Draft Statement
“Rethinking Economics and Development, towards a model of a sustainable, balanced and pro-poor development”

We the members of the International Catholic Movement of Intellectual and Cultural Affairs (ICMICA - Pax Romana), Woori Theology Institute (WTI), Korean Catholic Lay People Movement, theologians, economist and friends of ICMICA came together in reflection as a peoples forum in Seoul, Korea from 1st till 4th November 2010, parallel with the ongoing G20 related meetings/summit. Through our discussions and debates on the theme; “Rethinking Economics and Development, towards a Model of a Sustainable, Balanced and Pro-Poor Development”, we have come up with the following reflections:

G20 is an alternative to G8, discussing on economic development and financial reform. Parallel to this we reflected on the current global economic - rethinking of the economics and development.

Our Current Reality

Billions of people around the world continue to suffer from poverty despite the various remedial measures taken by governments and international institutions after the financial crisis of 2008. Looking into this we emphasize that the economy and future models of development should be more equitable, inclusive and sustainable in which the welfare of peoples takes priority especially the concerns of the poorest and the marginalized. Development should go beyond monetary aspects and it should included ethics of justice, equality and be holistically seen in its multi dimensional aspects of education, health, environment, rights, gender, etc.

Analysis of Global Poverty Reduction

For the reduction of poverty, the value system that should be emphasized is such as principles of sharing and policy of inclusiveness. We also have to re-look into what are the indicators of development and poverty reduction as the current benchmark of “GDP” is not sufficient to assess condition of human welfare. This calls for a need to take into consideration the Human Development Index. Development must also be accompanied with peace and justice, social security etc., which uses rights based approaches to development. And to ensure accountability, every development policy and project should include poverty reduction impact assessments as a mechanism of check and balance.

There is a need for more effective Global Governance as the recent crises have raised serious ethical questions regarding global justice. This reinforces our stand that current systematic oppression needs a systemic solution. We re-emphasize that Governments and states have the primary role to
play in poverty reduction and for this they need to listen to the poor in order for a just redistribution of wealth. We propose that the economy should be regulated on behalf of citizen’s interest, not for groups of people. Acknowledging the significant impact of financial instability on economies as a whole in all countries, the financial sector too needs more regulation through a transparent monitoring system.

Environmental discourses since the beginning have always shown contradictions with the economic theory based on free market and free disposal. This includes the accumulation of waste and pollution which will harm human beings especially poor people as they don’t have the means to avoid its negative effects. And so we should be efficient in using natural resources and environmental resources. From the economic point of view, in its optimal and sustainable production unit, producing more output will result in declining natural and environmental unit cost. The monetary value of the reduction cost can then be used to raise the wages of labor force and not for individualistic profit.

Theological reflection

From our theological reflections, we have realised that economics should be integrated as an inter-disciplinary study together with the formation in Catholic Social Teachings. Poverty is not a misfortune but an injustice and dehumanizing, and hence we want to encourage the poor to voice out their concern by themselves rather than we become their voice. We have to see means to empower the poor and not mere charity. We have to live out our prophetic roles in ensuring development puts concern for the poor at the centre and urge governments to make pro poor policies. Catholic Social Teaching promotes preferential option for the poor, good stewardship over creation and human dignity, where poverty reduction should be at the heart of policy and theology.

And hence we make the following recommendations:

TO THE STATES AND GLOBAL FINANCIAL INSTITUTIONS

We agree on the following proposition, articulated by the principles of justice, independence and responsibility of the financial sector:

1. **Justice** because the public help for the rescue of the financial companies should be one self-finance bodies, it must be reimbursed by these companies. So must be of the cost created by financial turmoil, on the basis of the polluter-payer principle.

2. **Independence** because the crisis reveals the close ties between the political and financial sector. This independence should be assessed regularly and independently of these sectors. The design of an index of the independence between the financial sector and public authorities on the model image of transparency International Index computation is one important goal on this dimension.

3. **Responsibility of the financial sector** over the velocity, quality of their product up to the “death end” of those products. Freedom must imply liabilities on the consequences of their actions. On regulation restrained on financial activities must be implemented to compensate for the financial intermediaries being exempted from their responsibility.

TO CIVIL SOCIETY/ICMICA

1. Civil society/NGOs have the capacity and therefore share the responsibility to strengthen international governance. And to this aim they should constantly self remind/be reminded of their international commitments.
2. The role of civil society in particularly Pax Romana ICMICA is to continue engaging, challenging in a critical way such bodies to ensure they are pro poor.

3. Meetings of the Pax Romana–ICMICA network should continue with some action plans for future. This is a good beginning and in future we need to focus on the following
   o We need to broaden our networks with the concerned economists, theologians and Civil Society Actors & NGOs
   o Make connections with the Media in order to raise public awareness
   o Lobby with the Government officials on specific issues and concerns

4. As ICMICA, we have to go beyond meeting and conference. We do not gather just to know what is being done but to enter into advocacy on specific issues that concern poor and the marginalized. We can do this by having specific action plans to do as a team. Hence this network can continue to get a report from the participants periodically –probably after 3 months – to make it going ahead as a process, as a movement.

AS/FOR CHURCH

1. We need to focus the pro-people and pro-poor agenda/stand in all the undertakings of the church and at the same time, inspire the church to lobby with governments and international institutions to do the same.

2. To ensure the Church leaders, both religious and lay, have sufficient formation to be able to do critical analysis and be able to discern effective solutions for poverty alleviation and to its interdisciplinary demands. This includes social justice formation for the youth to ensure they can continue the effort for justice.

3. We need to help Church leadership focus on some of the burning issues of the people that affect their basic developments in economic, social and cultural as well as civil and political entitlements. Among the issues that need special attention in the pro-people and pro poor undertakings are:
   a. Indigenous people and their Rights
   b. Migrant people and their concerns
   c. Reduction of Extreme poverty and hunger – through the Right to Food Campaign
   d. Gender Rights

4. The Church should play an effective and strategic role in development by forging inter-religious corporations and alliances.

ON THE ENVIRONMENT

1. For sustainable green economy, investment is needed, either for pollution prevention or research and development for new sustainable production system. Environmental investment is a long term investment while the financial system prefers the short term investments. This is an economical contradiction which should be addressed. There should be a reduction of the use of fossil fuel replaced by renewable resources like winds, hydro, solar system and other renewable source.

2. Most poor people depend on primary sector activities especially agriculture and they are usually small holders. Some researches findings even show small holders have a higher yield than larger companies. Nevertheless they are prone to become victims of big corporations who are large holders of land and hence, need adequate policies to protect them.