopes for inclusive and sustainable human development into grave jeopardy. The world’s two-part challenge is to mobilize the local-to-global actions needed to achieve inclusive and sustainable development and to deepen the inclusive solidarity that will enable us to direct attention, commitments and resources to this urgent challenge.

The global situation regarding poverty and marginalization is complex. On the positive side, the proportion of the world’s population living in extreme poverty has declined markedly, from an estimated 37.1 percent in 1990 to around 9.6 percent in 2015 (World Bank estimates, at a global \$1.90 per day poverty line). The gains have been greatest in East Asia, but also have occurred in Sub-Saharan Africa and South Asia, the world’s two greatest regional concentrations of extreme poverty.

Current estimates put the number of people living in extreme poverty at now below 800 million, with another 1-2 billion people living near extreme poverty. Simple calculations show that the poverty gap (meaning the added income that would raise the poor to the poverty line) is now below 1 percent of the income of the rich countries. In this sense, the basic needs of the poor can be readily be met at low cost with sufficient global solidarity. Further analysis suggests practical pathways for the poor countries to achieve all of the SDGs, contingent on the promised financial support from the rich countries.

ii. Yet the challenge of poverty is made more difficult for four critical reasons. First, climate change and environmental degradation more generally threaten to reverse the recent gains against poverty. The poorest people in the world face grave and imminent risks from global warming. The very life support of the poor – including the ability to grow food and to access safe water – is under dire threat. Once again, global solidarity is vital. The rich countries, which are responsible for the greatest historic share of greenhouse gas emissions, must take urgent actions to implement the Paris Climate Agreement and to provide the long-promised climate financing to enable the poor countries to adjust to the climate change they did not cause but the consequences of which they suffer nonetheless.

Second, ending extreme poverty is challenged by the ongoing political, social, and economic marginalization of vulnerable groups, especially indigenous populations (numbering around 400 million people worldwide), religious minorities, migrant populations, and women and children everywhere, groups in our society vulnerable to violence, human trafficking, modern slavery, and other denials of basic human and civil rights. This is why

gender equality (SDG 5), ending modern slavery (SDG 8), and ending violence against women and children (SDG 16) are core parts of the Sustainable Development Goals.

Third, poverty and environmental degradation are stoking violence and conflicts in significant parts of Africa, the Americas, the Middle East, and Asia. The role of drought in Syria as a factor in the onset of the Syrian War has been scientifically demonstrated. Pope Paul VI wisely noted in *Populorum Progressio* (1967) that development is “the new name of peace.” Following Pope Francis in *Laudato Si'*, we may now declare that sustainable and integral development is the new name of peace. The rising threats to the natural environment, including severe droughts, floods, and human displacement, are among the growing causes of deadly violence and conflicts.

Fourth, poverty in the sense of relative deprivation and marginalization (sometimes termed “relative poverty”) is worsening in many of the rich countries. Though the rich countries have largely overcome the curse of extreme poverty, many now experience sharply rising inequalities of income, including large numbers of households pushed out of the mainstream of society through such relative deprivation (typically measured by the OECD as household income below 50 percent of the median income). Such relative deprivation can be overcome through fiscal redistribution, yet the political systems of many rich countries are not supporting such fiscal redistribution, and have even cut back on social benefits for the poor.

iii. As Pope Francis calls upon us in *Laudato Si'*, we must now find a common plan for our common home, one that is grounded in integral and sustainable development. Our most profound challenges do not lie in the limitations of the resource base, our personal and national incomes, or the technologies now at humanity’s disposal. Rather, the most profound challenge is to achieve inclusive solidarity locally and globally in order to mobilize humanity’s efforts, creativity, and spirit in order to embrace the solutions at hand.

We therefore face the challenge of fostering inclusive solidarity at all scales of action, from the most local to the truly global. In this regard, the intellectual currents of modern mainstream economics are unhelpful, indeed harmful. These currents emphasize methodological individualism, pecuniary incentives rather than moral virtues, and the belief that economic and political life is marked by little more than competition among individuals. This flawed anthropological vision was famously encapsulated in the statement by then Prime Minister Margaret Thatcher (1987) that “you know, there is no such thing as society. There are individual men and women, and there are families.” Such thinking has led to public policies and attitudes that have undermined solidarity in public policies in recent decades, perhaps most significantly in the Anglo-Saxon countries where inequality has risen sharply while social trust has declined markedly.

The route to inclusive solidarity begins with the participation of the marginalized populations themselves in the solution to their problems, especially at the local level. Such participation creates hope, mobilizes individual efforts, induces creative problem solving, and empowers the poor to defend their human rights. Participatory programs also instill mutual respect within the community.

The democratization of public policy – to foster an Aristotelian-type polis but under modern conditions – can facilitate group problem solving, the legitimacy of public decision-making, and the effective search for consensus among diverse parts of society. The active search for the common good – a “relational” solidarity rather than a flaccid solidarity of individualism – would create a new social dynamic that helps to overcome excessive individualism. The fostering of a deeper citizenship – with civil responsibilities as well as civil rights – is also vital to making democracy work for the common good. Also vital is “deliberative democracy,” in which citizens, through political deliberation, learn the true facts of regarding their own future wellbeing, can thereby enlarge the time horizon of politics and the efficacy of public policy.

Reducing inequality within society (SDG 10) is a key part of achieving inclusive solidarity within countries. Not only does inequality undermine the human and emotional connections between those at the top and bottom of the income curve, but great inequalities also foster the inequality of political power, even in countries that claim to espouse one person, one vote. The wealthy, in turn, use their exaggerated political power to tilt public policies even more in their favor, thereby creating a vicious circle of widening inequality and declining social solidarity.

iv. The grand tradition of Civil Economics offers another crucial direction for enhancing social solidarity. Civil Economics teaches that market trade is not merely impersonal exchange, but also an exercise in civil virtue. In the grand tradition of civil economics, underpinned by burgeoning empirical evidence, market exchange can build social solidarity when buyers and sellers recognize and embrace the moral underpinnings of mutually beneficial trade. In mainstream economics, one side of a market exchange is excused for “tricking” the other side of the exchange as long as it is within the law. Caveat Emptor is the brutal standard. In Civil Economics, by contrast, both sides of a market exchange accept the moral responsibility to ensure the mutual benefits of trade by avoiding exchanges that advertently or inadvertently harm the other party or other stakeholders.

Humanity is therefore called upon to cultivate inclusive solidarity in all societies and globally. The Sustainable Development Goals offers us a path of common purpose; Pope Francis welcomed the new framework on

September 25, 2015 at the United Nations on the very eve of their adoption. Laudato Si' guides us to a holistic solidarity that embraces all peoples and that integrates the economic, social, and environmental challenges facing humanity.

Our technical analyses show that the SDGs are achievable in the spheres of economics and technology. It is in the spheres of politics and social solidarity where our greatest challenges lie. Our politicians, even in democratic societies, often do not accept the responsibilities to achieve the very goals vital for the wellbeing of their own societies. They often fear for their re-election and especially the disapprobation of powerful interests and lobbies that fund their campaigns. A vital role for moral leaders, civil activists, and scholars therefore is to help move the public debate beyond the narrow confines of the vested interests. Such public awareness can open the space for politicians who are sometimes too timid to lead, but "who know what to do."

v. A significant challenge to ending extreme poverty and marginalization is the mobilization of financial resources to help address the basic needs of the poor. We recognize that adequate funding is not sufficient – effective public institutions are also vital -- but financing is a necessary condition. Such financing should most urgently cover the needs of food (SDG 2), healthcare (SDG 3), education (SDG 4), water and sanitation (SDG 6), modern energy services (SDG 7), and skills training for decent work (SDG 8). Such needs are significant, but well within the 0.7 percent of GDP of the rich countries that have been promised but not yet delivered to the fight against poverty. If the US alone achieved the 0.7 percent mark of national income in official development aid, the additional flows would amount to around \$90 billion per year, or roughly 10 percent of America's military outlays.

This observation suggests a practical opportunity at hand to mobilize the needed financing. A half-century ago, Pope Paul VI in *Populorum Progressio* called for a World Fund to fight poverty, financed by the transfer of arms spending to human needs. We might call this the Isaiah Fund, to beat swords into plowshares and spears into pruning hooks (Isaiah 2:4). In the words of Pope Paul VI:

A further step must be taken. When We were at Bombay for the Eucharistic Congress, We asked world leaders to set aside part of their military expenditures for a world fund to relieve the needs of impoverished peoples. What is true for the immediate war against poverty is also true for the work of national development. Only a concerted effort on the part of all nations, embodied in and carried out by this world fund, will stop these senseless rivalries and promote fruitful, friendly dialogue between nations. (Paragraph 51)

In our own time we support this wise and inspiring call to action. In a world that currently spending around \$2 trillion on armaments each year, a mere 10% transfer to fighting extreme poverty and marginalization would not only reduce the costs of war but would mobilize \$200 billion per year, a sum that would enable the world to end extreme poverty and the poorest countries to achieve the Sustainable Development Goals.

Policy proposals and suggestions

a. There is a general consensus today among social scientists and business people about the urgency to reform and, above all, transform some specific blocs of the prevailing model of social order.

It should be recognised that market rules need to be shaped to create a level playing field and a race to the top that rewards sustainability performances. It is time to call for a global architecture that can enable business to scale sustainability efforts from individual, incremental achievements.

The market forces of recent past have proceeded to drag down both employment and wage rates at the low end. The setback has cast the less advantaged not only a loss of disposable income but also a loss of inclusion, i.e. access to decent jobs that provide self-respect.

Inclusion is one of our most urgent social problems. Curbed in the decades after World War II, it has recently returned with a vengeance. We need fresh ideas. We need new policies in areas such as technology, employment, social security, the sharing of capital and taxation. Above all, we need to go against the common arguments and excuses for inaction.

The two challenges of making absolute poverty history and avoiding environmental collapse are absolutely viable from an economic point of view. First of all they require a cultural revolution moving away from monodisciplinary and conflicting approaches (such as the "consuming more" drive of anti-poverty policies and "consuming less" drive of environmental policies) to proper multidisciplinary approaches (creating economic value in a socially and environmentally responsible way).

b. From an economic point of view we know that we need a very limited share of global resources to end extreme poverty, while moving toward environmental sustainability may even be, under proper fiscal incentives, a business opportunity. The reason why the two challenges have not been tackled successfully so far is that they are politically unfeasible given the current balance of power and incentive system.

We must therefore move in two directions. First, making high our call for the moral duty that world policymakers have in tackling these issues, with the highest and most influential possible voice as that of Pope Francis.

Second, finding ways to change the current balance of power among sovereign states, corporations and civil society in the desired direction. In this respect we have to understand that civil society and grassroots actions may play a decisive role. Responsible consumption (SDG n. 12) and responsible savings, ethical investment funds may play a crucial role in triggering such change. Governments may stimulate in turn with proper balanced budget feed-in tariffs the bottom-up power of responsible action. Such action may create the required political momentum and social consensus to trigger a change in behavior of policymakers in the desired direction.

Fighting against marginalization has poor results when it is not supported by a conversion of minds. Families and educational institutions are the first contributors to create conditions for integrating marginalized people.

c. The term “inclusion” expresses the common thread that binds all the reflections of Pope Francis on CST and allows us to design a bridge that connects the social teaching of the last three Popes. Social inclusion can take place only on the grounds of the formal recognition of equal opportunities to participate in the strategic decisional and operative moments that make a social aggregate an active civil society, polyarchical and solidaristic. It is time “to break the chains of poverty”, that forest of impediments whose nature is political, social, economic and cultural.

Pope Francis explicitly recognizes the great contributions by entrepreneurship and innovative finance to human development over the centuries. The world’s economic leaders “have demonstrated their aptitude for being innovative and for improving the lives of many people by their ingenuity and professional expertise” (17 January 2014).¹ The challenge today is how the economy can extend the benefits and reverse the gaping inequalities and worsening exclusions. Catholic Social Teaching (CST) does not fight at all a market-based economy provided it is oriented toward the common good – not merely the total good –, where the free market develops with inclusivity, stability, transparency. What CST demands is to reform the market social order against some of its ills.

d. 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 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. 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.

Solidarity can be understood in many different senses. Human solidarity should be privileged over social solidarity. Inclusive solidarity means reciprocity and openness to all. Integration cannot be imposed. The human person is to be respected in her freedom of conscience and religion. E.g. a migrant must in any case comply with the laws of his host country. Integration supposes that the host country does not interfere with the inner motivation of social behaviour, but claims for compliance only on the ethical values which are grounded in the very nature of all human beings.

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 on 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 programs 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 relationship to the common good can one judge when and how a subsidiary community like the state should intervene with a *subsidium* for a primary, more local, community. Subsidiarity without solidarity can become abandonment of the poor and marginalized to their own conditions rather than fostering their freedom, agency, and participation.

The challenge of reconciling solidarity and subsidiarity is the challenge of living in a human society.

e. Even though there has been a sharp reduction in extreme poverty in the last three decades, there still remain about 700 to 800 million people living in abject poverty —a multidimensional phenomenon that should not be reduced to material poverty: social networks and human relationships are also key elements of human dignity, at least from the perspective of a relational anthropology. Every year, 6 million of children die just because of the bad distribution of wealth.

Climate change and losses in biodiversity will worsen this picture in the coming years, putting many people below the extreme poverty line, especially refugees stemming from fragile states that don't have the capacity to adapt efficiently to climate change. Thus fighting against poverty and against global warming amount to be essentially identical goals.

Despite the contrary impression, fighting against extreme poverty and financing green infrastructures would not cost more than a few percentage points of today's world income per annum. Even though, private leverage is definitely part of the solution, we have to acknowledge that markets, corporations, private banks, insurance companies and pension funds won't provide the right answer, at least not spontaneously, and not in the right magnitude. This calls for action on the side of the political scene and of public banks (World bank, European Investment bank, Asian Development bank, BNDES, etc.).

But the political class, alone, can hardly struggle against lobbies. The sovereigns need a favourable environment, whose building should be the main tax of the civil society (NGOs, responsible corporates...) Scandinavia shows that this is possible, both through tax redistribution, environmental laws, laws against prostitution, etc.

We have no excuse, neither morally nor economically, for not enforcing such concrete actions to achieve both the elimination of extreme poverty and the shift towards a low-carbon economy.

f. The history of democracy shows a long process of adaptation to precise condition. The principle that one should be assisted to all decisions which affect his life should be put in force everywhere. Electoral democracy should not become the unique model of democracy in our societies. Participation takes many forms. Democracy cannot be imposed by force.

Some conceptual clarification needs to be maintained throughout. Most importantly, between solidarity and participation; we can have participants without solidarity (voters in national elections) and solidarity without participation (populist demonstrations). These two concepts are crucial for the integration of the most marginalised people: without either, they have no conviction of acquiring Voice and without Voice their Exit often exacerbates a lack of loyalty to the system because they are defined as superfluous, disposable people.

To feel non-disposable requires social *and* political integration – sociality is a necessary condition of being of societal value – participation is a necessary condition of being heard and heeded.