We are caught in a trap of poverty and are witnessing its distinct cycle: (1) States are in debt and have to find resources; (2) they can't count on the income of their GDP because of the recession; (3) they must therefore increase the fiscal burden on families and companies; (4) excessive fiscal pressure further reduces productive income; (5) new taxes are necessary to gather more resources; (6) income continues to decline, and the cycle restarts. It moves like a morbid dance that spirals ever downward.

In addition to this vicious-cycle, companies are unable to get loans from banks, which are constrained by their own problems (and incompetence) and external rules. Fortunately, Monti's administration managed to pass a regulation - after receiving the long-awaited authorization from the EU - which aims to put an end to another scandal: the role of the state in the harassment of businesses by high levels of taxation, almost twice that of securities, and not paying down the national debt.

We are facing a situation that would certainly satisfy any economist striving to describe the perfect crisis of an economical system.

Crisis like these have led to the decline of entire civilizations. As time past we learned that there's only one realistic way out of such situations (not fantasy, nor propaganda): increasing labor, demand and income by boosting economic growth. This, however, isn't the solution but the heart of the problem. It demands the loosening of restraints imposed by the EU on the debt to GDP ratio in order to increase public investments, which would bring us back to true development. If a business is in crisis it must, besides reducing costs, invest in and figure out a new business plan, otherwise it will not survive for long. A crisis is either the dawn of a new day or the dusk of a day gone by; if one is distracted they may mistake one for the other due to the similar colors in the sky.

I'm more convinced than ever - together with great economists like Amartya Sen - that the solution, which is supported by Avvenire, is for Italy and other nations in crisis to renegotiate the well-known conditions of the Fiscal Compact to revive investments and boost labor, business, competition and, above all, schools and universities. Our companies aren't yet worn-out; they can still get back on track using assets that have been mostly ignored, namely technological, commercial and technical capabilities, and, above all, cultural, artistic, civic and touristic resources (particularly in the south). Nevertheless, due to the lack of investment in a new system or the adoption of a civil “vision”, our otherwise very promising businesses don't produce enough, or any, income nor employ more labor.

Entrepreneurs, employees and families are caught in a trap from which they can't free themselves without assistance: we urge quick, coherent, determined and forceful public action. Entrepreneurs and workers are exhausted and have very little energy left to hold out longer and move on. We have to be clear and direct; there is no excuse not to act. Only irresponsible politicians and MPs can remain passive in the face of such a scenario. Furthermore, as far as our culture is concerned, companies, traders and even labor have been historically held in low esteem in Italy and other Latin countries. Traders have been considered traitors (in fact, a beautiful book on this topic, written by the historian Giacomo Todeschini and published in 2011, is entitled “Like Judas”) and morally perverse people who follow Judas' example by trading for “30 pieces of silver”, that is, for profit and goods.

On the other hand, state money is good since it's (said to be) spent for the common good, not for a trader’s filthy profit (turpe lucrum). Consequently, public debt is morally better than credits and debts in the private sphere. The latter springs from selfishness and individual interests, while the former from the common good. This distinction lingers in our
consciousness and guides our conscience and collective practice, though we are not always aware of it. If we wish to free ourselves from this trap, we ought to give a new political and cultural meaning to entrepreneurs. First, they are labor's greatest allies, not enemies.

Second, we should distinguish true entrepreneurs, who act according to civil principles, from “speculators” and “wheeler-dealers”, who exploit workers, despoil the environment and sustain the “fiscal paradises”, which are actually “fiscal hells” (does anyone doubt that the large banks have always had branches in these islands of perversion through offshore operations?). Due to this confusion, many people, including influential opinion-makers, continue to consider entrepreneurs potential tax evaders and deceptive traders who should be heavily restrained by the law. This attitude is a serious social sin, one which we all share responsibility for as long as we remain passive and silent.

A new thinking on labor and entrepreneurship is necessary. St. Francis and the Franciscan tradition once again show us the way. Although it may seem contradictory, the poor friar of Assisi, who gave up on his career as a successful international merchant, highlighted traders' activities and social contributions. They weren't “like Judas” for him and, in fact, when he founded a third order of laity many of them became members. A new, special affinity was thereby established between the intentionally poor people and the many merchants who were money-making and finance expert.

One should keep in mind that in many medieval cities merchants were counted among the paupers, the poor people, since their living didn't come from a fixed-income; they were vulnerable to the market's uncertainties and risks. True entrepreneurs, of yesterday and today, risk their own talents and resources in order to create goods and jobs. For this reason, they are friends of the poor and especially those without a job. They don't live on a fixed-income, and if they stop creating and innovating they will crash. Actually, they can go bankrupt even under good management, as has often happened during this crisis. Misfortune is part of the human condition, but for just people it shouldn't get the last word. Let's reconsider entrepreneurs and trust in their companies, which is the place were jobs are created, developed and multiplied. As citizens let us call on governments and national and European institutions to do much more. In fact, although these are weary and worn entities, only with these institutions can we break free from the trap.

Translated by Cristian Sebok