

Five Years After *Laudato Si'*  
Where Are We Now?





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# Five Years After *Laudato Si'* Where Are We Now? Conference Proceedings



Edited by  
Zoran Turza and Miriam Mary Brgles



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Editors

Zoran Turza, PhD and Miriam Mary Brgles, PhD

For the Publishers

Željko Tanjić, PhD and Fr Vladimir Vidović

Editing and Proofreading

Rupert Thorough, PhD

Reviewers

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University J.J. Strossmayer in Osijek, Osijek, Croatia

Ryszard Sadowski, PhD, Cardinal Wyszyński University in Warsaw,  
The Centre for Ecology and Eco-philosophy, Warsaw, Poland

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## Introduction

Pope Francis's *Laudato Si'. On Care for Our Common Home* from 2015 is an Encyclical that is no less relevant today than it was on initial publication. In truth, it seems that its true moment in time has yet to come. The significance of this Encyclical is not in its excellent natural, scientific and theological elucidation, but in the fact that all the issues it mentions are observed in one comprehensive and complete perspective. There are three important ideas in the Encyclical that complement one another: the importance of the dialogue between reason and faith, universal unity and the connection between economy, ecology and poverty.<sup>1</sup> In addition, *Laudato Si'* simultaneously touches upon the very essence of the issue that rests inside us all.

The consequences of climate change are not an issue *per se* for Pope Francis, but they are a pressing issue due to the fact that they concern the most disadvantaged and vulnerable groups in society. Care for the marginalized, the vulnerable and the poor is not only at the centre of his pontificate but reflects his general course of action in everyday life, primarily as a person and citizen of our planet, but also as a believer, a monk, a priest, later an archbishop, a cardinal and finally as a pope. Pope Francis takes Saint Francis of Assisi and the Franciscan spirit and way of life as a model, which has been evident throughout his entire pontificate; and the visible 'seal' is precisely the name of choice of the Roman Bishopric (Francis), as well as the title of the Encyclicals *Laudato Si'* and *Fratelli tutti*, which directly refer to St Francis of Assisi. In this context, the care for our common home is the care for the vulnerable *par excellence*. It is about the so-called 'planetary injustice' (comp. LS 48-52), that is to say, it concerns the fact that the people who suffer the most from the consequences of climate change are the same people who participate the least in causing them. Following the imprint of his predecessors, Pope Francis takes a gentle and yet unequivocal approach: the care for our common home entails the care for one's brother and sister. One of the key ideas of the Encyclical is that man is a being in relation to God, their fellow men and their country (comp. LS 66). In this context, a Christian is a person who fulfils their call to holiness through these three relations. In his Message for the World Day of Peace on January 1, 1990, Saint John Paul II emphasized that the care for the environment is a Christian obligation: "I should like to address directly my brothers and sisters in the Catholic Church, in order to remind them of their serious obligation to care for all of Creation. The commitment of believers to a healthy environment for everyone stems directly from their belief in God the Creator, from their recognition of the effects of

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<sup>1</sup> Comp. Turza, Z., Tomić, M., Šuća, M., Zujčić, P. (2021). "How to read Pope Francis's Encyclical *Laudato Si'*?" From Dialogue to Togetherness and Connection." *Diacovensia* 29 (2021, 112).

original and personal sin, and from the certainty of having been redeemed by Christ”<sup>2</sup> (No. 16). The phrasing is simple and succinct: being a person and being a Christian implies taking care of a common home.

Faced with these facts and the urgent call of Pope Francis “to renew the dialogue on how we are shaping the future of our planet” (LS 14), a small number of enthusiasts, scientists, students, monks and nuns launched a project entitled *CRO Laudato Si’ – Caring for Our Home* (abbreviated as *CROLAUDATOSI*) at the Catholic University of Croatia in cooperation with the Croatian National Fraternity of the Franciscan Secular Order (FSO) and the Franciscan Youth (FY) of Croatia. The aim of this project was to encourage all those who are interested in the various activities that can contribute positively to the preservation of the environment and the development of a culture of sustainability to come together in the spirit of collaboration. The project was carried out from December 2019 to June 2021 and consisted of scientific and professional activities. As part of the project, two scientific research proposals were organised. In the first quarter of the project, the initial piece of research on the non-working Sunday was conducted using the survey method in parallel with the practical activity of respecting the non-working Sunday. The second survey dealt with attitudes toward and opinions on Pope Francis’s pontificate, as well as general tendencies and the willingness to change habits that pertained to care for the preservation of the environment and for those in need. The survey was conducted in the second and third quarters of the project; the focus groups were held in the final quarter. The research was characterized by great synergy among the members of the project team and those of the FSO and FY, among whom 65 interviewers were recruited. The interviewers were first trained and then conducted the research in the field across various parts of Croatia together with a large number of students from various departments at the Catholic University of Croatia who actively participated in individual stages of the groundwork. In addition to the research, the project became an integral part of the year-long work of FSO and FY members, who read, studied and discussed the Encyclical *Laudato Si’* within their communities and who carried out project activities from December 2020 to May 2021; among other initiatives, these activities included saving electricity and reducing the use of plastic in the household.<sup>3</sup> As part of the

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<sup>2</sup> Pope John Paul II (1990). *Message of His Holiness Pope John Paul II for the Celebration of the World Day of Peace*. No. 16. Retrieved on November 22, 2022, from [https://www.vatican.va/content/john-paul-ii/en/messages/peace/documents/hf\\_jp-ii\\_mes\\_19891208\\_xxiii-world-day-for-peace.html](https://www.vatican.va/content/john-paul-ii/en/messages/peace/documents/hf_jp-ii_mes_19891208_xxiii-world-day-for-peace.html).

<sup>3</sup> See more here: Brgles, M. M. (2020) Project *CRO Laudato Si’*. Presentation of scientific and practical activities. In: Baloban, S. & Petrović Štefanac, D. (Eds.), *Laudato Si’! How to Change Your Lifestyle?* (pp. 198-217) Zagreb, Centre for the Promotion of the Social Doctrine of the Church, Christian Present. Also: Brgles, M. M., Turza, Z., & Žagmešter, M. (2022). The *CRO Laudato Si’* Project: Goals, Activities and Social Outcomes. *Studia Ecologiae et Bioethicae*, 19(4), 27–37. Retrieved on November 22, 2022, from <https://czasopisma.uksw.edu.pl/index.php/seb/article/view/9579>.



project, three scientific conferences were held at the Catholic University of Croatia. The first scientific conference was scheduled in January 2020 and entitled ‘Alliance Between Humanity and the Environment’; in May of the same year, a conference with international participation entitled ‘Five Years After *Laudato Si*. Where Are We Now?’ was held; and in June 2021, an international scientific conference entitled ‘*Laudato Si*’ – Toward Climate and Social Justice’ concluded the Cro*LaudatoSi*’ Project. In addition, as part of the final scientific conference, there was an exhibition of photographs by Dražen Zetić entitled ‘Sister of Water’.

This collection comprises seven papers that are the result of the May 2020 conference. Entitled ‘Five Years After *Laudato Si*. Where Are We Now?’, during this conference there was a concerted effort to evaluate the scope of scientific, professional and pastoral activity five years after the publication of the Encyclical *Laudato Si*. The authors of these seven papers provide their own perspective on a particular facet of this evaluation.

In *A Good Society or A Society of Goods? The Findings of the CRO Laudato Si’ Project on the Non-working Sunday*, Miriam Mary Brgles and Ivana Brstilo Lovrić present the problem of the non-working Sunday. The first part of the paper presents a chronology of events related to the initiatives for the non-working Sunday in Croatia, with specific reference to the lockdown period during the Covid-19 pandemic. In the second part, the authors present the results of their research on the non-working Sunday, carried out as the first scientific activity as part of the Cro*LaudatoSi*’ Project, which was accompanied in the field by the practical activity of observing Sunday as a non-working day. This important social issue remains current and open to debate in Croatian society. The current consumer society represents a society of goods; it is our position that by legislating the non-working Sunday, this society would strengthen into a *good* society, a premise that has a sound basis in one of the main principles of Catholic Social Teaching: the common good.

In his work, Fabien Revol explains how the Encyclical *Laudato Si*’ has influenced recent theological research and the life of the Catholic Church in general up until 2020. The author has systematically presented newly created institutions and projects inspired by *Laudato Si*’. He has emphasized several important theological conclusions, highlighting the social nature of the Encyclical and the importance of the Theology of Creation to understand the relationship between man and nature. Professor Revol is firmly convinced that the Encyclical *Laudato Si*’ is not a passing trend in the Catholic Church, but rather an important long-term project that through additional philosophical and theological research will attain even greater depth.

Slađana Lovrić begins with the thesis that during the time of the health pandemic the Encyclical *Laudato Si*’ became more important than ever as it encourages the reconsideration

of our fundamental values. Following a brief presentation of the most important messages of *Laudato Si'*, the author focuses on the combined action and research of various social categories that can achieve significant results at different levels through a joint effort in dealing with the consequences of climate change. In particular, Lovrić emphasizes the principal role Catholic organizations continue to play in this effort, with a focus on the broader initiatives of the European *Laudato Si'* Alliance (ELSiA) together with those already being implemented at the local Croatian level.

Dubravka Petrović Štefanac presents several main features of the Encyclical *Laudato Si'* from the perspective of the Social Doctrine of the Church. It is the first social Encyclical of Pope Francis, one which the author places in the rich tradition of previous social Encyclicals. At the same time, she observes that two features stemming from the Church's social doctrine are of particular interest to Pope Francis in this Encyclical: integral human development and options for the poor. Ultimately, she emphasizes the importance of creating long-term plans that will enable the realization of integral human development at various levels.

Beginning with the Biblical Theology of Creation, Đurica Pardon observes that in the biblical corpus, especially the Book of Genesis, we find theological starting points for the proper understanding of man and his relationship to Creation. The author believes that in the Encyclical *Laudato Si'* Pope Francis also serves to emphasize the importance of understanding the relationship between man and creation as one of the fundamental human relations. In her discussion, the author focuses on the importance of the term 'land' in biblical theology as well as the relationship of man to the land. Through the principle of the 'theology of land' that she develops in her work, the author contends that the relationship towards the land equips the believer for adequate application of theological, political and moral principles in everyday life.

Domagoj Sajter posits the thesis that, among other things, the global pandemic for many meant the exposure of the weaknesses of a capitalist economy and the simultaneous expectation that economists would offer a more favourable economic model as an alternative solution. The author maintains that economic models do not change overnight but over a longer period and in a broader context, one in which there is a clash among not only the existing economic models but also different principles, social concepts and beliefs. After analysing the primary features of the capitalist economy, the author also outlines the main facets of the alternative economic models that became apparent during the coronavirus pandemic.

Ivica Kisić and Aleksandra Perčin present the basic features of industrial and alternative agriculture. The authors argue that the conventional agriculture industry, which is focused on high-yielding cultivars and hybrids, modern and intensive agrotechnics, the application of

pesticides and mineral fertilizers, loses its traditional self-sufficiency and causes more environmental problems than it brings hope for a sustainable future. The irony of our time is that the production of food brings famine and makes land infertile. Sustainable and diversified agriculture, organic agriculture, permaculture, agroforestry, urban agriculture are presented, explained and emphasized as the important ways of alternative forms of growing food.

In the meantime, at the Catholic University of Croatia we had initiated and carried out several other activities for the purpose of promoting the Encyclical *Laudato Si'*. An elective course entitled 'Integral Ecology' was launched in the 2019/2020 academic year; our university community formally joined the *Laudato Si'* Action Platform and thus began to participate in the seven-year journey initiated by the Dicastery for Promoting Integral Human Development. The translation of all the texts on the website <https://laudatosiactionplatform.org> into Croatian is already underway and, finally, together with the Centre for the Promotion of Social Doctrine of the Church of the Croatian Bishops' Conference through the Department of Social Doctrine of the Church at the Catholic Faculty of Theology at the University of Zagreb, we launched a lifelong learning programme entitled '*Laudato Si'*! Through Dialogue to Integral Ecology'; thirty participants from all over Croatia have successfully completed this course in the past academic year.

While the global pandemic is slowly waning, we are now witnessing the escalation of the war in Ukraine, an energy crisis and the dire consequences of accelerated climate change, all of which provide an opportunity to review thoroughly the values on which our societies rest and decide together how we want to establish our own future and the future of our successors. Pope Francis's Encyclical *Laudato Si'* can therefore be a relevant guide for the most effective and comparatively painless way for us to navigate a path out of present and potential crises. We pray that the reader will find the incentives contained in this collection of papers to be of some help along that path.

Zagreb, December 18, 2022

Zoran Turza and Miriam Mary Brgles



***Five Years After Laudato Si'. Where Are We Now?***  
**Academic Conference with International Participation**

**Catholic University of Croatia**

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Microsoft Teams  
Friday May 22<sup>nd</sup>, 2020

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Zoran Turza, PhD, President of the Scientific Committee of the Conference,  
Catholic University of Croatia

**Keynote Speech**

Luigino Bruni, PhD, LUMSA University, Rome  
*Laudato Si', Economy and Covid-19*

## Panel 1

### ***Where Are We Now? Integral Ecology, Practice and Energy***

Fabien Revol, PhD, Catholic University of Lyon

*Integral Ecology, Church and Theology*

Andreja Sršen, PhD, Faculty of Croatian Studies, University of Zagreb

*From an Ecological Conversation to an Ecological Citizenship –*

*The Encyclical Letter Laudato Si' and Integral Ecology after Five Years*

Domagoj Sajter, PhD, Faculty of Economics, Josip Juraj Strossmayer University of Osijek

*Lockdown Awakening: Alternative Economic Models*

Julije Domac, PhD, Regional Energy Agency North-West Croatia (REGEA)

*Europe, Energy and Laudato Si'*

## Panel 2

### ***Where Are We Now? Laudato Si', Church and Connection***

Ivana Brstilo Lovrić, PhD, and Miriam Mary Brgles, PhD, Catholic University of Croatia

*A Good Society or A Society of Goods?*

*The Findings of the CRO Laudato Si' Survey on the (Non)-working Sunday*

Vlodymyr Scheremeta, PhD,

Chief of the Ukrainian Greek Catholic Church Office for Ecology

*Church Service in Care for Our Common Home –*

*Five Years after the Laudato Si' Encyclical Letter*

Zoran Turza, PhD, Catholic University of Croatia

*Crisis: A Chance for Connection*



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**Domagoj Sajter**  
Faculty of Economics  
Josip Juraj Strossmayer University of Osijek

## **The Lockdown Awakening as a Source for New Economic Models**

### **Abstract**

The idea behind this paper is to reflect on the prevailing economic system as we know it in the context of the global pandemic lockdown and to consider alternatives. As such, it is envisioned as a concise review paper of discussion. The numerous shortcomings of the dominant capitalist economic model were well known before the Covid-19 lockdown: tax evasion through offshoring, globalisation as a run to the bottom of human rights, rising indebtedness as a consequence of financialization, plutocracy and cronyism, disregard for the collective and the environment, ignorance as the driving force of consumerism, etc. During the pandemic many came to a form of revelation, the flaws and weaknesses of the current model being more widely recognized. There is an expectation from economists to come up with alternative solutions swiftly. The key conclusion states that the novel coronavirus has brought us an unwarranted but much needed inflection point, one that can be utilized for a paradigm shift in economic modelling on a large scale. However, comprehensive and wide-ranging transformations of a prevailing economic system are infeasible without the accompanying changes of the society in general.

### **Keywords**

coronavirus, Covid-19, crisis, economic models

## **Introduction**

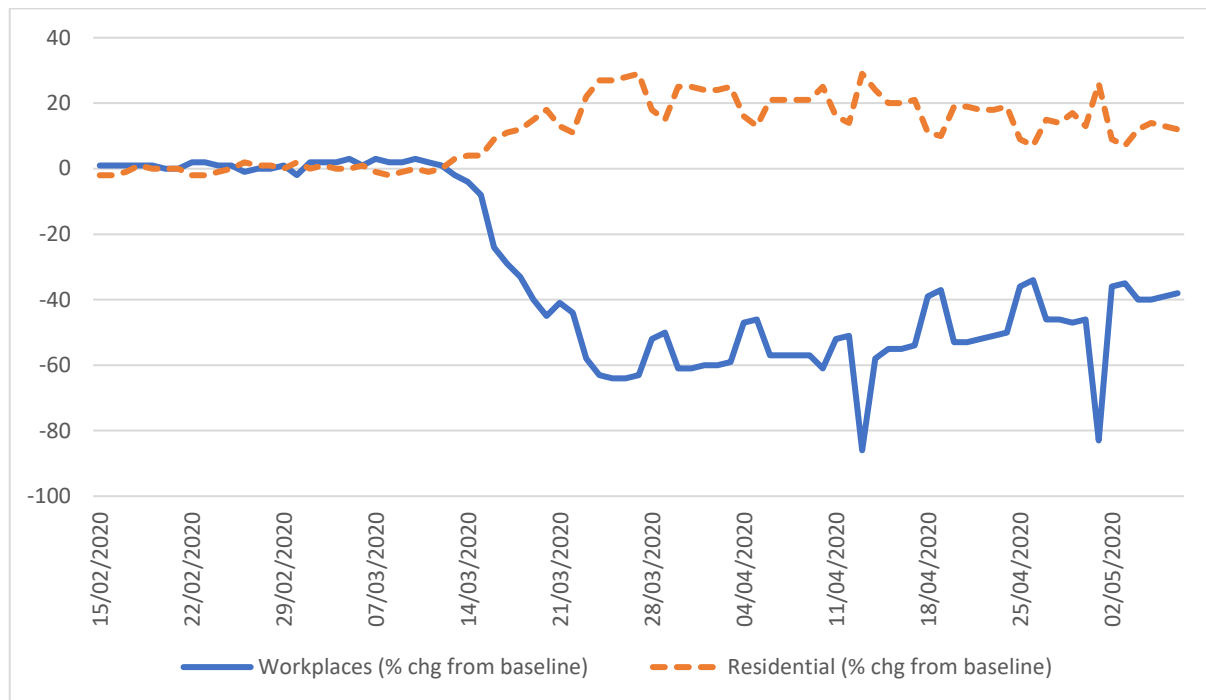
In a thought-provoking tale entitled “The Paradox of Progress,” Taleb (2018, p. 152) writes about a Wall Street banker in Greece (there are other versions situated in Mexico, but the point remains). An affluent Ivy League MBA on vacation looks at a local fisherman and asks him about his life. The native replies that it consists mainly of fishing, playing with his children, chatting and sipping wine with his friends – a modest but fulfilling life. The banker quickly switches to consultancy and offers help, stating that the fisherman should increase efficiency and production, buy a bigger boat and thereby increase revenue. After a few years he could buy more boats, cut off intermediaries and start his own production line: a fish-processing factory. He would control the production, processing and distribution, could leave this forgotten seaside village and move to the capital, eventually to New York City, to propel his business. There, a couple of decades later, he could do an Initial Public Offering (IPO), which means to say, sell his company shares to the public and make millions (excluding fees to his newly self-appointed advisor). After that he could retire rich, settle down in a small village by the sea, catch fish, play with his grandchildren and relax. The fisherman was stunned by the blindness of the economic ‘expert’: he already had the life that was being offered to him.

The story is here retold freely, as contextualized over the centuries and dating back to antiquity. Now, in the Covid-19 era, it seems only proper for it to resurface once more. For the first time in modern history, the entire human civilization had been forced to stand still, to stop, in the very literal sense of the word. To illustrate this phenomenon, the Community Mobility Reports published by the omni-surveillant Google need only be observed; these reports contain details of people’s movement trends in comparison to the pre-lockdown era (January 2020 is the baseline).

Figure 1 shows that Croatian citizens suddenly remained more at home and away from work (patterns are similar for other European countries and elsewhere).

**Figure 1**

*Mobility of Croatian citizens during the Covid-19 lockdown*



Source: Data from Google Covid-19 Community Mobility Reports (2020), processed by the author

The unsolicited confinement provided much needed time for people to reconsider their objectives and the never-ending run towards ever larger fishing boats. In this historical context, the purpose of this paper is to provide contemplation on the pre-coronavirus-crisis economy, some insight and recognition of issues and developments during lockdown, and to review some possible routes to an economy that is less fragile, remains stable for the longest-possible time, continues to be robust when its survival is threatened and is meaningful and fulfilling – a facilitative means for humankind to flourish.

There is an extensive body of literature concerning alternative economic models. Since the globalization protests at the beginning of the 2000s, Broad (2002) has explored proposals and initiatives from critics and has presented analysis from various sources. Callinicos (2003) analyses the development of the anti-globalist movement, differentiates between the different political forces within this movement and explores the strategic dilemmas that it confronts. Albert (2004) envisages ‘Parecon’ (‘participatory economics’) as a radical alternative to the core concepts of capitalism and central planning and market socialism through a vision derived from the tradition of anarchist economic thought. However, Park (2013) finds that many of those who have become discontented with globalization tend to converge on the idea that localization, economic descaling and political devolution would foster social conditions



favourable to a just and sustainable society. Park is sceptical of this notion and identifies a number of problems associated with a descaled, localized economy with a decentralized political structure. The debate is ongoing, with an ever-increasing array of participants.

In May 2020, as this paper is being written, the pandemic crisis is still unfolding. Many extreme uncertainties remain: threats of new waves of illness, a premature (or long overdue?) jump-start of the economy, pushing boundaries of the fiat monetary system by the central banks, ongoing climate change and lingering questions over the complex relationship of China with Europe and with the USA. This highly significant context of a frozen moment in time should be kept in mind when scrutinizing this paper with subsequent knowledge in the years to come.

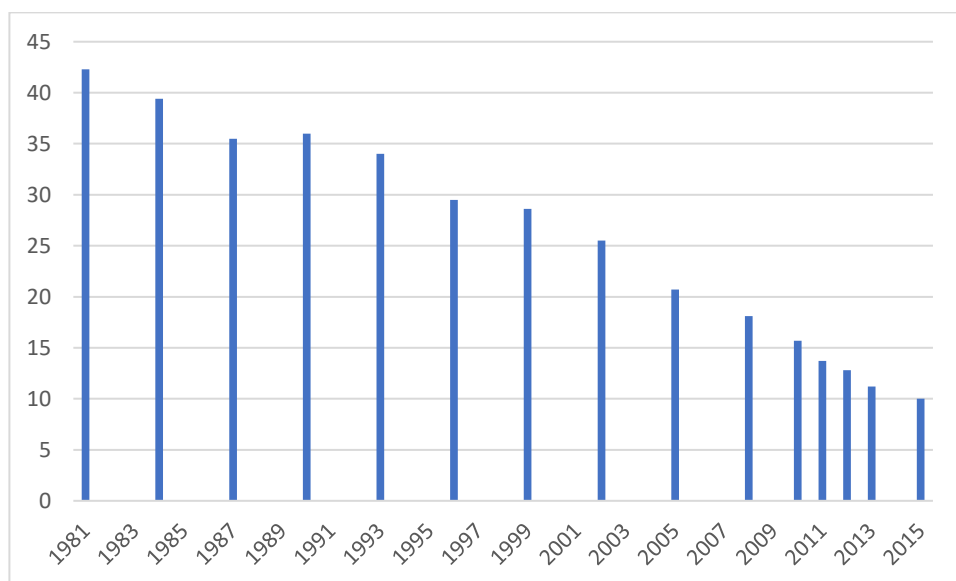
### **Economics before the lockdown: running to a standstill?**

Long before the pandemic even began, there was growing dissatisfaction with the current state of economic affairs and mounting evidence of a dysfunctional—some would say broken—economic system. To be impartial, fair and accurate, it may be said that poverty and hunger (among other calamities) in the world were never less prevalent than they are today. The issue of poverty has been strongly and repeatedly emphasised by Pope Francis and his immediate predecessor (Benedict XVI, 2009; Francis, 2013; Francis, 2015; Francis, 2016; Francis, 2019; Francis, 2021), particularly as it pertains to shifting environmental factors that adversely affect the local economy. In the Encyclical letter *Laudato Si'*, the pope draws a clear parallel between climate change and increasing poverty: “It represents one of the principal challenges facing humanity in our day. Its worst impact will probably be felt by developing countries in coming decades. Many of the poor live in areas particularly affected by phenomena related to warming, and their means of subsistence are largely dependent on natural reserves and ecosystemic services such as agriculture, fishing and forestry” (LS 25). The numbers support the projection.

The poverty headcount ratio at \$1.90 a day—the percentage of the world population living on less than \$1.90 a day (at 2011 international prices)—is at an historical low (Figure 2). The global population that has a dietary energy consumption below the minimum, which shows the percentage of the global population whose food intake is insufficient to meet dietary energy requirements continuously, has a declining long-term trend, albeit one that has seen an increase somewhat recently (Figure 3). Maternal mortality ratio per 100, 000 live births (WHO, 2020b), average life expectancy at birth (WHO, 2020a), under-five child-mortality rate, which means to say, the probability of dying before age 5 per every 1, 000 live births (WHO, 2020c), and many other indicators show similar, declining trends.

## Figure 2

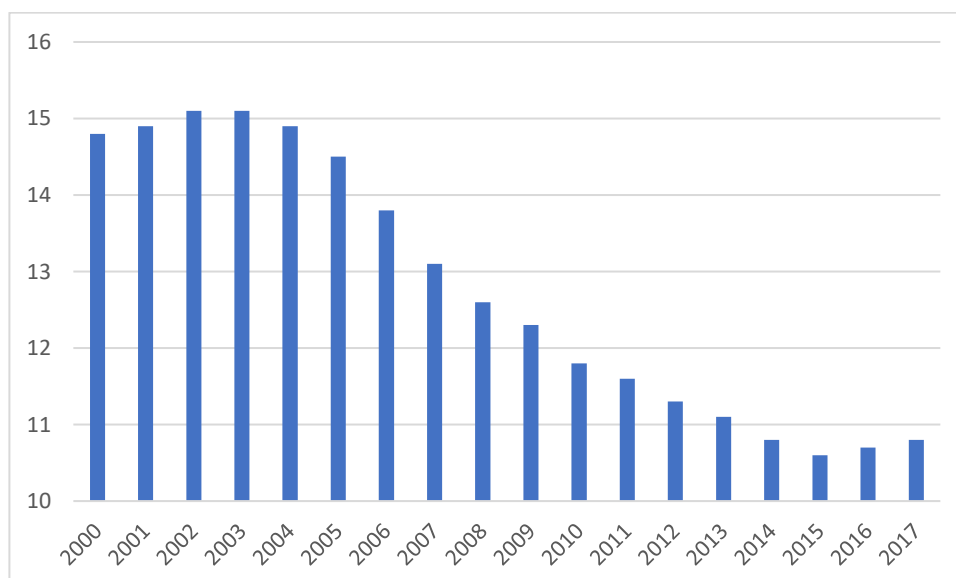
*Poverty headcount ratio at \$1.90 a day; 2011 PPP; % of world population*



Source: Data from The World Bank (2020a), processed by the author

## Figure 3

*Prevalence of undernourishment, % of world population*



Source: Data from The World Bank (2020b), processed by the author

And yet, even though selected statistics may exhibit signs of progress, they can also be misleading since they do not display missed targets, unused potential, unkept promises and lost opportunities. The world has failed to deliver on eight key targets set up by the United Nations Millennium Development Goals (UN, 2020). It is appropriate to observe where we now stand objectively, but we can only imagine where we could have been.

Furthermore, statistics do not show the path civilisation has chosen to achieve its goals, and this path (the methods used) relies heavily on long-term unsustainable depletion of natural resources. The prosperity of present and future generations should be measured not only by the numbers of the hungry, needy and the physically or mentally infirm, but also by the quality of life, indicators that are less deterministic, ‘tangible’ and quantifiable. The Covid-19 quarantine has demonstrated that being healthy, well-nourished and safe, but nonetheless enclosed within four walls, is not a life that most people look forward to or find meaningful.

Many shortcomings of the mainstream global economic system (i.e., ‘the model’) have been identified in the past long before the Covid quarantine. In no particular order of importance or preference, a number of these shortcomings are presented in the following paragraphs.

### **Plutocracy, cronyism**

Capitalism and democracy go hand in hand, or at least they should, but it must be observed that affluent individuals together with prominent corporations and related alliances have exerted a disproportionate influence on policy making through direct and indirect lobbying. Through such means, they have acquired a greater say in the enactment of regulations that benefit them – the minority. Moreover, the electoral processes are biased due to the fact that policy makers receive abundant donations from their sponsors, who in turn receive favourable treatment when the recipients enter into office (e.g., cronyism, nepotism, etc.). All of this undermines trust in supposedly democratic institutions and thus the rule of law.

### **Promoting ignorance**

As a principal characteristic of capitalism, the driving force of consumerism is ignorance (here considered in the context of agnotology). Consumers are constantly being ‘anaesthetized’ by the media, so as not to think and to indulge in the purchase of whatever comes into their mind. ‘Enjoy the moment’ or ‘enjoy it while it lasts’ are widely accepted mottos that trigger ignorance, which in turn depreciate the value of self-sacrifice, devalue the suffering for a greater good or destabilise a long-term perspective. Markets ought to be areas for building relationships among people; they are not purposed for or limited to consumption alone. The absence of a structured, sustainable strategy with regard to supply chains, the intentions and behaviour of producers together with the growing tendency towards mindless shopping all have a powerful influence on what is produced, how, where and at what cost to society and the environment.

## **Tax evasion, offshoring**

The global economic system is based on a theoretical liberal ideology in which capital flows freely across borders. However, in practice this has resulted in a race to the bottom, with various jurisdictions competing to offer the lowest possible tax rates. This means that the largest and wealthiest global companies and individuals basically pay only what they wish to contribute in taxation, which can often be nothing or next to nothing; the ability to move their operations, accounting and headquarters offshore secures this severely reduced tax burden in perpetuity. Of course, most regular citizens are not afforded this luxury as smaller amounts of taxes must always be paid, whereas large amounts can be shuffled around at will by the wealthy. Taxes are the price of a well-maintained, orderly, good society: it is profoundly hypocritical not to pay taxes but to enjoy the benefits of a society paid for by others.

## **Globalisation and competitiveness: the run to the bottom**

Practically speaking, globalisation is a process of eliminating borders between jurisdictions so that capital can move quickly and unrestrictedly, but people cannot do likewise. This puts those who provide capital in a favourable position to those who supply labour. ‘Competitiveness’ is a key word in the partnership with ‘globalisation’, and it is mainly practiced as a reduction (or even the elimination) of privileges and rights. Those who have weak environmental, social, healthcare and worker protection rights are by definition more competitive and more attractive to capital holders. Their attractiveness, however, quickly fades as soon as someone else appears on the scene offering even lower taxes and requiring even lower commitments from investors.

## **Financialization promoting indebtedness**

Usury has been regarded as immoral during most of human civilization and was accordingly prohibited in numerous societies. Making money just because one had money has been subject to condemnation over thousands of years, across religions and continents alike. However, since the 1980s indebtedness (debt-to-equity ratios) has increased, and the share of financial services in GDP has grown. The financial sector shifted from serving the real economy to becoming the axis that governs the real economy; nowadays, the real economy serves the financial sector. Practices such as share buybacks, which give priority to shareholder value over research and development, are now becoming commonplace. Sovereign states, along with many small and medium-sized enterprises (SMEs) and the citizens on which they depend, are caught in a spiral of debt, struggling to finance compounded interests.

## **A moral hazard: TBTF ('too big to fail')**

Large companies, especially in the financial sector, continue to rely on TBTF – the ‘too big to fail’ policy. They are inclined to take risks because they know that if something goes wrong, they themselves will not bear all or even any of the consequences. Profits are held private while losses are shared: this destabilizes the political and societal structure of capitalism.

## **Disregard of the collective and the environment**

The focus on individual rights without an obligation to the collective, to society or to nature places the individual in a much weaker position when crises occur. The fabric of society—its institutions and policies—must be created and maintained in times of prosperity, if only because they cannot be built from scratch in an emergency. If the rights of the individual had been placed above the survival of the community, human civilisation could never have developed properly. ‘Economic optics’, which focuses on direct monetary payments, gives priority to the financial result and ignores all the non-measurable social and environmental effects of companies.

All of the abovementioned deficiencies, along with those that were not raised here and yet remain relevant to the broader discussion, depict an economic model that is ripe for change.

## **Alternative economic models**

An ‘economic model’ is a simplified description of reality, created to produce hypotheses about economic behaviour that can be tested and assessed (Ouliaris, 2011). As such, models can be theoretical (with the aim of providing qualitative solutions to specific questions) and empirical (with the aim of verifying the qualitative solutions of theoretical models and transforming these solutions into precise numerical results). Of note, those without formal education in economics often use this term in a less restricted way, as a “particular way of organizing an economy” (University of Cambridge, 2020). In this sense, capitalist, socialist and alternative economic models are often compared. Here we use the latter, looser notion of an ‘economic model’.

It should be evident that there is no universal, homogenous, standardised capitalist economic model or system; there are numerous variants of capitalism, with some features of the model visible even in modern communist China. As socialist economic systems in the post Second World War historical experiment have proven inferior, even though they may have had many positive elements, they are not regarded as viable alternatives to the capitalist economic model (at least not in this particular paper).

Some of the key elements that describe all capitalist models are as follows:

1. they are founded on private property and individual freedoms,
2. they are profit-motivated,
3. they are market-based (seeking less government intervention), and
4. they are competitive and innovative.

(It should be noted that these ‘key elements’ are not ranked in order of priority or importance, and that the list is by no means exhaustive.)

With some exceptions on competitiveness and innovation, there is a broad spectrum of definition and variation on what ‘private property and individual freedom’, ‘profit-motivation’ and ‘market-based’ mean in practice and how they should be approached. As a consequence of this wide spectrum of interpretation, there are no off-the-shelf, ready to implement ‘alternative’ economic models; the scope of limitations given to the previous elements can transfigure the mainstream model into an alternative.

As a result, we can scrutinize alternative economic models in terms of

1. the scope of constraints imposed upon private property and personal freedoms,
2. the demotion of the absolute power of profit and its priority,
3. limits of reliance on the invisible hand, and
4. some shift from competition to cooperation, with certain external limits and a framework to innovation.

The ‘alternativeness’ of a model is given by the size of the exceptions and by the longest distance of deviation from the given elements; it stems from the established premise that the liberal capitalist model was (and still is) touted as superior, as the only social, economic model worthy of commitment, “not perfect, but better than any available alternative” (Pethokoukis, 2015). We should acknowledge that capitalism excels in providing enough means to sustain the majority of its population, while dampening internal voices of dissent and existential boredom by filling everyday life with nonsensical clutter (gadgets, online ‘social networks’, etc.); these distractions are designed to ensure that social upheaval or revolution on a large scale remain, in most cases, virtually inconceivable. Nevertheless, it may be perceived that ‘alternativeness’ comes in different orders of magnitude and in many dimensions. Above all, prioritizing a long-term universal good clashes with sacrosanct private property and the priority of profit, while the constant undercutting of public institutions comes at a price, one that has proven to be past due in times of crises or pandemic.

The daily round of always being busy running after time to accumulate more money suddenly came to a grinding halt during the pandemic: time became available and broke the premise that time equals money. For many, this opened a window of opportunity to reflect on the larger scheme of things: who we are, what we do and why we do it. Some were afraid of a profound shift into the unknown and wanted to return to safety (to the time before) as quickly as possible, while others saw an abject pointlessness in the prevailing economic system, one that was shown to collapse immediately if people only buy what they really need.

As discussed in the previous section, a return to ‘normality’ is not necessarily desirable, even if it were possible, which is not the case. Liquidity assistance to companies (i.e., bailouts) are emergency measures based on the assumption that the economy is only facing a temporary, short-term interruption. This assumption is most likely incorrect. Without the restoration of the pre-coronavirus levels of demand for products and services, such as cars and air travel, that prevailed before the pandemic struck, the gigantic automaker and the air-travel industries along with their global supply chains will be fundamentally disrupted. Other sectors will also struggle with a reversal of the previous routine. This leaves us in an ongoing search for a sustainable, alternative model, a search aimed towards those who depart in some way from the key elements that describe capitalist models.

On deeper analysis, we could even argue that a new model is already on its way due to the many benefits brought about by the lockdown; these include but are not limited to (Bfinn, 2020):

- more leisure, reflection and family time
- more robust supply chains
- support for the local community and its businesses
- business continuity planning
- planning and preparation for other existential risks and future crises
- improving critical infrastructure
- improving the e-services of governments
- improved international cooperation with advances in virology, epidemiology and medicine in general
- hygiene improvements
- saving office costs, commuting time and its associated costs through remote work
- digital transformation of organisations, increasing efficiency
- more work for disabled people
- improved internet access
- business innovations to deal with new circumstances
- de-urbanization due to remote work
- lower urban property/real estate prices
- lower inequalities between regions of countries

- re-shoring
- less CO<sup>2</sup> and air pollution
- reduction/banning of wild animal capture and sale
- increased parental understanding of children's education due to home schooling
- improved distance learning
- more charitable donations, philanthropy and volunteering
- re-evaluation of life
- appreciation of essential services and key workers

All of these points, in addition to those that will only be realized later, could be regarded as the building blocks of an alternative economic model.

## **Conclusion**

The shortcomings of the dominant capitalist economic model were commonly known long before the Covid-19 lockdown. The most apparent deficiencies include tax evasion through offshoring, unchecked globalisation as a run to the bottom of human rights, rising indebtedness as a consequence of financialization, plutocracy and cronyism, disregard for the collective and the environment, ignorance as the driving force of consumerism and numerous associated shortfalls that await future discussion. In the midst of the pandemic-induced crisis, many experienced a form of revelation: the flaws and weaknesses of the current social and economic model were suddenly recognised and dissected. As a result, a good number of people have come to expect economists to produce alternative solutions, and swiftly.

Economic models are contingent upon prevailing worldviews, ideologies and beliefs, and they cannot be replaced or reinvented in the bat of an eye. It should therefore not come as a surprise that economic systems typically do not change overnight. Such an accomplishment requires restraint, pushback, perseverance and even stubbornness in standing behind principles, sometimes in opposition to power and the majority. It requires rethinking and reimagining the entire structure of society – not just the economy. The Covid-19 lockdown awakening may be a turning point, but in May 2022, it still seems like wishful thinking at this particular point in time; in simple terms, more effort needs to be made to make the transition.

The global economic freeze took most people completely by surprise. Even though the shutdown of business operations could not be attributed to the fault of any particular company, sector or industry, it is nonetheless apparent that large sectors of the economy do not have the minimum degree of robustness, resilience and financial strength to manage—at least partially—any type of sustained crisis, be it local or global. During the intense growth of the past decade, excess funds were invested into propping up stock prices through buybacks or other short-term



purposes, and yet almost none of this investment was ever set aside for ‘a rainy day’. If we assume that this crisis is only a minor disturbance on an incontestable trajectory towards the sole economic pursuit of ‘more money’, and if we double down on the perpetual run for GDP growth no matter what the consequences are and could be, then a future crisis or pandemic of any sustained duration could irreversibly endanger the entire course of human civilisation and its historical accomplishments.

And yet, conversely, the virus itself could become the basis for a new economic model. Ironically, the Covid-19 pandemic has approached each human being as an equal. Whether that person is a head of state or lives among the homeless, the coronavirus has touched the rich and the poor alike, regardless of colour or creed. To a virus each one of us has something to offer; every person is regarded as a valuable resource without prejudice or pride of placement. The coronavirus flattened the earth, filled valleys and laid low mountains as no person or thing in modern history ever had before. Perhaps there is something to be learned from this lesson that could yet benefit our advance towards an alternative economic model for the future.



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