



Sustainable Finance and Care in the light of Laudato si'

Rome, 15 April 2016

Dear Minister, dear President, Excellences, Dear Brothers and Sisters,

Let me start by thanking the President of the Italian Council of the European Movement, Mr. Pier Virgilio Dastoli, for his kind invitation to take part as a speaker in this morning's Conference on the theme of *Sustainable Development Goals, Value-based Investors and Catholic Social Teaching in the Light of Laudato si'*. I particularly wish to greet the Very Reverend Simeone Catsinas, of the Greek Orthodox Church, and Reverend Henrik Grape, of the Lutheran Church of Sweden, also present next to me here today.

To introduce my remarks, it is helpful to watch Pope Francis present *Laudato si'* himself very briefly, in less than 90 seconds. The Pope speaks in Spanish in this video and the sub-titles are in English: <http://thepopevideo.org/en/video/care-creation.html>

Here are some key messages and take-aways from the video and *Laudato si'* itself:

- Our human nature is created by God and surrounded by the gifts of the natural, created world, our common heritage, the fruits of which should benefit everyone
- Our failures are that we over-consume and that we do not share the gifts of creation. We have tilled too much and kept too little – with dire consequences for the poor and the planet.
- It is urgent for us to change our sense of progress, to manage the economy responsibly, and to free our style of life from the slavery of consumerism.
- We must take good care of creation – a gift freely given – cultivating and protecting it for future generations.

On the 25 September 2015, in an atmosphere of great hope, the United Nations General Assembly adopted *The Agenda 2030 for Sustainable Development* (Agenda 2030), a non-binding international plan of action, in the form of a Resolution. That same day Pope Francis addressed the members of the General Assembly of the United Nations, and he described the adoption of the 2030 Agenda in those terms, as “an important sign of hope”. This hope will come to concrete fruition only if the Agenda is truly, fairly and effectively realized.

Pope Francis has warned the international community about the danger of *declarationist nominalism*. This characterizes the situation where, instead of struggling effectively against scourges, we assuage our consciences with words alone, proclaimed in solemn and agreeable declarations.¹ Now today I shall explore ideas about *sustainable finance*, in relation to the concept of *care* in *Laudato si*. With its theme *On care of our common home*, this Encyclical has substantially enriched the Social Teaching of the Church. Sustainable finance and care for our common home, and especially for its inhabitants, are two important ways of avoiding the danger of falling into the *declarationist nominalism* that his Holiness warned against.

1. *Finance in Catholic Social Teaching*

Let me begin with a Note published by the Pontifical Council for Justice and Peace in November 2008, on the eve of a Conference sponsored by the United Nations General Assembly in Doha on “Finance and Development to Review the Implementation of the Monterrey Consensus”. This Note, titled “A New International Financial Pact”, declares that the “true” nature of finance consists in favouring the use of surplus resources to promote the real economy, which means the well-being and development of the whole person and of all people.² Similarly, Henry Ford once said: “The highest use of capital is not to make more money, but to make money do more for the betterment of life” (1863-1947).

Now one interpretation of the global financial and economic crisis that began in 2007-2008 attributes it to the loss of this “intrinsic” nature of finance. Finance had failed to fulfil its authentic function of a bridge between the present and the future, because its operators’ timeframe had been reduced essentially to the present, to the search for the maximum achievable short-term profit.

In *Laudato si* Pope Francis underlines the fact that the lessons of the global financial crisis have not been assimilated³ since finance still engulfs the real economy. It follows that the antidote to similar scenarios in the future begins with giving the ethical dimension of the economy and of *finance* not an incidental but an essential status. This should be taken into consideration constantly if there is a desire for economic and financial approaches that are correct and far-sighted and produce progress⁴. Pope Benedict XVI pointed to this in his social encyclical *Caritas in Veritate* where he wrote that *the economy* - and by extension finance too—“needs ethics in order to function correctly— not any ethics whatsoever, but an ethics which is people-centred” (CIV §45).

2. *Sustainable finance*

Pope Francis calls in *Laudato si* for a renewed sense of responsibility on the part of all for the common good and for our brothers and sisters worldwide,⁵ and this in a spirit of fraternity.

¹Cfr. Address of Pope Francis to the General Assembly of the United Nations, 25.9.2015.

²Cfr. Paul VI, *Populorum Progressio*, n.14.

³Cfr. Pope Francis, *Laudato si*, n. 109.

⁴Cfr. Pontifical Council for Justice and Peace, A new International Financial Pact, November 2008.

⁵ Cfr. Pope Francis, *Laudato si*, n. 25 and n.196.

Indeed, fraternity is the basic attribute and character of the human family (an essential human quality). Created from the same origin, we are equal in dignity and placed in relationship. We are relational beings. A lively awareness of our equal dignity and relatedness helps us to look upon and treat each person as a true sister or brother. Without a sense of fraternity, it is impossible to build a just society and a solid and lasting peace.⁶

The world truly needs renewal of the sense of responsibility on the part of all. To achieve this, it is necessary to connect with people's deepest moral being through education in responsibility. This can find its solid foundation in fraternity and other principles of the Social Teaching of the Church, such as common good (the wellbeing of one and of all), the universal destiny of the goods of the earth, solidarity (and subsidiarity/participation) and the priority of labour over capital.⁷ The Church offers these the patrimony of all and the basis of all social life. In particular, in the effort of shifting finance towards the idea of a *sustainable finance*, education in the exercise of responsibility for the common good should be offered to all actors on all levels: financial agents, businesses, financial institutions, public authorities, and civil society – and even families.

There are important signs of hope in this regard. For instance, a new generation of value-based investors is arising in every part of the world; business people are beginning to understand their life and enterprise in terms of a *vocation* (called to cooperate with God, making the goods of creation available to man's use), people are willing to align their financial choices with their personal beliefs, ethical banking is spreading and, for example, the BIB Fair Banking of the Diocese of Essen, Germany, is guided by an *ethical and sustainable corporate policy whose key to implementation are economic, social and ecological sustainability*. Indeed, separating one's moral values from one's financial choices leads to living a *divided life*. This parallels the technocratic ideology which makes technology absolute and thus minimizes the value of the concrete human individual by reducing choices to merely technical or financial variables.⁸ Only the reintegration of moral values in financial investments will avoid the risk of living a divided life and, hence, bring to all financial actors the peace to which they aspire as human beings. Some, indeed, argue for a *correlation between ethical business model and peace-making*.⁹

Today the awareness of the huge impact of finance on the real economy, of its social and environmental impact, is growing rapidly. For instance, two years ago, in June 2014, the Pontifical Council for Justice and Peace held a meeting in collaboration with Catholic Relief Services (CRS) of the United States on *Impact Investing*. The purpose was to introduce people to this new way of using private capital in support of social and environmental programmes and trying so to make a difference for the environment and for the poor. Nowadays the concept of *impact investing* is more widely known at different levels and in different countries. The Pontifical Council and CRS are planning a second Conference on *impact investing* in late June. Its focus will be on evidence of the

⁶Cfr. Pope Francis, Message for the World Day of Peace, 1.1.2014.

⁷Cfr. Pontifical Council for Justice and Peace, *A new International Financial Pact*, November 2008.

⁸Cfr. Pontifical Council for Justice and Peace, *Towards reforming the international financial and monetary systems in the context of a global public authority*, 2011.

⁹ BIB Fair Banking, Essen, Germany.

positive impact of such investments on the poor; and it will be an illustration of the type of *investment in accordance with non-financial, value-based criteria* of private investors (private capita) which is deemed a necessary complement to public finance to finance the SDGs. This seminar, an instance of Non-State Actor, namely, a Church group leading a multi-stakeholder engagement in ethical financial activity to eliminate social inequality, is, again, an example of that *transformative cooperation* which the UN calls for and which the UN sees as *developing ambitious new agendas to better "care for our common home"* (cf. Invitation letter for talk).

Furthermore, we are seeing an increase of investments in businesses focused on decarbonisation for the reduction of climate change. *Laudato si'* has increased people's understanding that an economy founded on fossil fuels is unsustainable for its destructive impacts, not only on the environment but also on the health/wellbeing of humanity, especially on the most vulnerable.

3. *From Stewardship to Care in Laudato si'*

The great innovation of Pope Francis in *Laudato si'* is centrality of the idea of *care*. It appears in the title, "Care for our common home". The terminology of *stewardship* comes up only twice in the encyclical whereas *care* comes up dozens of times. Care goes further than "stewardship": good stewards take responsibility and fulfil their obligations to manage and to render an account. But one can be a good steward without feeling connected, without feeling involved with an issue and touched by it.

If one cares, however, one is connected, one is involved and touched. To care is to allow oneself to be affected by another, so much that one's path and priorities change.¹⁰ Parents can understand this easily: they care about their children and for their children so much as to sacrifice enormously – even their lives – to ensure the safety and flourishing of their children. With caring, the hard line between self and other softens, blurs, even disappears.¹¹ So when we cast aside anything precious in the world, we destroy part of ourselves too because we are completely connected. This helps to explain why the Church promotes the greatest respect for human life, from conception to natural death. Destruction of human life at any stage violates the absolutely fundamental human dignity upon which all human rights and responsibilities rest.¹² Pope Francis recognizes in Saint Francis the example par excellence of care for the vulnerable and of an integral ecology lived out joyfully and authentically: "to him each and every creature was a sister united to him by bonds of affection. That is why he felt called to *care* for all that exists."¹³

¹⁰Cfr. Peter K. A. Turkson, Remarks on *Laudato si'* to Child-focused agencies, UNICEF House, 30.6.2015.

¹¹Cfr. Ibid.

¹²Cfr. Ibid.

¹³ Pope Francis, *Laudato si'*, n.10 and n.11.

4. *Sustainable Finance, Care and the implementation of the 2030 Agenda*

The challenge we face today is to move from stewardship to *care* even when dealing with finance. For, as observed above, *ethically irresponsible financial activity produces social inequality*. Consciousness of the importance of *caring* should promote value-based investing. It should also inspire the upcoming panel of this Conference, namely, that of making finance *responsible for the implementation* of the 2030 Agenda of the United Nations. The Agenda 2030 is, indeed, a clear sign that the international community has come together and affirmed its commitment to eradicate poverty in all its forms and dimensions and to ensure that all children, women and men throughout the world will have the conditions necessary to live in true freedom and dignity.

There is an urgent need for all actors (the business sector, including large public and private financial organizations, as well as civil society) to exercise an effective, practical and constant will. Concrete steps and immediate measures are needed for preserving and improving the natural environment, and for putting an end as quickly as possible to the phenomenon of social and economic exclusion, with its baneful consequences.¹⁴ The rights of the most vulnerable categories must be forcefully defended, by working to put an end to exclusion and by protecting the environment. It is of utmost importance to invest, not only in businesses that reduce fossil fuels emissions, but also in social business that provide education, health and agriculture programs. Indeed, it is not enough just to prevent the misuse and destruction of the environment; we need to do more for enabling real men and women to escape from extreme poverty and allow them to become dignified agents of their own destiny.¹⁵

Conclusion

I wish to conclude these brief thoughts by expressing my appreciation once again for the presence in this Conference of Archimandrite Simeone Catsinas of the Greek Orthodox Church and Reverend Henrik Grape of the Lutheran Church of Sweden.

Your presence underlines, in a special way, the ecumenical dimension of *Laudato si'* and of the importance of the ecological issue that Christians (and non-Christians) are called to face together. I wish to evoke the words of the Metropolitan of Pergamon, John Zizioulas, at the Press Conference on the presentation of *Laudato si'* in the Vatican, on 18 June 2015: “We live at a time when fundamental existential problems overwhelm our traditional divisions and relativize them almost to the point of extinction. Look, for example, at what is happening today in the Middle East: do those who persecute the Christians ask them to which Church or Confession they belong? Christian unity in such cases is *de facto* realized by persecution and blood – an ecumenism of martyrdom.”

¹⁴Cfr. Pope Francis, Meeting with the members of the General Assembly of United Nations Organization, Address of the Holy Father, 25.9.2015.

¹⁵ *Ibid.*

Pope Francis' encyclical is a call to unity – unity in prayer for the environment, in the same Gospel of creation, in the conversion of our hearts and our lifestyles to respect and love everyone and everything given to us by God,¹⁶ but also to that *transformative cooperation* of faith-based groups that promotes ethical and value-based initiatives and enterprises which *encourages Governments to be more ambitious and courageous* in committing to the integral development of the person and the realization of the realization of the SDGs. It is precisely in this yearning for unity that Pope Francis instituted, in 2015, in the Catholic Church the “*World Day of Prayer for the Care of Creation*” which is to be celebrated on 1 September, as has been the custom in the Orthodox Church for some time.

The contemporary ecological, moral and material crisis affects not only the entire Christian community and the faithful of other religions, but all the human family. A common effort to prevent the catastrophic consequences of the present situation is therefore required and we pray the all-powerful God, present in the whole universe and in the smallest of His creatures, to help us to ensure a sense of dignity for all, as the SDGs also strive to achieve, rescuing the abandoned and forgotten of this earth, so precious in His eyes.¹⁷

Thank you.

Cardinal Peter K.A. Turkson
President

¹⁶Cfr. Metropolitan of Pergamon John Zizioulas, Conference presenting Pope Francis' Encyclical «*Laudato si'*, on the care of our common home», in the Vatican, 18.6.2015.

¹⁷Cfr. Pope Francis, *Laudato si'*, n.246.