
The Economy of Francesco. Zamagni: “Need for transformation, not only reform”

“For the first time in its history, the Church organized an event that focuses entirely on the economy.” **Stefano Zamagni**, President of the Pontifical Academy of Social Sciences, comments on [The Economy of Francesco](#), which will bring together 2000 young economists and entrepreneurs "under 35" from world countries on November 19 to 21. The aim is to define, in dialogue with Nobel Prize laureates, economists, scientists, entrepreneurs and world-renowned experts, the paradigm of a new economy at the service of an ailing world – ailing not only from COVID-19. **Professor, why is The Economy of Francesco an extraordinary event?** Because for the first time in its history, the Church organized an event that focuses entirely on the economy. In fact, the Church traditionally held meetings on topics such as the family, education, but the economy per se is unprecedented. This event, called for by Pope Francis, is the fruit of a long preparatory process that began in 2009, when Benedict XVI wrote *Caritas in Veritate*. The seeds of this initiative were already present in that document. In fact, although it was not widely acknowledged, there is a line of continuity linking Bergoglio and his predecessor. *The organization of our economic systems, both in Western societies and globally - even China has now embraced the market economy model, even though it is not a democratic country - require transformation, not mere reforms. Reforms are needed in ordinary times, but when a mechanism falls apart, it needs to be transformed. Which distortions should be fixed in the global economic paradigm?* First of all, the **financial system**: having become self-referential and motivated by self-interest, or acting in the interest of a few, it ceased serving the good of individuals and peoples. Secondly, it is necessary to reform the **rules** that govern globalization. It started in the 1970s but the rules date back to 1944, when the representatives of leading industrialized countries of the Western world met in Bretton Woods.

It is necessary to adapt the rules of the game to the new peculiarities of today's economy, namely globalization and digitization.

Thirdly, endemic and systemic growth of **inequalities** must be addressed once and for all, affecting revenue, wealth and unequal opportunities, especially gender inequality, as well as inequalities among different groups or ethnicities. Access to a number of professional or job profiles is not open to everyone. Fourthly, it is necessary to address the **ecological issue**, now of epochal proportions: we cannot deceive ourselves into thinking that a good heart, or citizens' positive conduct, is sufficient. Proper mixed waste collection, for example, is important, but it is even more important to ban fossil fuels and plastic products. *We can no longer rely on good practices. It is necessary to intervene upstream towards an energy transition according to the circular economy model, replacing linear energy.* Finally, there is the **anthropological question**. If, for the sake of the progress of artificial intelligence, all decisions are taken by algorithms and robots, we will see decreasing spaces of freedom as a result. **As the Pope writes in *Fratelli tutti*, the relationship between the economy and politics is a critical issue.** This is a transformation that encompasses all others. It involves the relationship between democracy and politics, between the market and the political realm in the strictest sense of the term. As the Pope recalls in the Fifth and Sixth Chapters of [Fratelli Tutti](#),

Politics is at the service of the economy: when the opposite occurs for a long period of time, the results are inauspicious.

If politics is the kingdom of ends and the economy is the kingdom of means, when means become ends the tragic consequence is the disruption of culture and spaces of freedom. Today, the line of high culture, starting with schools, is no longer dictated by politics through the democratic exchange

of opinions, but by the economy. This causes a regression of democracy, founded 2,400 years ago in Greece. Indeed, we progressed technologically, but not in cultural terms. **Which traits of Francis of Assisi's economy can be considered valid still today?** Assisi is a symbolic place. It's where the paradigm of civil economy, typically Italian, first emerged. In 1753 the University of Naples set up the first academic chair in economics in the world, and it was in Civil Economy. It marked the end of a process that began in the 14th and 15th centuries in the Franciscan School of Thought. *The Franciscans created not the markets, which always existed, but market economy as a new mode of organizing social life.* Political economy, born with Adam Smith, had great merits, but it has nothing to say today. In fact it teaches us how to increase wealth, but not how to redistribute it. We are now returning to the origins: it is no coincidence that Pope Francis has named three Franciscans as new cardinals in the next Consistory. It is necessary to return to the Franciscan inspiration, updated to the new challenges of today.

M.Michela Nicolais