L’economia di comunione di Chiara – The Economy of communion of Chiara

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1. Grande Crisi e cambiamento di paradigma – 2

Il ritorno di Cina e India potrebbe essere già in corso e molto rapido

Distribution (%) of world GDP in 1990, 2008 & 2030 (forecast)

<table>
<thead>
<tr>
<th>SHARE (%)</th>
<th>1990</th>
<th>2008</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>22.2</td>
<td>16.9</td>
<td>11.0</td>
</tr>
<tr>
<td>USA</td>
<td>21.4</td>
<td>18.6</td>
<td>14.2</td>
</tr>
<tr>
<td>Other Western countries</td>
<td>3.2</td>
<td>2.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Japan</td>
<td>8.6</td>
<td>5.7</td>
<td>3.3</td>
</tr>
<tr>
<td>Rich countries</td>
<td>55.3</td>
<td>44.0</td>
<td>30.6</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>2.4</td>
<td>2.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Russia</td>
<td>4.2</td>
<td>2.5</td>
<td>1.8</td>
</tr>
<tr>
<td>Other former URSS countries</td>
<td>3.1</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>Latin America</td>
<td>8.3</td>
<td>7.9</td>
<td>7.1</td>
</tr>
<tr>
<td>China</td>
<td>7.8</td>
<td>17.5</td>
<td>28.2</td>
</tr>
<tr>
<td>India</td>
<td>4.0</td>
<td>6.7</td>
<td>11.3</td>
</tr>
<tr>
<td>Other Asian countries</td>
<td>11.4</td>
<td>13.9</td>
<td>15.3</td>
</tr>
<tr>
<td>Africa</td>
<td>3.3</td>
<td>3.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>44.7</td>
<td>56.0</td>
<td>69.4</td>
</tr>
<tr>
<td>World</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: author’s calculations on data by Mold (2010).

Percentuali sul PIL mondiale ricostruite/stimate da Mold (2010)
Paradox of happiness

Graph showing the relationship between real GDP per capita in 1996 US $ and average happiness over time from 1945 to 1990.
Income-Happiness
Corporate social responsibility

Separation

Economy/business
State/law
Civil Society

Interdependence and reciprocity

Civil society
Economy/business
State/law
Shared value

“Companies must take the lead in bringing business and society back together. The recognition is there among sophisticated business and thought leaders, and promising elements of a new model are emerging. Yet we still lack an overall framework for guiding these efforts, and most companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core. The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center. We believe that it can give rise to the next major transformation of business thinking”. (Porter and Kramer 2006)
To sum up this first part ...

- From the first part of this presentation we can bring together two main ideas:
  - Income growth doesn't increase people's well-being, particularly above a certain national threshold of wealth. Combatting inequality becomes crucial to the process of increasing well-being.
  - Companies' range of actions must expand to include social and community activities not due to legal ties (taxes, laws...), but as new opportunities for economic success (shared value).
Second part

• Since economic growth is not the final goal, but a means to achieve a good social and individual life, I propose that Taiwan and Asia develop an alternative path to capitalism (or post-capitalism) in which economic growth, social values, equity and well-being are sustainably brought back together.

• We believe that the Economy of Communion (EoC) of Chiara Lubich can help guiding Asia through this visionary transition.
The Economy of Communion

- May 1991, Brazil
- [a short video](#)

New business, sharing profits with three main goals:
- contribute to promote the “culture of giving”.
- create jobs, foster productive inclusion, and support community development (poverty means above all exclusion from productivity, the community, and society).
- fight extreme poverty and promote a new culture, a “culture of giving”.

Some data

• Today there are 860 EoC companies mainly in Europe and South America, followed by the USA, Asia, and Africa. In the past few years scholars and students have written over 300 papers about it.

• The funds raised from profit-sharing have financed over 1000 scholarships for youths, various development programs in the south hemisphere.
  
  – The annual reports can be found in the website (www.edc-online.org)
The EoC’s messages

1. Healing poverty

Poverty, or rather extreme poverty and exclusion, is once again spreading in Europe.

Poverty, however, isn't counted among words that are solely negative, such as deception, slavery, racism, and others. After St. Francis' life (i.e. after Christianity) there was more than one type of poverty, which crossed a broad spectrum, from the victims of poverty to the blessing of those who choose freely to be poor in order to help others in need.

There are new kinds of “poverty” in wealthy societies such as the exclusion from public life, mental disorders (rapidly increasing), and multitudes of non-integrated immigrants; besides gambling – a true epidemic among the lower classes of society –, and other new addictions that impoverish people.
“Cure” of poverty

St. Francis embraced and kissed the lepers of Assisi and cured their bodies and souls. An embrace is the first part of the cure. Our culture though is immune to brotherly relationships and teaches us to avoid embraces.

Brotherhood can be measured by the inclusion of the poor in our communities. It turns out that the creation of specialized agencies to take care of the poor is often inversely proportional to their inclusion. The commitment of these institutions to “cure the poor” is an excuse to keep them as far away as possible from our pristine and insulated cities.
EoC and poverty

• Through living the communitarian experience, and, perhaps above all, by not resting until the poor are offered jobs in our businesses.

• This is also in accordance with Chiara's first foundational experience in Trent when, instead of taking the poor to shelters, they were invited for lunch (“a focolarina, a poor person...”); the same experience today is lived by inviting the poor “for lunch” at our businesses through creating new jobs. As long as one cannot work, one remains poor.
2. Inequality; communitarian and above all productive inclusion is the answer

The EoC calls on companies to share their profits: a daring project to foster a more equal and brotherly economy and society. In fact, true brotherhood only comes with a fair distribution of wealth and income, and therefore of capabilities, rights and freedoms.

But the way EoC fosters a more equal redistribution of wealth is not philanthropy but productive inclusion; an effective weapon against exclusion and inequality.
EoC entrepreneurs should not be satisfied with just paying taxes and respecting the law. In these times of crises they must use their talents and entrepreneurial vocation to combat poverty and exclusion by creating new forms of work.

When Chiara proposed businesses that re-invest profits back into the business to create new jobs, she was proposing something extremely new. Entrepreneurs are job creators and not philanthropists, and as such they shouldn't give away “slices of pie” to the poor (other institutions do that). Instead they should create dynamic “new pies” through building businesses in which the poor produce goods so they do not only “consume” assistance.
Conclusions and proposals

1. The implementation in this university of a small but permanent “commission and study center” of the EoC in Taiwan, which identifies how the EoC principles can be applied and developed to improve your economy and today's society in general.
2. EoC website

• The translation of the EoC website (edc-online.org), making it available and promoting its themes and news in your language.

• http://www.edc-online.org
3. Taiwan

The promotion of an exchange program for students and scholars together with Sophia and other universities where the EoC is taught (in Spain, Brazil, Argentina, Italy, Africa, ...). Until now Taiwan has been missing.

Due to Taiwan's history and future economic prospects, the EoC is unthinkable without this country. We can start together today and I'm certain we will see the development of an EoC for the world and Taiwan as well. In fact, the principles of the EoC should be adapted to each country's culture, history, and values. The EoC promoted by you will be fascinating! The world longs for it and so do we!

May Chiara help us from heaven and bless us all!
Thank you, with ... Formy