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First Report of the Policy and Reference Committee

The Policy and Reference Committee recommends that the Assembly adopt the following public statements (each requires a 2/3 majority of those entitled to vote):

I. PUBLIC STATEMENT: “DAILY BREAD” INSTEAD OF GREED: AN LWF CALL FOR ECONOMIC AND CLIMATE JUSTICE

Introduction

- (1) The 2003 LWF Assembly declared that:

As a communion, we must engage the false ideology of neoliberal economic globalization ... (which is) grounded in the assumption that the market, built on private property, unrestrained competition and the centrality of contracts, is the absolute law governing human life, society and the natural environment. This is idolatry and leads to the systematic exclusion of those who own no property, the destruction of cultural diversity, the dismantling of fragile democracies and the destruction of the earth.

- (2) Since 2003, many have lost their means of livelihood, their life savings and their sense of a viable future. Promises of unlimited economic growth, fueled especially by carbon consumption, are jeopardizing the planet's future and the future of life as we have known it—especially the lives and lands of those who are the most vulnerable in the world. Climate change is accelerating, as evident through increasingly severe and frequent storms, rising seas and devastating droughts. It also contributes to more severe food shortages, the increased spread of diseases, conflicts over scarce land and water and the forced migration of people.
- (3) As a communion, we have already addressed many manifestations of these crises, locally and globally, and in collaboration with ecumenical and civil society partners. Over the past year, the member churches of the LWF have been on a pilgrimage in many places: We witnessed the dramatic effects of climate change from time in India to the African consultation on climate change and poverty in Kenya. At various pre-assemblies in preparation for the 2010 LWF Assembly, we heard how especially women and children, bear the burden of food shortages, and of the many ways in which an unjust economic system impoverishes the most vulnerable parts of the suffering creation.
- (4) Recently, global financial crises and environmental disasters have dramatically exposed the underlying scandalous greed—of seeking profit through any means, and at the cost of our fundamental humanity. As a faith-based organization, it is crucial that the LWF communion speak to greed, which at its root is a deeply spiritual matter (cf., Luther's discussion of the First Commandment in the Small Catechism).

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Systemic greed dominates, enslaves and distorts God's intentions for human communities and for all of creation. This is in direct contradiction to the petition, "Give us today our daily bread," which is based on the conviction that there will be "enough for all."

- (5) Thus, at this 2010 Assembly,
- (6) we testify to what we see and hear in light of biblical and theological perspectives, we name the central theological convictions at stake, and we commit ourselves to work for the changes needed in our lives, churches, societies and the world. As churches, we may feel powerless to confront or challenge these contradictions, but if we succumb to this domination of sin and hopelessness, we betray the faith we confess.

As a global communion, we bear witness to how "daily bread" and "greed" clash

- (7) We hear the cries of those who are desperate for enough "bread" so that they might live for yet another day, as well as the silent cries of those who are "dying" spiritually from having accumulated "too much bread."
- (8) We glimpse many persons, including youth, who are hidden in our communities who, in the hope of getting the "daily bread" they need to survive, feel compelled to submit their labor and their bodies to being exploited by those greedy for profit and pleasure.
- (9) We hear the complaints of young people who face a future without jobs that can support them and their families, and the laments of older workers who cannot leave their jobs because without them they would be deprived of what they require in order to live.
- (10) We see many people who lack the basics to sustain life—food, health, shelter or security—while some leaders reap big bonuses and live in luxury, and seem unable to break the political gridlocks needed to implement policies and provide resources needed to ensure "daily bread for all."
- (11) We feel people's sense of panic when financial markets and banks collapse, undermining the economic security people have counted over, but also the false hopes generated as these institutions are rescued, even while the economy that provides jobs and livelihoods still falters.
- (12) We are alarmed that in most countries, a small percentage of the population owns nearly all the financial assets, such that financial gain becomes a form of idolatry instead of God's will of "daily bread for all."

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- (13) We deplore the fact that billions can be found to rescue big banks and financial institutions, but not the financial resources needed to sustain those around the world who continually lack “daily bread.”
- (14) We deplore the global speculation on food commodities that sharply raises the cost of food, making it more insecure for at least a billion people.
- (15) We see how the land, animals and people are dying as drought conditions become more severe, accelerated by the fossil fuel emissions of distant companies that pursue ever-greater profit at the cost of the common good.
- (16) We experience increasingly unpredictable weather patterns, altering the planned growing seasons essential for cultivating the food that we need.
- (17) We hear people telling us of how their villages have been washed into the rising sea, proof that climate change, accelerated by greedy deforesting and mining practices, is very real.
- (18) We observe that large business interests, whose practices are harming communities and creation, often have undue influence over governments.
- (19) We decry that ever more advanced technologies plunge into previously unknown depths or heights for the sake of ever greater profits, without adequately accounting for risky ethical consequences, and lead to tragedies of catastrophic proportions that devastate natural habitats and human livelihoods for many years.
- (20) We deplore that, instead of church leaders speaking out to challenge and change the way in which systemic patterns and policies of greed are ruling our world, often proclaim and model a gospel of prosperity or are complicit with the ways of empire, especially in pursuing gain at the expense of others, rather than being consistent advocates of “daily bread for all,” as Jesus himself modeled and taught.

Systemic greed is a spiritual matter of idolatry

- (21) While there are complex factors and analyses involved in each of the above examples, the underlying issue is excessive, personal, systemic and structural greed, which is not only a social, economic, and political scandal but also a deeply spiritual problem.
- (22) Greed haunts each of our societies, as well as our churches, when decisions are made and actions are taken that benefit a few at the expense of the many. The systemic greed built into the logic and practices that permeate our lives and world is in direct contradiction with the heart of the prayer – “Give us today our daily bread.”

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- (23) As Christians, we cannot pray this petition without protesting the many ways in which greed prevails over the generosity for all which this prayer affirms. The dominant economic model today is based on assumptions of scarcity – in opposition to the biblical view of enough for all. The overexploitation of natural resources is based on assumptions of endless plentitude – in opposition to the biblical view that human beings are to be the stewards or caretakers of God’s creation. The interrelated crises we face today have come about because human beings have reversed and thus violated both of these divine mandates in Genesis.
- (24) Instead of a sense that “God will provide what we need,” what prevails today is a perverse sense that nature will provide according to the dictates of boundless human greed. Nature today is protesting this. Tragically, the people and lands most dramatically affected usually are less at fault than are wider forces, policies and developments to which the people and lands most vulnerable to climate change are captive. The lands and peoples most devastated are not those that draw the attention of the media. Such tragedies are driven by quests for ever-higher profit and economic growth, fueled by greed. Greed has led to practices such as deforestation and the extraction and burning of fossil fuels against which nature is revolting.
- (25) To a large extent, economic crises are evoked by practices of inordinate greed in quest of ever-greater financial gain. In a reversal of biblical values, greed has become acceptable, taken for granted, and encouraged as necessary for economic recovery or prosperity.
- (26) We must name and denounce the practices, systems, assumptions and logic underlying and perpetuating these contradictions or injustices. In doing so, we are inspired and emboldened by the biblical witness, by Jesus, and by our forebears such as Luther.
- (27) The Old Testament prophet Jeremiah cried out, “From the least to the greatest of them, everyone is greedy for unjust gain; and from prophet to priest, everyone deals falsely. They have treated the wound of my people carelessly, saying “Peace, peace,” where there is not peace (Jer 6:13). According to the prophet Ezekiel, the great sin of the people of Sodom was that they were arrogant, overfed and unconcerned, and “did not aid the poor and needy” (Ezek 16:49).
- (28) In the Gospels, Jesus drew a stark contrast between the logic of God who provides “daily bread” and that of humans seeking economic gain at the expense of others: “You cannot serve God and wealth (mammon)” (Mt 6:24; Lk 16:13). The early Christians were urged to be on their guard against all kinds of greed (Lk 12:15), to flee from it (1 Tim 6:11) or to kill it (Col 3:5). In the early church, Basil the Great referred to the greedy as those not satisfied with what suffices for their needs, and who do not share what they have with others.

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- (29) Martin Luther spoke out against sinful systems and practices that oppressed and impoverished people. He clearly said “No” to practices of the banking and trading companies of his time: “Nothing good can come of them. If the trading companies are to survive, justice and honesty must perish. If justice and honesty are to survive, the trading companies must perish” (WA 15, 312: LW....). He was referring not only to a few greedy individuals, but to the system and assumptions upon which it was based, which divorced making money from meeting human need and required some to acquire ever more.
- (30) As a Lutheran communion, we are called to speak out against similar systemic injustices in our day, because related crises of faith still are at stake. In the sixteenth century, the crisis was over the gospel that frees people from the fear and bondage of sin, which became embedded in systems needing to be challenged. Today, people are in fear and bondage over the greed embedded in the economic system and over what the future will hold, unless dramatic changes are made for the sake of global economic and environmental justice.
- (31) While greed has been prevalent throughout human history, under modern neoliberal capitalism, the virus of insatiability (never having enough) has turned into a general epidemic. All aspects of life tend to be valued in terms of their monetary worth or potential financial gain. Greed often hides under a mask of good intentions and practices of respectable people. In fact, a certain amount of greed is considered “good”—necessary for a market economy to function. In this sense, greed has become systemic—built into the reigning reality which people go along with. In order to function within this system, individuals are socialized to become greedy. Although some individuals may seem particularly greedy, focusing only on them can keep us from seeing how the various systems in which we all participate are what perpetuate and legitimize patterns and practices of greed. Greed is a part of us; it is not just “out there.”
- (32) Systemic greed is an expression of the domination or bondage of sin that is expressed through the theology of Paul (e.g., Rom 6) and Luther. It becomes the idol, for which persons, communities and the rest of creation are sacrificed. Money and financial markets take on a life of their own—with the creation of an endless variety of new financial instruments for making quick, hyper-profits. More than just a medium of exchange, money has become a commodity from which ever larger profits are promised and expected. When these promises are betrayed—as when the system collapses—the undergirding idolatry is exposed.
- (33) Operating within this system, frantic attempts to rescue financial systems and ecosystems turn to tools, technologies or approaches consistent with the logic, which in some cases make matters worse. Language is used to obfuscate the greed involved, in ever increasingly sophisticated ways that even experts cannot understand, much less responsibly regulate. If politicians propose measures to regulate or reign in the

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craftily devised means for achieving greater profit over others, they may be punished by declines in the stock market. The real economy of jobs and what is needed for daily life has increasingly become captive to the gyrations of the virtual economy of finance and trading, the reigning god in our world today.

Responding as churches

- (34) As churches we confess that we too are caught up in these realities. We too live in the grip of a relentless pursuit of unlimited progress and prosperity that all too often is fueled by greed. Church leaders sometimes lack transparency and obfuscate unjust practices. We too seek advantages for ourselves at the expense of others. We too live under the reign of sin.
- (35) Yet at the same time, we also live under the reign of God's grace, compassion, justice and generosity. Instead of remaining captive to the principalities and powers reigning in this world, we are liberated by Christ and empowered by the Holy Spirit to resist the inner logic of personal and structural greed. Living out of this Christian freedom rather than out of fear, we are able to lift the veil from our eyes to see, unblock our ears to hear, and unleash our wills to act. We face these crises with a sense of God's indwelling, abiding presence, which empowers us to speak and act.
- (36) We recognize that negotiating the tension between the two reigns -- of grace ("daily bread") vs. greed -- is the ongoing struggle of discipleship. In our churches we call for teaching and preaching that clearly names the tensions operating in their respective contexts, and for ongoing spiritual formation that enables people to deal with these tensions in their own lives.
- (37) We will name, analyze and publicly denounce the domination of capital accumulation over people and earth in the present economic and political system as well as blatantly greedy practices of large businesses and financial institutions, and call them to account for the consequences of their actions, including through the inter-relationships we share with others in the communion.
- (38) We will advocate with governments and inter-governmental organizations for the development and enforcement of adequate regulations of financial transactions, trade and investment, which -- if unrestrained -- expedite greed at the expense of the most vulnerable.
- (39) We recognize and will speak out against the ways in which economic and environmental injustices are inter-related. For example, there must be drastic reductions in carbon-based consumption for the sake of reducing global warming trends, through measures that share the responsibility globally. Those who have contributed most to the problem should bear most of the cost for adaptation and mitigation, especially for the sake of those in the world who are most vulnerable to

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the effects of climate change. The world's wealthiest nations must assume responsibility for the ecological debt they have created, and for the disasters that perpetuate carbon colonialism in the developing world.

- (40) We will engage with those of other faiths, and with the rest of civil society in efforts to subvert structural greed and develop alternatives that are life-giving and sustaining for all.

II. PUBLIC STATEMENT: ILLEGITIMATE DEBT AND INTERNATIONAL FINANCIAL CRISIS

- (41) Gathered at the Eleventh Assembly and seven years after the Tenth Assembly in Winnipeg where a Public Statement on Illegitimate Debt was issued, we note that debt, now aggravated by the crisis originated in the wealthier industrialized countries, remains a major obstacle to the eradication of poverty and the achievement of fundamental human rights for all people. The debt burden has had a significant impact in parts of Latin America, Africa, Eastern Europe and Asia.
- (42) The results of the instruments by which the international financial institutions (IFIs) have faced the issue of debt have been wrong or limited. Relief initiatives for poor countries, while benefiting a few, in most cases have had meager or even negative effects, as these initiatives have been linked to harmful economic conditionalities and to asymmetrical power relations. Moreover, beyond their technical weakness, these instruments are mistaken in their approach, as they concentrate exclusively on the *sustainability* of debt and not on its *legitimacy*.
- (43) Debt, and the financial system on which it is based, the same that caused the current crisis, not only block the development potential of millions of human beings, but their very survival: the bread that we ask for all humanity in the prayer Jesus taught us is a reality for fewer and fewer people. This is a matter of ethic and moral condemnation and as churches we cannot remain indifferent.
- (44) However, over the last years, we have seen many signs which encourage us to continue our efforts and help foster the necessary changes to overcome the current situation and make progress towards a new international financial architecture based on justice and law.
- (45) Among these encouraging signs it is important to mention:
- (46) The Norwegian Government's initiative unilaterally and unconditionally to cancel the debt of five countries on the basis of its co-responsibility;
- (47) The sovereign decision of the Government of Ecuador to conduct a comprehensive audit of the public debt

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- (48) The International Symposium on Illegitimate Debt (Oslo, October 2008). It was organized by the LWF, Norwegian Church Aid (NCA) and the Church of Sweden, and brought together representatives of governments, churches and United Nations agencies along with university professors and prominent movement leaders and civil society organizations;
- (49) The debate at the UNCTAD and its proposal for responsible lending and illegitimate debt; and
- (50) The progress in social and political acceptance of the concept of illegitimacy and the growing awareness that sovereign borrowing and debt are not just a matter of finance and economics, but of politics, law, justice, and ethics.
- (51) In this context it is necessary to:
- (52) Continue to develop the concept of illegitimate debt in the light of useful criteria that can be found, along with other sources, in the academic scientific production and the work of UNCTAD and other organizations.
- (53) With the vision to start a new financial structure that serves human beings and not be served by them, encourage the creation of international legislation to control the conditions of loans and credits. This legislation should include the principle of shared responsibility of borrower and lender to ensure that all credit and loan operations will benefit the host population.
- (54) Ensure an efficient system of audit of all sovereign credit transactions.
- (55) Implement a full and active participation of the population of the borrowing countries in every contract of indebtedness. This must be done through legal mechanisms in each country, ensuring the right to free and full information on contracts and obligations.
- (56) Therefore the Eleventh Assembly urges all the churches of the Lutheran Communion as well as the LWF to:
- (57) Assume, with courage and decision, the role that the churches should have about the ethical and moral guidance on issues such as foreign debt and economic governance;
- (58) Sustain and deepen the commitment made with reference to illegitimate debt incorporating reflection and analysis on the effects of the current international financial crisis and the causes that motivated it;

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- (59) Promote and give impetus to, both ecumenically and with other civil society actors, the conduct of audits, verification of contracts, censuses of creditors, and all the necessary mechanisms to help expose and obtain the annulment of all illegal or illegitimate debts;
- (60) Challenge all governments and all public and private lenders to accept and implement the principle of shared responsibility as a fundamental issue of justice and to express this in their regulatory frameworks;
- (61) Promote the right to information together with the recognition of the indispensable role of civil society in mobilizing political will, and in the proposal and supporting of legal interventions related to the illegitimate debt;
- (62) Promote, by all means available, the request for an advisory opinion from the International Court of Justice about debt and its regulatory framework in international law. This is a necessary action that will help establish legal frameworks to govern credit and debt both past and future; and
- (63) Undertake the essential task of advocating for the construction of a new international financial architecture developed on the basis of justice, respect for human rights and the environment.