

## THE JOURNEY OF THE FINANCE AND HUMANITY VILLAGE

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### ABSTRACT

*This article aims to provide a scientific understanding of the Finance and Humanity Village by following a well-identifiable pattern to describe it. We provide a theoretical framework and assess the efficacy of its work through a SWOT analysis.*

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### 1. INTRODUCTION

The aim of this paper is to explore the Finance and Humanity Village (henceforth “the village”) of the Economy of Francesco (EoF). We do not wish to celebrate it as such, rather, we would like to provide an insightful overview of it. Given our roles as the village’s coordinators, we acknowledge a possible bias in doing this work; however, we will not avoid underlining the failures and shortcomings of our experience, together with the opportunities cultivated and the successes achieved. In this way, the article offers a scientific understanding of our village, following a clearly identifiable pattern to describe it. The first part of the paper therefore provides a brief but relevant overview of the relationship between finance and Catholic social thought. Even though the EoF has not been a magisterium event, it can be broadly understood as being linked the socio-economic issues that Pope Francis is stressing in the Catholic world (although not in an exclusive way). This means that in some way or another, the output of the EoF may be employed in the future for official documents of the Catholic Church. Consequently, it is crucial to understand which traditions the contributions of our village fall under.

We then move to the organization of the village, describing its main features and providing some details about its composition. In doing so, we should consider that the Economy of Francesco event suffered a deep transformation due to the outbreak of the COVID-19 pandemic. Originally conceived as a three-day in-person event in Assisi<sup>1</sup>, the decision to turn it into a hybrid event (both with a few in-person activities

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<sup>1</sup> It was originally planned to occur in March 24th-26th.

and many held virtually) and postponing it for several months gave us the opportunity to completely rethink the organization of the village. More specifically, we had the opportunity to transform it into a process directly inspired by Pope Francis' frequent recommendation: "we must initiate processes of change rather than occupying spaces" (Francis, 2019a). As we will see below, this meant involving almost 200 people from all over the world and unknown to each other, gathered together by the sole desire of answering the pope's call to "enter into a 'covenant' to change today's economy and to give a soul to the economy of tomorrow" (Francis, 2019b).

It is quite clear that the financial sector plays a key role in this process of change, given the centrality it has had in shaping capitalism over the last 30 years. It is also well known that a certain type of finance has been particularly blamed for several distortions of our economic systems. In this context, we were aware of the great responsibility of the village, reason for which we chose a motto that could steer our work from the very beginning. This was taken from Pope Francis' encyclical letter *Laudato Si'*, which at #128 claims that "To stop investing in people, in order to gain greater short-term financial gain, is bad business for society" (Francis, 2015).

Over the months that led us to November 2020, when the hybrid event took place, we had tried to build up a strong network of scholars and intellectuals and gathered personal stories that could serve to generate stronger connections. We also faced several challenges, the most difficult one probably being the need to transform the high motivation of participants into something concrete. We tried to be both ambitious and practical: ambitious in dreaming a different finance, practical in avoiding wishful thinking and in putting forward real proposals. In doing so, we greatly benefitted from different social platforms that enabled us to keep alive the connections among us. Obviously, the fact that the members of the village were all young people under 35 years of age helped with this, but we also involved senior members – both academics and practitioners – who have been active in counselling us.

After the November 2020 event, a new phase of the EoF began, with new challenges related to the need to revisit the organization and the scope of the village. New people also joined the village, bringing new energy and a desire to move the EoF another step forward. In broader terms, we can imagine the EoF as a journey – a process, indeed – with different people keeping alive the ambitious challenge of revitalizing our economy.

This paper is organized as follows. Section 2 summarizes the existing literature and provides the theoretical framework. Section 3 illustrates the structure and proposals of the village, while section 4 offers a strengths, weaknesses, opportunities and threats (SWOT) analysis of the functioning of the village. Section 5 concludes the paper with some final remarks.

## 2. THE LITERATURE REVIEW AND THEORETICAL FRAMEWORK

In speaking of finance from a Christian perspective, there are various criticisms that can emerge. On the one hand, one might ask what need there is to open a technical

world like finance to considerations that may sound more philosophical than anything else. Is there a real need to bring finance into dialogue with other, more humanistic disciplines? On the other hand, we can then ask ourselves what the Christian tradition can bring to this dialogue. Just as we talk about “Islamic finance”, is it possible or desirable to work for a “Christian” or “Catholic” finance? Alternatively, how can we configure the contribution that Catholic doctrine can make to finance? In answering the first set of questions, this paper claims that the effort to better understand the contribution of finance to society requires the contribution of both financial economists, usually more concerned with its efficiency/inefficiency, and the humanities.

The disciplinary separation that has characterized the study, research and teaching of finance (or economics) from that of more humanistic studies stems from a process of gradual estrangement of economics, with a moment of fundamental importance in the definition of NOMA (*non-overlapping magisteria*) made at the beginning of the 19<sup>th</sup> century by Richard Whately. According to this professor of economics at Oxford, economics – and consequently finance – is a value-free subject (1831, p. 45). Originally a branch of moral philosophy, a process of ongoing specialization has seen economics transformed from “political economy” to an increasingly “mathematical economy”, giving rise to a new subject in the 1980s involving a fusion of statistics, mathematics and economics, which later became known as finance (Fox and Sklar, 2009). Since quantitative analysis took root, finance has become even more intertwined with pure engineering models.

While on the one hand, technological development has allowed a growing expansion of the financial sector, on the other, its engineering has further exacerbated that desire for independence from any moral considerations. Contrary to libertarian thought, this generated an impoverishment of the financial discipline because it closed itself off from fertile contamination generated by exchanges with other disciplines.

The financial sector therefore became a self-focused entity that excluded any kind of ethical analysis, whose practical consequences were highlighted by the economic and social damage of the 2008 Global Financial Crisis. Since then, something has changed: ethics is now considered a key element for finance’s contribution to the good of society, even by prominent financial scholars (Shiller, 2013; Zingales, 2015: 1358), and a fertile cross-contamination with other subjects has arisen (Gennaioli and Shiller, 2018).

Finance being a tool with which to serve the real economy and economic agents’ choices for investment and savings, it is worth considering alternatives to economic and finance approaches. Among more humanistic approaches, an authoritative voice stemming from age-old traditions is that of the Catholic Church and its modern social teachings. This term usually refers to that corpus of encyclicals, pastoral letters and conciliar and other official documents with a social focus, the beginnings of which are generally traced back to the encyclical *Rerum Novarum* by Pope Leo XIII (1891).

Finance’s relevance for contemporary capitalism makes a dialogue with Catholic social thought (CST) urgent, even though the relationship between these two worlds has not been always straightforward. Probably due to its Aristotelian influences, CST has often been focused on the harmful aspects of finance, coming to condemn practices such as usury or, more recently, a certain type of speculation (Gutián, 2015:

Ch. 7). Nonetheless, throughout the centuries the Church has also contributed to a more positive approach to the evaluation of human action in the economic sphere (Woods, 2015). Furthermore, contrary to a persistent Weberian myth, entrepreneurial culture and merchant capitalism were born before the 16<sup>th</sup> century, as famously discussed by Lopez and Lopez (1976). Not by chance, many of the most important financial institutions in the history of Europe emerged in Catholic contexts in the medieval period (Salonia, 2017). One example is the *Montes Pietatis* and other lending institutions founded by the Franciscans throughout Europe in the 15<sup>th</sup> century, which offered low interest rates (Todeschini, 2004: 172), as well as innovations such as double-entry bookkeeping (Axtell, Smith and Tervo, 2017).

Even nowadays, the Catholic Church continues to shed some light on financial activities, both by highlighting their positive role in sustaining economic growth and by warning about the social and ethical threats that its products can deliver. As Benedict XVI argues, “Economy and finance, as instruments, can be used badly when those at the helm are motivated by purely selfish ends. Instruments that are good in themselves can thereby be transformed into harmful ones” (Benedict XVI, 2009, #26).

Along this line, the Congregation for the Doctrine of the Faith together with the Dicastery for Promoting Integral Human Development (henceforth, the Congregation) recently published a document entitled *Oeconomicae et pecuniariae quaestiones* (Congregation, 2018), which recalls the long-standing tension in the financial world between the systematic presence of distortive practices and the existence of a vocation of its own consisting of serving the real economy.

If finance has a crucial role to play within the larger economic system, there should be a virtuous way to fulfil it. Pope Francis, who in some of his social writings did not spare words of harsh condemnation for a certain type of self-referential finance (Francis, 2013, #58; 2015, #109), also said that “economy and finance are dimensions of human activity and can be occasions of encounter, of dialogue, of cooperation, of recognized rights and of services rendered, of dignity affirmed in work” (Francis, 2014).

The EoF is therefore part of a stream of thought that has not spared important criticisms of a certain type of finance, but which has also not lost hope of seeing this type of activity be oriented towards the common good, through both the continuous conversion of the people who are called on to work in this field and the organization of just institutions.

### 3. STRUCTURE AND PROPOSALS OF THE VILLAGE

The EoF committee’s original plan was to host an event in Assisi in March 2020 involving 2,500 people under 35 years of age, including businesspeople, academics and changemakers from all over the world. These 2,500 people were divided among the 12 *thematic villages* making up the skeleton of the EoF. The young people were divided according to their preferred fields of action, which they chose at the time of registration.

At the time of initial communication with participants, in November 2019, 193 people expressed a desire to be part of the Finance and Humanity village. Figure 1

shows the countries of residence, while Figures 2 shows the gender distribution and major job categories of the Finance and Humanity village participants:

Given the heterogeneity of the group, as shown in Figures 1 and 2, and the postponement of the event due to the COVID-19 pandemic, we decided to create five subgroups. We think this was a valid decision not only for organizational purposes

FIGURE 1 – *Countries of residence of village participants*

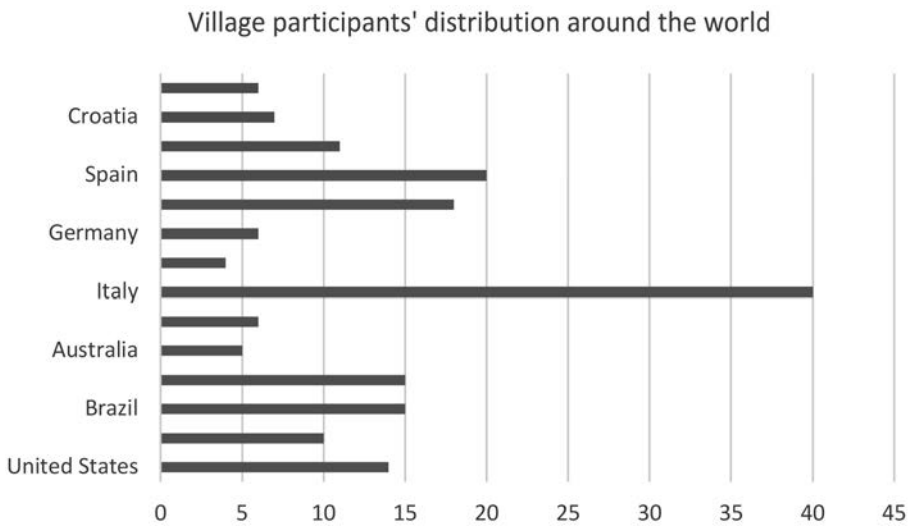
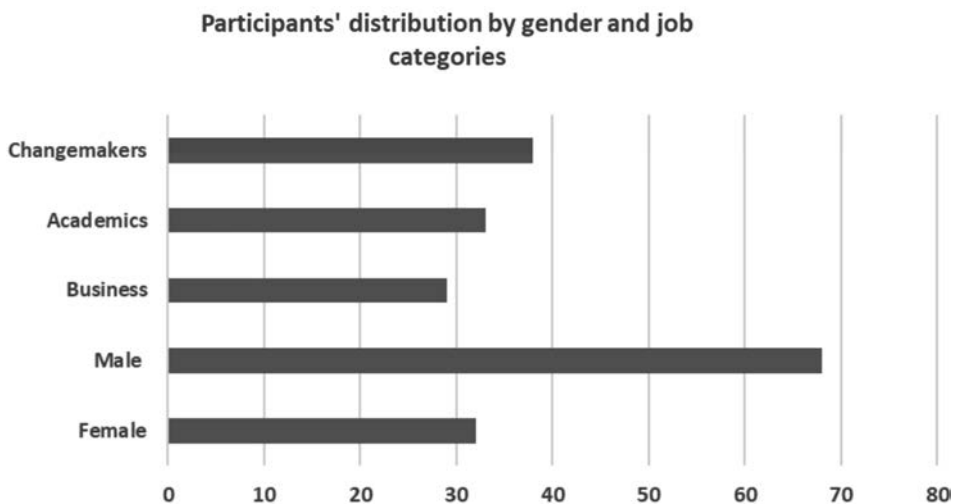


FIGURE 2 – *Gender distribution and main categories*



but also in order to be more effective in facing the arduous task of rethinking the role of finance in the current economy. Indeed, the term “finance” lends itself to multiple interpretations and needs to be accompanied by an adjective that better specifies the range of action. The five subgroups that were identified and composed the village are the following:

- 1) *Opportunities and threats raised by the COVID-19 outbreak in light of financial players' vocation to serve humanity.* This subgroup aims to rethink the real contribution of financial institutions to the economy, the limits of contemporary asset pricing, and the role of technology disruption.
- 2) *Consequences on the real economy through the lens of excluded people.* This subgroup analyses the distinction between value extraction and value creation in our economy's financial activities.
- 3) *The future of sustainable finance.* This subgroup studies how sustainable finance is reacting to the crisis of the traditional financial markets.
- 4) *The role of regulation and the financial authorities.* This subgroup analyses the role of solidarity for the World Bank and other development banks.
- 5) *The need for and awareness of financial education.* This subgroup investigates how financial education can help to smooth the reactions of retail investors to external shocks in the future.

To offer to all the opportunity to choose in which area they would like to make a contribution, we sent a survey to the participants of the village asking them to indicate their preference between the five subgroups. This allowed us to foster true commitment to moving forward among village participants and to create close-knit groups. In order to not leave anyone behind, it was communicated to all participants in the village that if they wanted to, they could be included in any of the subgroups at any time.

However, it became evident that the change from participating in a 3-day event (as originally planned) to making oneself available to work on a project lasting several months proved difficult for some. Several people therefore responded to the survey saying that they were unable to proceed with the work within the subgroups due to professional or personal commitments.

A total of 73 responses to the survey were received, thus reducing our village by more than half. Participants were distributed into the five subgroups.

In addition to indicating a group preference, the survey asked participants about their willingness to coordinate a specific subgroup. Each subgroup therefore had two coordinators. Their role was to maintain a connection with the broader village and to ensure that the work within the subgroup proceeded effectively.

Since its genesis, the EoF has not pushed for specific output from villages. The was to ensure that the creation of a process whose goal was not perfectly identifiable and clear *a priori*. We agreed with this approach, and we therefore did not give detailed information on what the point of arrival should be. In this way, creativity and heterogeneity were fostered, as confirmed by the proposals presented.

Ahead of November 2020 event, each village was asked to submit proposals that would eventually be presented to the Holy Father and some of which would be incorporated into the final pact to be signed in Assisi.

The idea of a pact signed by the Holy Father and the young participants of the EoF is something that immediately generated great enthusiasm. An agreement always implies a personal commitment, an aspect that was particularly stressed in our village. In fact, as CST has been teaching for centuries, changing the world depends first on a continuous commitment to change and convert ourselves. Only in this way is it possible to bring about the desired and necessary change in structures.

Residents of the village were therefore committed to carrying out their work in the worlds of universities, businesses and institutions, in a spirit consistent with The Economy of Francesco. The creation of new institutions and structures that can promote the common good comes, in fact, through a conversion of people's hearts.

In the following paragraphs, we present a summary of the various proposals put forward by the village. These are in a constant state of elaboration and their actual publication will occur following approval by the EoF's Central Committee. However, the authors of this article can be contacted for more information about particular proposals, as well as for access to certain documents.

Most of the works follows the methodology of "See, Judge, Act", which has been developed within CST. The concept was first employed by John XXIII in *Mater et Magistra* (#236) but can actually be traced back to Cardinal Cardijn and his work with young people in Belgium early in the 20<sup>th</sup> century. According to this methodology as applied to finance, the first phase of "seeing" involves an analysis of the financial sector according to the main scientific results, as a necessary step to avoid any shallow moralism.

The second phase expresses a moral judgment according to three pillars of CST, specifically, 1) *human dignity*, which is the foundation of CST (Compendium of the Social Doctrine of the Church (henceforth, CSDC), #105, #132); 2) *subsidiarity*, which is entrenched with human freedom (CSDC, #186); and 3) *solidarity*, which relates to responsibility (CSDC, #192, #193). Insofar as financial agents operate in accordance with these principles, they contribute to the achievement of the fourth pillar of CST: the common good (CSDC, #164, #165). These principles, which form the permanent core of CST, are rooted in a complex network of social ideas that shape a comprehensive and transcendent vision of socioeconomic life.

Finally, the third phase of this methodology involves an analysis of "acting", without which CST "would become simply inanimate words rather than a lived reality" (PCJP 2014, #62). Even though CST does not have to propose any technical solutions or models, the Church reminds us that "there is no genuine solution of the "social question" apart from the Gospel" (John Paul II 1991, #5).

We believe that the CST framework would be of great utility when assessing the activity of financial agents and institutions and their contribution to the common good since it takes into account the empirical and theoretical achievements of a specific subject, the wisdom proper of the Catholic teachings, and the willingness to actively and positively change the world.

The proposals can be summarized as follows:

Subgroup 1: *Opportunities and threats raised by the COVID-19 outbreak*

A. “Via pulchritudinis” in finance

The aim of this project is to provide both anecdotal and academic evidence of alternative finance activities that can be developed along with traditional funding activities (e.g. capital markets and commercial banks) such that they virtuously contaminate each other. The author analyses some “real world” positive examples to provide tools for finance to fulfil its primary role in service of the whole of humanity. Following “via pulchritudinis” – the way of beauty – in the choice of the examples means to look at the Oriental Church’s tradition that aims to pursue the evangelization of humanity through beauty. The author shows that the proposed alternative ways of doing finance can fulfil its role while being inclusive of people that were not served before and respecting their culture, with the aim of achieving the common good.

B. Challenging profit maximization theory

This project consists of a critical analysis and assessment of the shareholder value maximization paradigm. According to the findings of this research, value for society is not a matter of calculation but, rather, of judgement. Corporations can be understood as a community of persons who work together in cooperative business relationships towards the shared purpose of contributing to human flourishing. This work aims to investigate the definition of shareholder value maximization according to the See, Judge, Act method, for a theological reflection on reality. After a brief definition and observation of the most recent practices, also considering the events related to the COVID-19 crisis, the authors move on to a critical assessment of reality based on the Catholic doctrine. Finally, they formulate some theoretical proposals, make personal commitments, and provide practical suggestions to change reality through critical ethical reflection as a mediatory step and to implement these at the local and personal level.

Subgroup 2: *Consequences on the real economy, through the lens of excluded people*

A *social network* for doing good

This proposal aims to set up a social platform and collaborative space where financial services experts can connect with social services experts. Both sides will engage in an attentive dialogue to enable practical and effective consulting and advisory support. Through this project, the authors expect to see new links nurturing social entrepreneurs, philanthropists and social businesses through the flow of financial resources and building new ways of channelling finance to serve projects that will positively impact the real economy and promote inclusion.

Subgroup 3: *The future of sustainable finance*

In approaching their work, the Subgroup on Sustainable Finance (SGSF) defined a purpose and a roadmap to provide clarity as much as flexibility, to allow for creative



results. The purpose of the roadmap has been to create space for and drive the reflections, discussions and actions needed to ignite the path for desirable contributions of finance towards a transformation of the socioeconomic system.

Using the structure and discipline of See, Judge, Act, participants wanted to guide this subgroup's discussions from reflections on actionable proposals that could continue to progress a movement towards sustainable finance with integral human development at its core. The SGSF approached the development of the proposals seeking to contribute to answering the question of *What changes do we need in sustainable finance to achieve the Laudato Si'?*

Two proposals have been elaborated from this approach:

- A. Sustainable Finance Framework for the Christian/Catholic Church: This proposal consists of creating a sustainable finance framework for the Christian Church that integrates the vision of The Economy of Francesco and provides guidelines to effectively align the investments of the Christian/Catholic Church and its budget management with the realization of such an economy (and ultimately, community).
- B. EoF Manifesto for Responsible Financial Choices: This group created a manifesto expressing key guiding principles for financial product and service users. The manifesto, based on the inspiring teachings of *Laudato Si'*, aims to help everyone find the proper way when making financial choices.

#### Subgroup 4: *The role of regulation and the financial authorities*

Given all of the current shortcomings and limits in the global financial system (e.g. financial crises, financially excluded people) and considering all the economic, environmental and social effects these have on all of us and future generations, we are now called on to think of innovative and brave ideas to make finance work for the whole of humanity and its well-being. This group considers the role of regulation and financial authorities and how these affect the economic and behavioural incentives of economic agents. Their method is based on an ethical understanding of finance. They propose a new ethical framework for financial regulation building on the four cardinal virtues, to guide and inspire financial authorities and market participants.

##### A. Observatory for Ethical Financial Regulation

This group interprets and suggests policies addressing current financial issues. As a long-term commitment, the group intends to establish the Observatory for Ethical Financial Regulation (OEFR). The OEFR aims to work as a new research team and forum for the discussion of finance-related topics. Examples of proposals include:

- 1) *New metrics for finance*: The aim is to implement ranking measures/indicators that take a more holistic approach to finance as a human activity that should allow people to fulfil their vocation. There are plenty of existing financial indexes, indicators and other measures specifying the level of quality of particular financial investments in terms of their contribution to the ecological transition, as opposed to investing in less virtuous organizations. Nevertheless,

many of these ranking measures do not relevantly and consistently combine the environmental, social, governance and ethical dimensions of finance together to steer economic policies as well as investments decisions.

- 2) *For a more ethical financial system*: Most of the problems in the current financial system are rooted in the governance of the system itself. The authors believe we are living in times in which economic powers have terrific influence over regulatory and enforcement mechanisms, and the increasingly crucial role of technology can only amplify this trend. Since public authorities face so many challenges to safeguard market safety and integrity while also protecting competitive mechanisms and consumer rights, it is wise to ask whether finance is still fulfilling its purpose. In this spirit, they want to explore all possible avenues to render finance more ethical, starting from the role of very fundamental concepts such as debt.

Both of these proposals deal with the role of regulation and financial authorities in achieving a socially and ecologically just transition through a new ethical framework. The point of departure for a revitalization of finance is an ethical duty and the need for a fundamental change in the current system. Thus, it is only by providing financial regulators and supervisors with a new ethical framework that a real path of financial reform can begin. And this must be an actual path of rebirth, through which we can ultimately render finance at the service of humanity and of its future in communion with Creation.

To this end, they propose a new ethical framework built on the “four cardinal virtues” (4 CVs) – prudence, temperance, fortitude and justice. While the four cardinal virtues enshrined in Catholic theology and culture are often perceived as guiding only individual behaviour, they can and should also guide societal rules and financial relationship norms.

By providing financial regulators and authorities with the “4CV framework”, we can start to solve some of the fundamental problems in finance, in order to ultimately achieve a global financial system that functions as a real and global public good. If we all believe that “none should be left behind”, we must make human dignity and social cohesion the priority in the agendas of global regulators and economic powers as well; and all of these, as we read in the *Laudato Si'*, are inextricably linked to a just ecological transition. This path is essential to begin a new and brighter chapter in human history.

#### Subgroup 5: *The need for and awareness of financial education*

According to the OECD (2015), “financial education can help enhance financial literacy by increasing financial knowledge, skills and attitudes. In turn, this can contribute to individuals” (including vulnerable and low income) participation in financial, economic and social life as well as to their financial well-being’. Starting from a reflection on the need to implement and spread “financial education”, the group elaborates on the need to transfer specific financial knowledge to particular groups.

In order to create more suitable and effective content for educational purposes, it is crucial to define the target group. Knowledge transfer depends on the specific pre-existing knowledge, experiences and attitudes of the target group. The authors propose to connect experts in financial education; promote financial education; find facilitators in micro-locations such as parishes, schools, colleges, municipalities, associations and companies; train SMEs; prepare didactic material to capacitate facilitators; define target groups; create more educational content for specific groups; offer a toolkit with free applications, programs and tools available worldwide; and create webinars with personal financial topics.

#### 4. SWOT ANALYSIS

In order to analyse the performance of our village, we propose the use of a strengths, weaknesses, opportunities and threats (SWOT) analysis, which is widely used in the field of business to assess the competitiveness of a company within a certain industry and modify its strategy if necessary. While the literature cannot pinpoint its moment of origin or its author (Friesner, 2011: 3), its success due to its methodological simplicity goes beyond the traditional management boundaries to reach many sectors, such as higher education, consultancy and banking (Helms and Nixon, 2010). We believe that this approach can be used to critically analyse our village's position within the "market" of changemakers and thinktanks.

##### 4.1. *Strengths*

The 18-35 age group implied the selection of dynamic participants from every continent and with different academic, cultural and work backgrounds. This richness helped to start conceptualizing the particular projects participants wished to focus on. The fact that we are united by our Catholic faith and our commitment to reply to the pope's call made it easy to start planning activities towards the goal of starting processes of change (as entreated by Pope Francis), and the group rapidly became a community. We quickly realised that in order to provide an impactful contribution we needed to have a dialogue with academics, professionals and changemakers outside of The Economy of Francesco. Thus, we tried to establish a multifaceted network and hosted several speakers from very different cultural backgrounds to that of the EoF, such as Prof. Mariana Mazzucato, Prof. Alex Edmans and Mr Hannes Manndorf, among others. They helped us to think about a different way in which finance can serve the real economy and humanity, for example, through impact investments. We decided to invite Prof. Mazzucato firstly because in her recent book she undertakes several critiques of the current functioning of the financial sector, or more accurately, of the financialization of the economy. Nonetheless, she obviously acknowledges the critical role that finance plays in allowing buyers and sellers to do business, and in doing so, how it can contribute to value-creation processes.

Prof. Edmans was invited because of his work on the “purpose” of corporations. It may seem unrealistic to think about purpose in a pandemic, when companies are strapped for cash and also have a responsibility to their shareholders. Is there a trade-off between purpose and profit, or is it possible for companies to achieve both? His talk critically examined the case for purposeful business, using rigorous evidence and real-life examples to show what works and, importantly, what does not. Finally, we discussed practical ways businesses of all sizes can put purpose into practice and how investors and citizens can play their part.

Mr Mandorf was invited for his experience in the field of impact investments and shed light on how finance – in particular, private equity funds – can strive to link economic success (high rate of return) with a positive impact for local communities, workers and the environment. To quote him: “doing well by doing good”.

More specifically, the debate around this value-creation process triggered our attention, as this topic has become even more central in the aftermath of the COVID-19 pandemic. At the same time, we wanted to work with participants in other villages, as we noticed that economies of scope could be reached. One example of this inter-village cooperation was the initiative to collaborate with Carbon Tracker, “an independent financial think tank that carries out in-depth analysis on the impact of the energy transition on capital markets and the potential investment in high-cost, carbon-intensive fossil fuels” (Carbon Tracker’s homepage). This think tank helped us reach one of Chevron’s shareholders in order to pressure Chevron’s board during the shareholders’ meeting to revise their business strategy so as to take into account all stakeholders, e.g. local communities, reparations for environmental damage, etc.

In building our projects, we have been facilitated by the presence of a few “senior” members of the village who acted as consultants on demand. Without overstepping the proposal definition, they tried to transfer their expertise and experience to the younger members of the village.

#### 4.2. *Weaknesses*

Apart from the Chevron case and a few other joint works, it was difficult to have cross-village conversations. As is widely known, an increase in the number of participants is associated with greater complexity and more difficulty managing a group. Different time zones (see Figure 1) and, in some cases, language barriers prevented us from reaching the full potential of the overall EoF community. For example, many villages have educational projects that would benefit from being designed and run together (economies of scope), but this has not been achieved yet, due to the aforementioned complexities. In addition, each participant in our village also had work or study commitments and participation in The Economy of Francesco is understood as a volunteering activity. In effect, only a few people on the Central Committee were working full time on the overall project, but this is not the case at the village level. This created delays in the development of projects and required additional effort on the part of coordinators to not exceed the agreed-upon deadlines.

There are also some unexplored opportunities for collaboration with international institutions such as the World Bank, the OECD and, perhaps surprisingly, the Vatican Dicastery of Integral Human Development.

#### 4.3. *Opportunities*

The work undertaken so far has produced a sound knowledge of finance issues that can reach a broader breadth by touching on other topics, such as integrating “corporate finance” and “sustainable finance”. Considering the current debate on sustainable finance both in academia (Dimmelmeier, 2021) and in the policymaking (see the new monetary policy strategy of the European Central Bank published on the 8<sup>th</sup> of July 2021) and professional worlds (Weir and Patterson, 2021), there could not be a better time to provide our theoretical and practical contributions to the discussion. At the same time, each EoF participant can enhance activities within their local communities, universities and corporations to propel a process of change, using a bottom-up approach. In this sense, some national and regional EoF hubs have been created and some activities have started, but there is room to improve and increase the efficacy of these activities.

#### 4.4. *Threats*

There is a risk of being an organisation similar to many others, and thus not being impactful. It is fair to state that thinktanks (e.g. the Coalition for Inclusive Capitalism, the Council for Inclusive Capitalism with the Vatican) in some sense compete in trying to provide a contribution to international fora. While the participants in the village are mostly Catholic, there is also the risk of an increased ideology, which could lead external people to think that the EoF may support certain political parties. This is not the aim, but it may be perceived as such. If this occurs, it is possible that the EoF’s impact may be downplayed substantially. As participants work on projects in their spare time, there is also the risk of losing focus and enthusiasm because project development may be sluggish. It is also possible that the number of active participants decreases over time, and it may become necessary to open vacancies for new participants. This would clearly increase the complexity for both the Central Committee and the village coordinators.

### 5. THE WAY FORWARD

As we write these lines, the second edition of the EoF event is underway – still in a hybrid mode – through a broadcast event in Assisi and numerous face-to-face meetings in the local venues (HUBs) generated by regional and national communities. In the words of the organizers, this moment is focused “on gathering the ‘fruits’ –

the first harvest – of the Economy of Francesco from around the world”, because if “two years ago, the EoF was just an announcement, today it is a reality”<sup>2</sup>.

In his speech, Pope Francis reiterated that “Our time, due to the importance and urgency of the economy, needs a new generation of economists who live the Gospel within companies, schools, factories, banks, within the markets” (Francis, 2021). Considering the activities carried out by the participants of the Finance and Humanity Village and the analysis provided above, our recommendations for the continuation of the EoF process are as follows:

- Keep working on the combination of “personal commitment” and “changing the rules”. In continuity with what CST has been teaching for centuries and what has now been expressed by various scholars regarding the ethics of virtues – in the school of ethics closest to the social doctrine (Ferrero and Sison, 2014) – building institutions that promote the common good inevitably comes to pass from having virtuous agents within them (Moore and Beadle, 2006). This seems to us a reality to be continuously aware of in order to avoid the double risk of wishful thinking, on the one hand, and Marxist structuralism, on the other.
- The EoF was created to be a process of change for the economy. As such, it must be inspired by the various charisms that move within it. However, a process capable of withstanding the passage of time and of being transformed into concrete realities also needs to institutionalize itself, with a structure and a governance that is visible and transparent, not only for organizational purposes but also to ensure it is being steered in a good direction. Without engaging in rigid structures, we believe that being ambitious and concrete – as suggested by the Holy Father – also comes from being constituted as a polyhedral identity (to resume an analogy also dear to Francis), but one that is well recognizable.
- Spread out without fear of confrontation and debate. The risk of making of one part the whole is present, and we have identified it as the threat of ideology, both for our village and for the entire EoF. We therefore believe it is our duty to maintain an honest dialogue with authors and realities apparently far from the ideas of the EoF, acknowledging that economic and social facts allow for diverse opinions, especially when proposing solutions. This dialogue refers to a constant comparison with the complexity of reality (i.e. taking into account data analysis, rigorous empirical approaches, etc.) and to those principles that constitute the identity of the EoF (and of CST), and first and foremost, the respect for human dignity and the preferential option for the poor. Having a clear identity and a chosen method, we believe it is advantageous and enriching to enter into dialogue with many whose purpose may not be so far removed from that of the EoF: to promote the truly human. This is the legacy that, as people who have committed themselves to the Finance and Humanity Village, we wish to pass on to those who coming after us will pick up the baton.

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<sup>2</sup> Statement from organizers. Please see here for additional information.

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