

Preface to the speech given by
the Governor of the Bank of Italy, Antonio Fazio,
to the Conference on “Work as Key to the Social Question”
Vatican City, 14 September 2001

The horrible act of war that terrorism has committed against innocent victims can mark an epochal change. States, institutions, organizations, citizens — we all have the duty, according to our respective roles and possibilities, to react to the forces of evil. At stake are peace and coexistence between States, essential conditions for the future of work, of the economy, of the governance of globalization and, even more, of the affirmation of the dignity of the human person without distinction of race, faith or language.

We are not in and must not arrive at a conflict of cultures or a war between civilizations.

We must prevent a regression in relations between States and peoples; we must continue to work for the construction of a new international order, the promotion of a globalization of solidarity that will start by addressing the condition of the poor countries.

Peace and international détente are essential goods for the economy and society, for the future of humanity.

It is not true that there are places that Christ has not reached. Human life, in a design which for the believer is transcendent, is the unfolding of a story of free will that can and must be turned to good.

PONTIFICIUM CONSILIUM DE IUSTITIA ET PACE

Conference

WORK AS KEY TO THE SOCIAL QUESTION

**Globalization, economic progress
and poverty reduction**

Address by Antonio Fazio
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Vatican City, 14 September 2001

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“... while earthly progress must be carefully distinguished from the growth of Christ's Kingdom, to the extent that the former can contribute to the better ordering of human society, it is of vital concern to the Kingdom of God.” (Gaudium et Spes)

In his memorable 1967 encyclical *Populorum Progressio*, Pope Paul VI noted that the social question had become global, declaring that “unless the existing machinery is modified, the disparity between rich and poor nations will increase rather than diminish”. He appealed to all men of good will on behalf “of those peoples who are trying to escape the ravages of hunger, poverty, endemic disease and ignorance; of those who are seeking a larger share in the benefits of civilization and a more active improvement of their human qualities; ...”.

Thirty years on, the conditions must be found for a response to this appeal, so that the benefits of economic progress can spread to all the peoples of the earth.

Man’s work — the goods and services he produces for others and the collectivity — is the foundation stone of economic development. It is also a measure of progress. Fairly remunerated work furnishes man with the means to satisfy his primary needs and attain a dignified standard of living for himself and his family. Work permits each individual to realize himself fully at the personal level and at the ethical level of his opening to society.

In the nineteenth century, world output grew by 1.9 per cent per year; the population grew by 0.6 per cent per year, with a steady rise in per capita income.

In the first half of the twentieth century the growth of world output was adversely affected by the destruction wrought by two world wars; the world population, despite the heavy loss of life in Europe, grew by an average of 0.9 per cent per year.

Between 1950 and 2000 population growth doubled to 1.8 per cent per year. World output grew at an average annual rate of 4 per cent, expanding sevenfold over the period. Per capita income rose by 2.1 per cent per year to increase nearly threefold in half a century.

However, this large increase in per capita income was accompanied by growing disparities in living standards and the availability of goods between different parts of the world. Very rapid improvement in economic conditions in some countries and regions was coupled with limited gains, sometimes backsliding, in others.

In the advanced economies, economic growth and the improvement in living standards have been based essentially on scientific and technological progress. The expansion has been driven by industry through the development of new goods, product standardization and the application of technology on a large scale. The supply of physical goods has increased rapidly. Economic development has benefited from the institutional and administrative evolution of States. The protagonist in the process of economic growth has been the enterprise, from the artisanal sole trader to the medium-sized and large firm. At the advanced stage of development the role of finance is fundamental.

In the early stages of industrialization the transformation of the organization of civil life and of social and political relationships in economies where agriculture and traditional activities predominated often led to tensions and upheavals regarding the distribution of the value of the goods produced and control of the economy.

A new set of relationships between the various economic and social groups emerged in the industrial countries, with repercussions on the legal order, political power and the organization of the State.

Once primary needs are satisfied, the structure and organization of economies are directed towards expanding the supply of services to individuals and households as well as to business and production.

Some countries lacked the political and institutional arrangements and the entrepreneurial activity needed to reap the fruits of technological progress and launch the process of industrialization.

1. The world economy in the second half of the twentieth century

The 1950s and 1960s were decades of exceptional growth of world trade and of the economy of the industrial countries.

The system moved within the framework created by the international monetary rules laid down in the Bretton Woods Agreements. Economic policy played a key role in stabilizing the economy. Controls on capital movements made it possible to prevent waves of speculation and adjust national interest rates.

In most of the industrial countries the expansion of public intervention in the economy contributed to high rates of growth in output and employment in a context of stable prices. The basic welfare state programmes were put in place and major infrastructure was built. The rapid expansion in economic activity supplied the means needed to finance the spending programmes.

These were the decades of the economic miracle in Japan, Germany and Italy. The United States grew to its full economic, industrial and financial power. In Latin America recurrent political instability and macroeconomic disequilibria caused countries' progress to be discontinuous. The evolution of China was slow. Progress involved many countries of South-East Asia only marginally, and those of Black Africa not at all.

The termination of currencies' link with gold in the early 1970s in conjunction with the excessive increase in dollars in circulation in relation to US gold reserves and, subsequently, the oil crises and wage pressures caused inflation to surge.

In 1979 the United States launched a new monetary policy aimed at curbing inflation through strict control of the volume of credit and money.

Similar policies were adopted by the other industrial countries; the monetary tightening brought down inflation but also slowed economic growth.

The rise in interest rates and the appreciation of the dollar created the first difficulties for the developing countries in servicing the foreign debt, mostly in dollars, that they had accumulated in years when interest rates had been lower and the dollar weaker.

The abundance of finance had allowed many economically backward countries to initiate development policies. The funds were not always utilized efficiently, however. Some major investment projects were unproductive. Substantial amounts were spent on weapons or fueled corruption.

Starting in the mid-1980s, in connection with the progressive removal of capital controls and the intensive use of information technology, international financial transactions began to expand much faster than in the previous decades.

The ever-wider liberalization of international trade in goods stimulated the growth and diversification of production worldwide. The inflow of financial capital fostered productive investment in some developing countries marked by low living standards, levels of social protection and labour costs but with sufficiently skilled work forces and stable political and institutional arrangements. Multinational corporations made massive investments in the emerging countries, introduced new production processes and models of consumption, and came to control a large part of world commerce. A phase of faster growth in these newly industrializing economies began, especially in Asia.

In the 1990s the fall of the socialist regimes in Russia and central and eastern Europe brought those economies into the system of international trade and financial investment.

2. The globalization of goods and the globalization of finance

Free trade in goods was a fundamental cause of the very large increase in output and the international diffusion of economic well-being in the second half of the twentieth century.

It worked to the advantage of the countries that managed to take their place within the system of world trade. Each country concentrated its productive activity in the sectors where its costs were relatively low; by selling its products, it procured goods that it lacked or whose production would have been very costly.

World trade expanded considerably in the 1950s and 1960s. From the mid-1970s to the mid-1980s the growth of commerce was slower, though remaining faster than that of world economic output. In the 1990s trade again expanded rapidly, as a consequence of the participation of developing countries.

The Uruguay Round from 1986 to 1993 was the first set of trade talks in which many of these countries were active participants. The negotiations tackled, albeit with only partial success, issues of trade in agricultural products, textiles and clothing, which had previously been excluded from the GATT.

The growth of trade involved industrial products above all, demand for which grows rapidly during the intermediate stages of development. The advantages accrued primarily to the economies that succeeded in producing medium- and high-technology goods.

Many developing countries have been penalized by advanced countries maintaining import restrictions on agricultural and textile products. Some of the most

backward economies have suffered from their limited ability to organize production and move profitably into the world trade system.

Raw materials have generally been exported on unfavourable terms for the producers. The exception is energy, where the producing countries succeeded in imposing high prices by limiting supply.

In merchandise trade, demand and supply generally find an equilibrium in the free market in terms of quantities and prices. The supply of goods is limited by the raw materials available, by technology and by the amount of labour employed. A sharp increase in demand makes the prices of the products and factors of production rise, stimulating supply but also reducing demand and in this way restoring equilibrium.

In recent decades it came to be believed that a stable equilibrium could also be achieved in international trade in currencies and financial instruments.

In the institutional context of purely fiduciary currencies, there is no cogent market mechanism limiting the expansion of credit, bringing supply and demand back into equilibrium. Credit and money can grow indefinitely, in parallel. Unless there is also an increase in the production of goods, destabilizing inflationary pressures will arise.

The ballooning of the nominal values of financial aggregates may lead to the instability of intermediaries and enterprises. Crises and failures halt the inflationary spiral but have the opposite effect of producing deflation, with losses of savings, the contraction of production, and unemployment.

In recent years recurrent crises have afflicted developing countries in Asia, Latin America and other parts of the world. They have been essentially financial in origin, or have seen finance play a crucial role.

When a country suffers a financial crisis, the standard of living of broad strata of the population worsens. Restoring and maintaining macroeconomic equilibrium involves

sacrifices in terms of the purchasing power of wages and an increase in the tax burden. Political and social strains result.

In the wake of the Mexican crisis of the mid-1990s, with its destabilizing effects worldwide, the monetary authorities of the main industrial countries embarked on a new phase of intense collaboration aimed at preventing crises and limiting their economically and politically devastating consequences.

The earlier, sometimes ingenuous faith in the ability of market forces to achieve financial equilibrium and, at the same time, generate harmonious growth in the world economy, has given way to reappraisal. The vision, more political than theoretical, of complete freedom of financial movements is being thoroughly reassessed.

On balance, despite the problems and crises, the growth in financial activity worldwide in the last two decades can be seen as positive. Opening to trade and financial flows has stimulated the growth of output and employment in some developing countries where investment is most profitable.

The conditions and the policies must be found that, albeit in the long run, will allow the beneficial effects on living standards to spread to as many backward countries as possible.

A setting of international détente and cooperation is essential.

3. States' intervention in the economy

Free enterprise in industry and finance is indispensable for economic progress at both the national and the international level. It is the means of diffusing economic progress. But it is not sufficient for balanced development. It has to be regulated and guided with policies that, while respecting freedom of enterprise, correct its distortions and shortcomings.

In the free market a fruitful relationship is established between individual interests and the collective welfare.

In the second half of the nineteenth century the theory of human behaviour underlying the free market became that of individualism and utilitarianism. In this theoretical vision, a society's search for economic welfare is based essentially on profit maximization by each enterprise and on competition.

Economic activity must, however, be carried on within an institutional framework in which the State provides the public goods that are indispensable for the orderly conduct of civil and economic affairs: an adequate legal and administrative system, public order, justice, infrastructure and other essential government services.

The services of the State, infrastructure, rules and, more generally, public goods are not produced by market forces, by firms. They must come from a political organization, a legal system and a constitution that are rooted in the social and political nature of human activity directed towards the common good.

In order for the market, through the individual's pursuit of utility and the firm's pursuit of profit, to promote the welfare of all, it is also necessary for competition to ensure that only the goods of highest quality and lowest price win out, and for market forces not to be obstructed by privilege or, worse, corruption, to the exclusion of more advantageous solutions. A system in which inefficiency and corruption are common does not produce collective welfare; on the contrary, it holds back progress.

States' intervention in the economy is also necessary in order to stimulate productive activity at times of generalized cyclical weakness, to moderate it in phases of overheating and inflation, to get processes of growth and development under way, to facilitate and orient the choices of entrepreneurs and economic agents with adequate policies and farsightedness.

Distorted interpretations of the theory of public intervention in the economy have sometimes led to excesses. The rediscovery of economic liberalism is in part a reaction

to those excesses. After the fall of the socialist regimes, this vision is tending to assert itself as the dominant political philosophy.

In order for there to be harmonious growth of the world economy, it is increasingly evident that the production of global public goods must be ensured. This will require a revision of international law.

A better distribution of the benefits of commercial and financial integration, social justice, access to the fundamental goods of nourishment and health are not guaranteed in sufficient measure by the market. It is the task of States, through cooperation, to guarantee an adequate supply.

The international community is committed to eliminating the risk, possibly following dramatic events capable of upsetting the global order, of instability with serious economic and political consequences.

4. Poverty reduction

According to the World Bank, one billion two hundred million people in the world, the large majority of them in Asia, live on less than one dollar a day. Forty-eight per cent of the population of sub-Saharan Africa and forty per cent of that of southern Asia live on less than a dollar a day.

Excluding the Far East, where the percentage of poor people declined between 1987 and 1998 from 27 to 15 per cent, there have been no appreciable reductions in the poverty rate in the developing areas in the last decade. Economic growth has been irregular in Latin America, where 16 per cent of the population still lives on less than a dollar a day. The situation has worsened in sub-Saharan Africa.

Income is not the only yardstick of living standards. Welfare is captured more fully by indices that incorporate other variables, such as health and the level and diffusion of education. Taking account of these indicators, the picture is less negative in the majority of the developing countries: between the first half of the 1970s and the

second half of the 1990s, average life expectancy at birth rose from 56 to 64 years. The prospects are worrying for some African countries afflicted by grave diseases.

Demographic factors and improvements in living conditions also contribute to economic development in the long term.

4.1 The spread of progress

Only rapid economic growth can bring a widespread improvement in living standards.

A recent analysis by the International Monetary Fund confirms the existence of a positive correlation between an increase in national output over several years and a reduction in the number of poor people. The developing countries that have recorded low or negative growth in per capita income in the last few decades have not achieved significant results in terms of reducing poverty.

In the more advanced economic and social systems maintaining a high rate of growth requires continuous innovations, which are passed from the world of science to that of production, where they give rise to new forms of organization of work and the production of new goods.

In the most backward countries it is possible and necessary to promote economic development by replicating the methods of production of the advanced countries, albeit with the appropriate adjustments.

Processes that cumulate knowledge benefit the firms and economies that develop them and apply them to production first.

The fact that the distribution of output has failed to improve at world level — on the contrary, the inequalities have actually become more pronounced — is due, according to eminent scholars, to the slowness with which technological progress spreads to the less advanced countries.

Imitative behaviour, in the production of goods and patterns of demand, should foster the spread of progress.

This is not a pessimistic view. On the contrary, it is basically hopeful: the spread of technical, economic and organizational progress may, in time, permit rapid growth of the most backward economies as well, and possibly a closing of the gaps between countries.

There must be no impediments at the international level or within developing countries to the spread of progress. It is necessary to create the conditions, including those of an institutional and social nature, for the transmission and dissemination of knowledge. The institutes serving to provide an appropriate definition and legal protection of property rights will have to be strengthened; the commercial barriers and the social and political obstacles to the free circulation of technological knowledge will have to be removed.

The possibility of expanding output in the backward economies depends on the availability of sufficiently educated labour, able to perform the tasks required by new production processes and the economic activities that come with development.

Qualified human capital is indispensable for the use and adaptation of the new technologies: there is a marked complementary relationship between capital, on the one hand, and skilled labour, on the other.

The spread of technology can generate the mechanisms that bring an improvement in the quality of labour through learning by doing. Respected economic analyses show that the countries which have been most open to the new technologies have seen the quality of their labour forces improve through endogenous processes and recorded much higher rates of output growth than other countries that had similar initial conditions but have been reluctant to adopt new production processes.

Developing countries must be able, with sufficient political and institutional stability and thus with an adequate economic organization, to assimilate the advances that have been made in the industrial countries.

4.2 International trade and capital movements

A major factor for the take-off of backward economies remains that of their opening to trade, to be carried out with the necessary gradualness. With consistent policies for the reform of the domestic market, this is likely to permit the spread of progress. At the same time the poor countries have to be able to expand their exports of agricultural products and manufactures to the industrial countries, so as to exploit their comparative advantages in the production of such goods.

The countries whose economies have grown fastest are those that have had greater access to international trade.

There are still substantial obstacles to trade; they are primarily the consequence of the protectionist policies of the industrial countries for agricultural products and textiles. The level of protection of the agricultural markets of the OECD countries has fallen since the 1980s, but much less than would have been desirable.

The resistance of the industrial countries to the dismantling of the Multi-fibre Arrangement, the reluctance of Japan and the European Union to abandon their protectionist agricultural policies have allowed no more than partial results to be achieved in the process of liberalization.

The results of the Uruguay Round with regard to textiles and clothing products were disappointing for the developing countries. It is estimated that the planned dismantling of import quotas by the industrial countries has so far had a very limited impact on the exports of the developing countries.

The proposal for a new round of global negotiations launched in the ministerial meeting of the World Trade Organization in 1998 has made difficult headway since the failure of the Seattle meetings, held against a background of anti-globalization demonstrations. Forms of violence offering no constructive proposals must be isolated. A political response is needed to the imbalances that globalization has created.

The measures recently announced by the leading countries at the Genoa summit and by the European Union with its *Everything but arms* initiative, intended to guarantee unrestricted access to imports from the 49 poorest and most backward countries, are a step in the right direction.

They are not sufficient, however. More effective measures are needed to allow the poorest countries to increase their exports of agricultural products and textiles to the richest markets.

The efforts being made to arrive at the decision to launch a new multilateral trade round must be intensified. The main beneficiaries will be the developing countries as a result of the attenuation of trade tensions and the lessening of the importance of the regional agreements from which some countries tend to be excluded.

The spread of progress at the international level remains closely linked not only to trade but also to the unrestricted movement of financial capital.

The saving rate is low in the backward countries and the need for investment high. It is natural for these countries to build up debts vis-à-vis the more advanced countries in the early stages of their development. Even substantial external debt is physiological at a time of rapid economic growth.

4.3 Debt cancellation

Failure to use borrowed funds efficiently may lead to an unsustainable situation, in which the payment of interest and the redemption of principal absorb a substantial proportion of the resources the country produces. Debt relief measures can break the vicious circle; they must be conditional on the implementation of structural reforms that foster an efficient use of the capital inflows.

In 1996 the International Monetary Fund and the World Bank jointly launched the initiative in favour of the heavily-indebted poor countries. The Group of Seven leading industrial countries have embraced it.

Forty-one very poor and highly-indebted countries were selected. The implementation of the programme began in 2000 with twenty-two countries. Their debt burden has been reduced by more than 50 per cent. The preliminaries are under way for the other countries but in some cases political and institutional instability and armed conflict are hindering the start of the programme.

The conflicts that are endemic in the most backward parts of the world are both the cause and the effect of poverty.

At the same time the leading industrial countries have launched initiatives to cancel the debts of the same countries on a bilateral basis. Italy is participating in this programme and has approved the cancellation of \$6 billion of debt.

Debt cancellation will enable the poorest countries to take part in international trade; it will thus contribute to faster and more balanced growth of the world economy. It will help to foster greater political stability at the global level.

4.4 Immigration and the protection of labour

Economic growth turns into and fosters widespread welfare in the countries concerned only if it is coupled with a parallel development of rights that are fundamental for human dignity.

Compared with the past, globalization has intensified the perception of the shared nature of the human condition. New forms of poverty and social exclusion are emerging in advanced countries as well. The problem of inclusion is thus widespread and present in diversified forms at the global level.

The growing importance of migratory flows of people in search of better living conditions, or simply fleeing from situations of serious distress and oppression, brings new problems, a reality with which we must come to grips.

Forced labour, slavery and trafficking in human beings, especially women and children, are on the increase. The International Labour Organization has stated that the elimination of these phenomena requires the full collaboration of States and the adoption of measures to reduce poverty and reform the labour market.

It is necessary to intensify the efforts to cure these ills of economic life, in part through careful coordination of the national and international initiatives under way.

The achievement of basic standards, such as the elimination of child labour and the guarantee of trade union rights, fundamental objectives of economic progress, must be based on measures for the support of household incomes and school attendance. The application of trade sanctions is likely to produce the opposite effects of those desired.

The aging of the populations of the more advanced countries in the next few decades will call for large flows of immigrants from countries where living standards are miserable and the population younger. It is a new form of globalization, directly involving men and women. For the countries receiving immigrants it raises important questions of civilization and culture. But in the long term it can bring substantial advantages. In the meantime emigrants' remittances can help to alleviate the often wretched conditions in their countries of origin.

In the decades to come there will be a need for cooperation between States, not only to tackle the new emergencies, but also to take advantage of the new opportunities.

The key to the elimination of these problems also lies in more robust and sustained growth of the world economy, capable of bringing higher employment and a more balanced distribution of wealth.

Work is the fundamental means of reducing poverty, eliminating the worst imbalances and achieving the orderly life of the *polis*.

It must be possible to reconcile social tensions in an organization of collective life that permits everybody to participate in decisions and the definition of policy guidelines. Productive employment and the welfare brought by economic growth give

substance to dignity and rights, to the exercise of freedom. Quoting again from Pope Paul VI's *Populorum Progressio*, it is necessary for individuals and families "to be freed from misery, ... guaranteed a fuller participation in responsibilities, with no oppression, ... to enjoy a higher level of education; in short, to do, to know and to have more, so as to be more".

5. Social doctrine

The epochal changes we are experiencing lead us to question the adequacy of economic and social ideologies based exclusively on the pursuit of profits by firms and individual participants in the market.

In his sweeping vision of universal order, Thomas Aquinas saw, together with the relationship of every creature with the Creator (*ordo ad Deum*), a reciprocal relationship among men (*ordo ad invicem*), which is the substance of the social fabric. In a realistic vision, the actions and mature and responsible motivations of men are directed not so much to advancing their own interest as to creating a material and moral welfare that pervades the environment in which they live and work. This is true not only for those who are engaged in public service but for the vast majority of private economic agents as well.

Man is born and lives in society, and this ensures the welfare of individuals to a substantial degree. The family and the State originate from a profound need, from human reason and man's moral nature; they complete and in a way extend the individual.

The advance of democracy in the second half of the twentieth century was not unrelated to the expansion of trade and finance. Economic freedom proceeds in parallel with political freedom. A system based on the market economy finds its most adequate form of political organization in democracy, in which the people are sovereign and exercises their power in constitutionally defined ways.

Maritain, with *Man and the State*, demonstrates the fundamental concord between the principles of democracy and liberty and the values of Christianity. He considers the sovereignty of the State as residing in the people. “The People are above the State, the People are not for the State, the State is for the People”.

At the end of the nineteenth century, in the light of the great changes in the organization of production and the economic structure, changes that sometimes overturned previous social equilibria, with repercussions on the moral, civil and religious life of the multitudes, *Rerum Novarum* founded the social doctrine of the Church.

Social doctrine measured itself against the great changes that marked the twentieth century. Its landmarks include *Mater et Magistra*, *Gaudium et Spes* and, almost at the conclusion, *Centesimus Annus*. The last-mentioned reaffirms the organic link between democracy, free enterprise and economic and social progress in a context in which a fundamental solidarity prevails between citizens, firms and economic agents in respecting the rules of justice and seeking the common good.

I believe that study of the problems posed by the globalization of the economy must be conducted with a philosophical and moral analysis of the structure and dynamics of collective life, accompanied by a capacity to interpret the new that emerges in politics and the economy. This is the “methodology” adopted at the inception of social doctrine.

Laborem exercens addresses a problem of crucial importance, man’s work, the meeting-point between society and economy.

“New things” still characterize contemporary society at the national and the international level.

The innovations of capitalism, finance and communications are transforming the economy and society in the advanced countries; they will lead to major changes in the emerging countries as well.

They are a positive force, because they can bring economic and social progress to the hundreds of millions who still live precariously and in material poverty. They create new cooperative relationships at the international level. They can sometimes generate subjection and marginalization both within societies and internationally. They can overthrow the pre-existing social order in economies where the cultural substratum and the force of tradition are weakest.

They are movements that need to be coordinated and governed with a clear vision of what is good for the community, so that the maximum benefit can be derived for all.

The great transformations in the nature of work will require the revision of institutes, relationships and practices to make the best use of man's labour, enhance growth and increase employment.

In the words spoken by John Paul II on 1 May 2000 "The new realities, ... such as the globalization of finance, the economy, trade and work, must never violate the dignity and centrality of the human person nor the freedom and democracy of peoples".

A "strong philosophy" is needed, but it must also be open, able to re-form changing and contingent situations into a whole. A solid knowledge of economic and political realities is needed, knowledge born of the study of the relevant disciplines and of continuous comparison with an ideal structure. There must be a new and fruitful exchange between secular sciences and theological and philosophical sciences.

The great thinkers of the past have much to teach us in terms of content and method.

The Anglo-Saxon world, which is always aware of the philosophical basis of modern economic, social and political life, is rediscovering the major classical works of mediaeval and modern philosophic thought. It is significant that the first volume of a new, highly rigorous scientific collection dedicated to the foundations of modern political and social philosophy published by the Oxford University Press bears the title *Aquinas*.

The Book of Wisdom tells us that the wise man studies the thought of the ancients to discover hidden treasures, but also knows how to interpret the present and the future.

We must read the present with the aid of a vast and deep knowledge of the economic and social phenomena that characterize it, and in the light of the ancient and ever-new wisdom abundantly “deposited” in the Church.

Development that extends to every aspect of social life and the spread of economic progress that reduces disparities create work even in the poorest countries. Work contributes to the nation’s welfare and raises the dignity of those who perform it. In this direction must go the reflections and decisions of those responsible for acting, the efforts of men of good will.

Closer cooperation between States is the way to achieve the peaceful community of mankind, to defeat violence and terrorism, to avert the risk of new and more sophisticated conflicts.

Today even more than yesterday, “Development is the new name of peace”.