

CONCLUDING REMARKS OF ETHICS AND ECONOMY - FRIDAY 28TH SEPTEMBER.

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Faced with the "irrational negationism" of many politicians and economists of today, religions and OBF can (and must) provide our perspective, a view based on our vision of the human being and what we witness every day in our communities. Such a look tells us that there is an increase in social inequality and environmental deterioration. This "rationality of faith", in addition, is supported by the scientific look and international statistics.

The contribution of religions and FBOs is vital today more than ever, especially in meetings like the G-20, because while they talk about the poor and excluded in international congresses, their lives, desires, and difficulties are ignored. As Pope Francis says in his encyclical *Laudato Si*, such indifference "is due in part to the fact that many of those who participate in these congresses and can make decisions, are in reality" away from [the poor, without taking] direct contact with your problems. We live and reflect from the comfort of a development and a quality of life that are not available to most of the world's population. This lack of physical contact and encounter ... helps to cauterize the conscience and to ignore part of reality in biased analyzes "(LS 49). Thus, even without wanting to, we make decisions that do not really benefit them.

Hence, religions and FBOs want to echo the voices that are not heard, and so they want to bring those who make decisions in the global economy to the true reality of most people and their communities.

Quotes Pope Francis

"In the predominant culture, the first place is occupied by the exterior, the immediate, the visible, the rapid, the superficial, the provisional, the real gives place to the appearance" (Evangelii Gaudium, 62)

"I would like to warn that there is usually no clear awareness of the problems that particularly affect the excluded. They are the largest part of the planet, billions of people. Today they are presented in international political and economic debates, but it often seems that their problems are posed as an appendix, as an issue that is added almost by obligation or peripherally, if they are not considered mere collateral damage. In fact, at the time of the concrete action, they are frequently in the last place.

This is partly due to the fact that many professionals, opinion makers, media and power centers are located far away from them, in isolated urban areas, without taking direct contact with their problems. They live and reflect from the comfort of a development and quality of life that are not available to the majority of the world's population. This lack of physical contact and encounter, sometimes favored by the disintegration of our cities, helps to cauterize the conscience and ignore part of reality in biased analyzes.

This sometimes coexists with a "green" speech. But today we cannot fail to recognize that a true ecological approach always becomes a social approach, which must integrate justice in the discussions about the environment, to listen to both the clamor of the earth and the clamor of the poor. "(LS 49)

An economy distanced from ethics, and a financial system that tends to distance itself from the real economy, generates social inequalities and environmental damage.

From the financial crisis of 2008, which was generated by the collapse of the US real estate speculative bubble and whose impact was extended to the entire international system, the damaged relationship between ethics and economics became even more evident.

Given the need to generate new consensus among high-level officials, the G20 was consolidated as an extension of the G7 and became the most significant forum to discuss global economic growth, the international financial architecture and the regulation of the post-crisis financial system. Although the G20 does not have executive powers nor its decisions are binding, those agreed by the heads of state and government in the framework of the G20 have been significantly implemented by its members.

Since then, there are many voices that, from different disciplines and economic theory, warn about the imperative need to recreate an international financial architecture on a human scale, at the service of sustainable development; and to reconstruct an ethical dimension of economic practice to answer the questions and challenges posed by the 4th industrial revolution: robotization and technological change, inclusive globalization, the future of work, universal integration, among others.

Consequently, a program view that includes but goes beyond the monetary metric (more holistic), as a notion of integral ecology, can help us to rediscover the very nature of the economy, which was designed to better organize the coexistence of human beings. They can also help us to assume the connection between our personal-family lifestyles with our culture, between the common dignity of each individual with the common good, between the justice of today with that of tomorrow, and between the social world and the ecosystems that make our life possible Integrating. All these aspects are key to respond with creativity and precision to the groans of the poor and the earth, moans that come together in a single cry for having the same roots, many of them related to economic activity, such as: production unbridled that does not care for the environment, individualism and greed to trade and accumulate, unrestrained consumerism and discarding culture, technocratic paradigm and indifference with the creation of jobs, short-termism and limited measures of progress or development (cf LS, 115-121).

Women and young people are key to cultivate and care for creation, and thus be able to generate an economy (common household management) sustainable for future generations.

There is a new narrative (with the contribution of religions), for a new financial and economic architecture, more inclusive not only local but also global.

The term "Economy" comes from the Greek "oikonomy"; "Oikos" refers to the home, the house and the property and "nomos" to its rules and / or "némein" to the act of administering / adjudicating; hence, the economy has been etymologically defined as the "administration of the house / home".

Then, with the development of societies and the modern means of production, this term designated the discipline dedicated to the study of the administration of certain scarce resources of a certain political society.

The main modern economic currents affirmed that the economy is an independent science of the moral field. Economics books stress that economics only describes and explains, among other issues, how markets work but does not prescribe how they should be. In this way, young students are taught that economics is a neutral science, free of ethical / moral valuations. This conception strengthened the vision of man as "homo economicus", of which his "utilitarian" spirit is presumed, which acts according to his own interest, maximizing his benefits. However, economists did not always understand their subject in this way; just think of the classical theory, eg. Adam Smith, who conceived it as a branch of moral and political philosophy. As Artkinson (2009) points out, "the economy is a moral science", because it not only wants the welfare and / or the common good, but reflects on criteria of distributive justice. On the other hand, as the philosopher Sandel affirms, in certain cases "the market reasoning presupposes a moral reasoning". The more technological science advances and the markets increasingly extend in aspects of life, and not strictly economic fields, the economy is increasingly faced with moral dilemmas: What goods and services may or may not be in the market? Is it necessary to modify the extractive production model? Can the economy be regulated by algorithms and robots? Is artificial intelligence ethical conscience? To answer these questions, a comprehensive and systemic view of the challenges that reality proposes is necessary and an ethical dimension must be recovered both in prudential discernment and in the taking and execution of decisions.

Currently, what is under discussion is the way in which we organize our economic life. The economy based on the production of goods and services is being displaced by a speculative economy, which generates money in risk management. And this is worrisome, because it generates less fair societies, promoting, as Sandel affirms, "an ethic of speculation that corrodes morals and civic norms that are worth caring for".

Hence the importance, as pointed out by Montoya Vargas and Morales de Setién Ravin, of training economics students in the "development of the necessary skills to recognize an ethical dilemma in a daily situation, identify the values, principles and interests faced, generate alternative solutions, reason about the ethical justification of the alternatives, make reasoned decisions (Kohlberg, 1981), argue and evaluate ethical decisions".

Day by day, men and women are faced with the need to make multiple decisions of different complexity and face innumerable options and motivations to make such decisions. It is imperative that, as citizens, consumers, producers, educators, companies, legislators, politicians, mothers and fathers, merchants, businessmen, governments, public and private institutions, family groups, be aware of the transforming capacity they have with their daily decisions to shape a more equitable and sustainable system.

Role of development banks, public and private banks (including village banks), employers and unions, investors and consumers.

In 2015, the General Assembly of the United Nations approved the 2030 Agenda for Sustainable Development, which proposes a multidimensional concept of development focused on sustainability, as a new transformative paradigm of development policies.

In this way, development is no longer understood only as economic growth; and sustainability, consisting of the harmonious relationship between economic growth, social inclusion and environmental protection, becomes a sine qua non condition for genuine development. Since then, different research has been developed regarding the ethical dimension of development and religious perspectives around the methodological foundations of how to build a new development model to "leave no one behind", caring for the future of the planet.

In the same year, the Paris Agreement on Climate Change was adopted by COP 21, the Addis Ababa Action Agenda on financing for development and the Sendái Framework for Disaster Risk Reduction, which together with the 2030 Agenda propose a turn to the style of development and a holistic and integral vision. The cost of its implementation requires a great mobilization of resources from both the public and private sectors, accompanied by changes in its financing, organization and allocation. A process that must be accompanied by good cooperation and global governance practices.

However, it is pertinent to ask how to make the economy contribute to the 17 Development Goals proposed in the 2030 Agenda, and in that way, rectify the trends that threaten human well-being and the life of the planet?

The financial system plays an important role in this process and it is necessary to take advantage of all its instrumental potential in the transition of the global economy. It is necessary that the financial system is aligned with the Agenda for Sustainable Development. Some efforts began to be made in that regard; for ex. In January 2014, the United Nations Environment Program initiated a "Research on the Design of a Sustainable Financial System" to advance policies that produce a radical change in the efficiency of the financial system to mobilize capital towards a sustainable and inclusive economy.

In recent years, various international studies and practices have recognized the significant role that religious communities and faith-based organizations have in addressing complex global challenges because of their work on sustainable development, in situations of extreme poverty, in natural disasters and disasters, in peace building processes, in zones of violence and conflict and even where the State is absent. Thus, they become necessary actors who exert their influence and leadership both in their work at the grassroots level and at high political levels.

In this way, it is noticed that religion is no longer a forgotten dimension in development studies. Not only has the literature on religion and development flourished over the past decade, but partnerships between international development institutions, governments, international cooperation agencies and religious communities have also multiplied, especially to achieve development goals.

Civil society and religious groups play a fundamental role in developing proposals, monitoring progress and ensuring that the opinion of all interested parties is included in the process.

For this reason, the High Level Dialogues on Ethics and Economics, due to their interdisciplinary and ecumenical character, have collected the different contributions and reflections on economics and finance elaborated from religious perspectives.

1. Challenges:

a) An economic practice that degrades the "common house"

- i. A myth of the nineteenth century, lifestyles and production of that time is maintained, but advancing with technologies of the 21st century, and this planet in this line, is coming to the exhaustion, both of its species and of the sustainability of the modes of production.
- ii. The degradation of the environment, climate change, loss of biodiversity, among others, call for a substantial change in the way of managing the global commons.

b) An international financial architecture without limits or regulation

One of the reasons that is at the base of some crises that we have experienced is explained by the separation of finances from the real economy, from production and labor. "Finances, if left alone, dislocate, drive you crazy and drag you into your madness". The market deregulation, the indiscriminate growth of profits over integral welfare, the speculative purpose, as well as the practice of certain financial instruments such as the "credit default swap" (CDS); parallel banking systems (shadow banking system); offshore finance; sovereign public debt of the states, generate great instability, distort functionality and affect the health of the economic and social system, damaging the effective realization of the common good.

c) Structural inequalities, work and automation

- i. Inequality in the distribution of wealth and social goods evidences the presumption that not all societies have a place in societies. "A good part is considered disposable: they do not count. Technology can deepen the concentration, abuse of power and inequity on the planet."
- ii. Work and Automation: Technology platforms can improve lives, narrow gaps, or can become a way to deepen abysses. It is estimated that no less than 50% of current jobs run the risk of being replaced by robots in the next decade.

While there are dissimilar estimates of the possible impact on the use of automation, there is a consensus that automation implies a structural transformation from which winners and losers will emerge. As a consequence, certain social tensions will be present.

d) Corruption and organized crime

- i. In Latin America there is an increase in the lack of confidence in the democratic quality of the region due to the high levels of public and private corruption at different levels of society, whose practice alters the system of incentives of organizations and corrodes social civility.

- ii. At the same time, organized crime networks flourish in spaces of informality and institutional precariousness. In various reports it is stated that in Latin America the high rates of violent crime and insecurity are related to the inequality in the access to opportunities of some people. Organized crime has become a complex phenomenon, with porous limits between the formal, the informal and the criminal, with associations between groups and people that transcend the borders of the State. These networks have a negative effect on the institutions of the countries and the rule of law.

1. PROPOSALS to which we commit ourselves as Churches, Religious Communities and Faith Based Organizations

a) Towards the Care of the Common House

- i. Commit to the promotion and consolidation of economic systems that care for and guard human life and the planet in all its manifestations; a non-exclusive economy of life, like the vegetable one, that takes enough to live and recreate life. This approach translates into the effective transformation of modes of production towards sustainable and sustainable forms; in the management of companies whose main purpose is to commit to integral human development over the maximization of profits; in public policies that promote renewable energy, sustainable agriculture as well as measures that regulate and sanction activities that degrade the eco-system.
- ii. Create a regulatory framework for the protection of the global commons

Recreate an international financial architecture

- i. Strengthen global governance - The globalization of finance must be accompanied by the globalization of international cooperation. The financial system and the market must be reinserted as instruments at the service, and not the owner, of the global governance system;
- ii. Create new qualitative and quantitative indicators of integral well-being;
- iii. Need to regulate the financial sector and renew the purpose of the banks;
- iv. Financing for Sustainable Development:
 1. Promote investments of Impact for Sustainable Development (Triple impact investment agenda: social, ecological, economic).
 2. Create eco-sustainable financial instruments, such as ex. "Green bonds".
 3. Foster the religious commitment of the FBOs and religious communities in investments to sustainable development. It is estimated that funds from faith-based institutions represent around 10 trillion dollars of funds invested in the world, becoming leaders in institutional investment trends and, as a block, at least in the fourth largest investment group.

b) Equity, Innovation and inclusive finance

- i. Generate relational dynamics of economic and inter-generational justice in such a way that no one is discarded and everyone finds their place in the community (koinonia), in the enjoyment of a full and full life.
- ii. Innovation: Propose a new Social Technology Contract (CST) that turns technology into a fundamental means for social inclusion. A contract with an ethic that puts the human being at the center of the concept of innovation, because otherwise it runs the risk of falling into technocratic societies and governments. It must be taken into account that the data is the new oil that is why it is necessary to join public and private wills in order to achieve said CST. "Rebuilding the ethical dimension means building bridges between technological change, the work of human beings and universal integration. It is the key to transcend the current situation that exceeds the concept of time and space. Where the pre-industrial era coexists for hungry crowds, the industrial one for thousands of workers and the post-industrial one for brilliant minds exploring new technical frontiers "(Béliz)
- iii. The future of work and Automation:
 1. Train workers according to the knowledge, "soft" skills and competencies needed to face the transformation in progress.
 2. Adopt income distribution policies: several proposals are being discussed: Universal basic income; Salary supplement; Tax on robots.