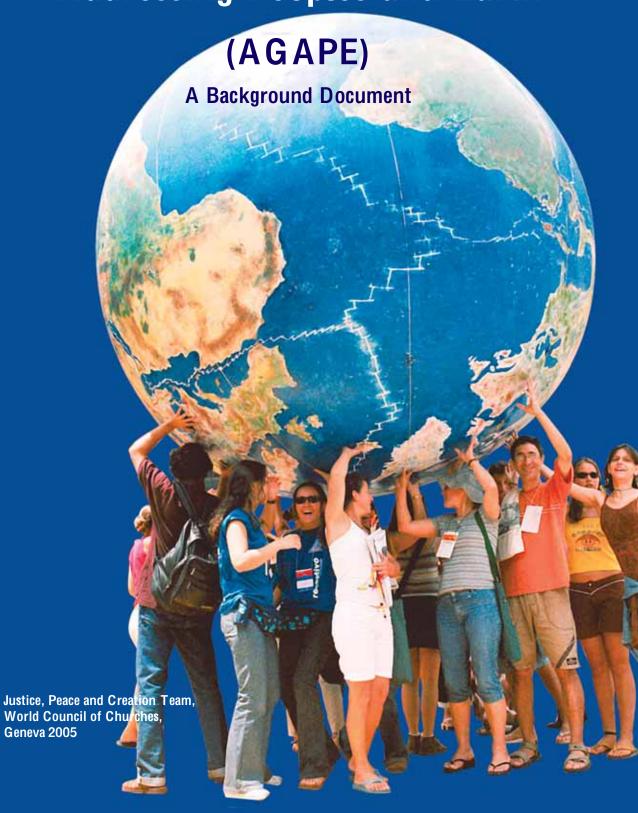
## Alternative Globalization Addressing Peoples and Earth



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# Alternative Globalization Addressing Peoples and Earth (AGAPE)

A Background Document



Justice, Peace and Creation Team, World Council of Churches, Geneva 2005

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### FOREW ORD

But let justice roll down like waters and righteousness like an overflowing stream.

Amos 5:24

In the years since the last assembly of the World Council of Churches (WCC) in Harare in 1998, injustice and inequality have taken new and more aggressive forms. Many more people are dying of poverty today than ever before. Unacceptable levels of poverty coexist with small pockets of wealth between and within nations. Mother earth is groaning because of the many ways in which we continue to exploit her. Churches are, therefore, called to read the signs of the times and respond to the gospel imperative of justice for all. Can we remain in comfortable silence when over three billion of God's people are caught in the web of poverty and death?

So as to engage the churches and the wider ecumenical family in confronting these realities, this background document explores the question of how the churches and the wider ecumenical family can respond to the human tragedies rooted in the project of economic globalization. Entitled "Alternative globalization addressing peoples and earth (AGAPE)", this document was drafted by a small group of representatives from churches and related organizations. The text is based on the findings of a series of church consultations and studies on globalization organized by the WCC and other ecumenical organizations over the period since the 1998 WCC assembly in Harare.

It is hoped that this process will produce an AGAPE call to action to the next WCC assembly in Porto Alegre in 2006. The churches and the ecumenical family will be called to move beyond critique of neo-liberal globalization to stating how God's grace can transform this paradigm. The call will be for an ecumenical vision of life in just and loving relationships, through a search for alternatives to the present economic structures.

The aim of this document is to inspire the churches and the wider ecumenical movement to continue to address current global problems so as to respond resolutely to the intolerable levels of poverty in our world.

The document is being sent out to member churches, world communions, regional ecumenical bodies, specialized ministries and agencies, and social



movements so as to enhance reflection as they prepare themselves for the 2006 WCC assembly and beyond. The document is structured as a study guide for use in seminars and discussion groups. Some questions are suggested at the end of each section or in each particular context as the basis for discussion. Focussing on alternatives, the final section of this text can also provide a basis for actions.

A theological framework built on the concept of AGAPE-God's abounding grace and love — undergirds the entire text to emphasize that it is a theological and spiritual basis rather than ideology that challenges the churches to act. This is what differentiates the role of the churches and the ecumenical family from that of other development organizations. As churches and ecumenical family, we act because we respond to God's mission of ushering in justice and peace on earth.

It is hoped that this document will inspire the churches and the ecumenical family to address the complex questions around economic injustice, which is the main challenge of our times.

Let me conclude with a warm word of thanks to all the people and ecumenical organizations who have thus far participated in this process and have contributed to the results we present. It has been an extraordinary journey that the WCC undertook together with many different partners and friends. All those involved in the drafting of this document deserve special thanks for their dedicated and committed work.

Geneva, March 2005

Rogate R. Mshana

Please send your responses to:

#### **AGAPE**

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#### THE AGAPE CHALLENGE

God loves righteousness and justice; the earth is full of the steadfast love of the Lord.

(Ps. 33:5)

#### 1.1 The AGAPE process

The AGAPE challenge is a response to the question raised at the World Council of Churches (WCC) assembly in Harare, Zimbabwe, in 1998: "How do we live our faith in the context of globalization?" Churches and the wider ecumenical family, which includes world communions, regional ecumenical organizations and specialized ministries, have wrestled with this question over the past seven years or so.

In a series of consultations and studies on economic globalization<sup>2</sup>, they were guided by the section on globalization in the Report of the Harare assembly that recognized the pastoral, ethical, theological and spiritual challenges that globalization poses to the churches and the ecumenical movement. "The logic of globalization needs to be challenged by an



<sup>&</sup>lt;sup>1</sup> From the very beginning of this process, the WCC has made a clear distinction between globalization as a multi-faceted historic process and the present form of a pernicious economic and political project of global capitalism. This form of globalization is based on an ideology that those groups and movements involved in the World Social Forum have described as "neoliberalism" (cf. part 3.2 of this document). This distinction between these two understandings of globalization was introduced by the Copenhagen Seminars for Social Progress, cf. Jacques Baudot (ed.), *Building a World Community. Globalization and the Common Good*, Royal Danish Ministry of Foreign Affairs: Copenhagen 2000, p. 44f

<sup>&</sup>lt;sup>2</sup> From the process from Harare to the present Assembly, see Appendix.

alternative way of life of community in diversity". The assembly delegates called for a vision of the *oikoumene* of faith and solidarity that motivates and energizes the ecumenical movement to overcome the globalized paradigm of domination.

Six years later, neoliberal globalization poses an even greater challenge for the churches, for the peoples and the earth, and the need to develop alternatives is ever more urgent. At the WCC assembly in Porto Alegre in 2006, churches and the ecumenical family are expected to move beyond the critique of neoliberal globalization to develop a vision of a just, compassionate and inclusive world, and to commit themselves to concrete responses rooted in viable alternatives. The theme of the Porto Alegre assembly, "God, in your Grace, Transform the World", will appropriately guide the AGAPE call to action.

Such a vision can become a reality only when economic and ecological justice is addressed holistically, with democratic participation at all levels. The vision cannot be achieved while the material over-abundance enjoyed by a small part of the global community continues to grow side by side with, and most often at the expense of, the abject poverty of a majority of this community. This intensifies unconscionable levels of inequity in our world. The unquenchable thirst for more power, more profits and more possessions, which motivates corporate entities, and some individuals and social groups, is unsustainable and deprives many communities of the ability to meet their own needs in harmony with the environment.

The Women's Voices on AGAPE summarized these lessons when they told us: "We are not afraid to say that we live in a time of empire. In using the term 'empire', we mean the coherence of economic, cultural, political and military powers that constitute a global system of domination directed by powerful nations and organizations" to protect and defend their own interests. Women from the South and from Eastern Europe demanded an end to unjust structures, institutions and policies and to the "insecurity and frustration provoked by the neo-liberal model [that] are inflicted on women's lives from womb to tomb".<sup>4</sup>

An ecumenical group of 38 participants met in Geneva, Switzerland, from 22-24 June 2004 to prepare an initial document on "Alternative Globalization Addressing Peoples and Earth" (AGAPE) in preparation for the WCC's next (2006) assembly in Porto Alegre. This is a document from the churches to the churches. It outlines new challenges and

<sup>&</sup>lt;sup>4</sup> This phrase is from the Accra Confession, World Alliance of Reformed Churches, August 2004.



<sup>&</sup>lt;sup>3</sup> Diane Kessler (ed), *Together on the way. Official report of the eighth assembly of the World Council of Churches*, Geneva: WCC, 1999, p. 258; see also Richard Dickinson, *Economic globalization: deepening challenge for Christians*, Geneva: WCC, 1998

possibilities for reflection and commitment based on the theme of the 2006 assembly: "God, in your Grace, Transform the World".

#### 1.2 For an economy of life

In 2003, 7.7 million persons owned wealth worth USS one million or more. The sum of their wealth reached US\$ 28.9 trillion, or almost three times the United States national product that same year. In the meantime, 840 million people worldwide are undernourished and 1.5 billion - the majority of whom are women, children, and Indigenous Peoples - live on less than one dollar a day. The world's richest 20 percent account for 86 percent of global consumption of goods and services. The annual income of the richest 1% is equal to that of the poorest 57%, and at least 24,000 people die each day from poverty and malnutrition. Environmental problems - global warming, depletion of natural resources, and loss of biodiversity - loom ever larger. For instance, we will lose 30 to 70 percent of the world's biodiversity in a time span of 20 to 30 years. Wars rage in many parts of the world, and militarization and violence have become part of our daily existence. Financial crises have become more frequent and intense. Joblessness is becoming pervasive, threatening the people's livelihoods. In a word; human life and the earth are under grave threat.

Many call the ideology that underlies, promotes and seeks to legitimize this concentration of multifaceted power structures *neoliberalism*.<sup>5</sup> This ideology drives *neoliberal capitalism* and *neoliberal globalization*.<sup>6</sup> In this perspective, neoliberalism provides an ideological cloak for the project of economic globalization that expands power and domination through an interlocking web of international institutions, national policies, corporate and investor practices and individual behaviour. In essence, neoliberalism turns human beings into commodities and reduces the role of national governments to secure harmonious and sustainable social development. It places utmost emphasis on private capital and so-called "unfettered markets" to allocate resources and to promote growth.

Centred on capital, neoliberalism transforms everything and everyone into a commodity for sale at a price. Having made competition the dominant *ethos*, it throws individual against individual, enterprise against enterprise,

<sup>&</sup>lt;sup>6</sup> The economic school of monetarism gained strong political influence in the USA and the UK in the Reagan and Thatcher era. Calling for a retreat of the state from economic regulation, liberalization, privatization and deregulation became the mantra of its proponents. At the 1982 G7 meeting in Cancun (Mexico), this approach was adopted and began to shape national economies and their exchange. Being introduced within the discourse of the International Financial Institutions it was also dubbed the "Washington Consensus".



<sup>&</sup>lt;sup>5</sup> Refer to section 2.2, page 9, for explanation on the origins of the theory of neoliberalism.

race against race, and country against country. Its concern with material wealth above human dignity de-humanizes the human being and sacrifices life for greed. It is an economy of death.

Confronted with such massive concentration of economic, political, military and ideological power, we are encouraged not to lose hope. We must not give up the struggle for an economy of life. This is God's challenge to us. Our faithfulness to God and to God's free gift of life compels us to confront idolatrous assumptions, unjust systems, the politics of domination and exploitation in the current world economic order. Economics and economic justice are always matters of faith as they touch the very core of God's will for creation.

An economy of life reminds us of the main characteristics of God's household of life:

- The bounty of the gracious economy of God (oikonomia tou theou) offers and sustains abundance for all:
- God's gracious economy requires that we manage the abundance of life in a just, participatory and sustainable manner;
- The economy of God is an economy of life that promotes sharing, globalized solidarity, the dignity of persons, and love and care for the integrity of creation;
- God's economy is an economy for the whole oikoumene the whole earth community;
- God's justice and preferential option for the poor are the marks of God's economy.<sup>7</sup>

## 1.3 A call to the churches to become transformative communities

Paul describes the world system of his time (the Roman Empire) as characterized by "idolatry and injustice" (Romans 1:18). All people and peoples are locked in this prison of greed (Romans 1:24ff.) under the power of sin leading to death and decay of the whole creation. Even if they wish to get out, they cannot (Romans 7:14ff.). But God's grace creates a new humanity out of all peoples (Romans 5:18), through the spirit of Christ (Romans 8). The whole creation groans to enter this freedom (Romans 8:19). No powers and rulers of any empire can separate those communities in the spirit from God's *agape* (Romans 8:31-39).

Four of these five characteristics reflect the "Criteria towards economic policy-making" presented in the WCC study document on *Christian faith and the world economy today*, Geneva: WCC, 1992, p. 29 ff. This document was an important step in understanding that economic matters are indeed matters of faith.



We, churches and believers, are called to look at the world's reality from the perspective of people, especially the oppressed and the excluded.

We are called to be non-conformist and transformative communities. We are called to let ourselves be transformed by the freeing our minds from the dominating, conquering and egoistic imperial mindset, thus doing the will of God (according to the Torah) which is fulfilled in love (agape) and solidarity (Romans 13:10, 1 John 3, 10-24). Transformative communities are transformed by God's loving grace. They practice an economy of solidarity and sharing.

Paul's good news is that, in the face of today's principalities and powers, another world is possible. Christian traditions, together with wisdom in other religions and cultures, can contribute to this vision of life in just relationships realized by God's Spirit, and can offer inspirational visions for alternatives.

We as churches are called to create spaces for, and become agents of, transformation even as we are entangled in and complicit with the very system we are called to change.

We witness the massive violation of the human dignity and the integrity of creation. We confront the suffering, enormous economic and social disparity, abject poverty and the destruction of life, which result from the neoliberal model of economic globalization. As churches, we need to accept and assume the vocation to challenge the thinking of the present age, to be transformed ourselves by God's grace, and to boldly develop visionary long-term strategies. It is a pastoral and spiritual task for the churches to address the false spirituality of conformity, and to encourage Christian believers and faith communities to embrace a spirituality of life and transformation rooted in God's loving grace. This is the way in which agape, the love of God and neighbour, is translated into social and economic life.

We are called to be with the suffering people and groaning creation in solidarity with those who are building alternative communities of life. The locus of the churches is where God is working, Christ is suffering and the Spirit is caring for life and resisting destructive principalities and powers. The churches that hold themselves apart from this concrete locus of the Triune God cannot claim to be faithful churches.

In the context of neoliberal globalization, churches are called to make an explicit and public commitment of faith in word and deed. Ways in which the churches can express their faithfulness are by:

 Opting for costly discipleship, preparing to become martyrs by following Jesus;



- Taking a faith stance when the powers of injustice and destruction question the very integrity of the gospel; confessing their faith by saying a clear "NO!" to powers and principalities;
- Participating in the communion (*koinonia*) of the Triune God for fullness of life:
- Sharing the suffering and pain of the people and the earth in company with the Spirit, who is groaning with the whole creation (Romans 8:22-23);
- Covenanting for justice in life together with peoples and other creatures of God; and
- Being in solidarity with the suffering people and the earth, and in resistance to powers of injustice and destruction.

As faithful people of God, churches together become a movement, embracing spiritualities of life for the whole earth community. This implies bearing witness to the dynamic and creative Spirit of God in the universe.

In each historical moment, faithfulness to such a calling requires critical self-examination. Where we are accomplices with systems of domination and injustice, we need to repent. The ministries of preaching the gospel and celebrating the sacraments can be compromised when churches are complicit with systemic injustice and the exploitation of life. In this sense, the role of the churches in the face of neoliberal globalization is not exclusively a question of prophetic ministry and social justice in the service of life. In fact, the task goes to the heart of the evangelical vocation of the churches themselves: to mediate God's call to repent from sin and death and to embrace the reign of God and its justice and life for all.

Churches are challenged to join in the struggle for justice by resisting unjust and destructive powers and by working to build an *AGAPE* society across religious faiths, cultures and social movements, whether the struggle is local, regional, continental or global.

Faithfulness requires that we confront our fears and seek to be liberated from our captivity. Churches must be communities of hope, offering new visions of life, dispelling despair among the people and invoking the power of the renewing Spirit. Let us become, by God's grace, the faithful communion of saints that proclaims the gospel of love and justice, and jubilee for the whole earth.

Throughout the world, there are people who have refused to be captured by neoliberalism; people who are finding new ways to survive the crises that the neoliberal globalization has provoked; people who have exercised the God-given right to say "no" and who have taken back control of their



lives. This diversity of blossoming economies is in sharp contrast with the uniform pattern of market-based globalization.

An economy based on cooperation, reciprocity and solidarity is an economy of life in that it:

- overcomes social divisions:
- brings people and resources together for the good of each and every person and community in society;
- demands solidarity with accountability, acknowledging our interconnection with others and with the whole creation;
- bridges what has been split and unites what has been separated;
- relies on people taking the responsibility and becoming empowered to manage their own individual and communal livelihoods, chart their own histories, and develop their own attributes and potentials;
- replaces capital with people's work, knowledge and creativity as the driving forces of economic activity;
- takes individual and social rights as the reference for planning and implementing development;
- allows individuals, communities and nations to cooperate in building a solidarity-based globalization.

An economy of life is not an end, but a means to make possible the healing and development of persons, societies and the earth. Such an economy translates *agape* into practice.



## PLEA FOR AN AGAPE ECONOMY OF LIFE

The thief comes only to steal and kill and destroy;
I have come that they may have life, and have it to the full.

(John 10:10)

#### 2.1 Life under threat

God's household of life is threatened in various ways. We exist in an era of dangerous paradoxes. The neo-liberal economic paradigm of "global free markets" has amassed more material wealth than ever in the hands of a small minority. The very processes of wealth creation have engendered massive inequalities and highly destabilising trends. The lives of the poor are being sacrificed for the gains of the rich.

Today, 1.5 billion citizens of our planet - the majority of whom are women, children, and Indigenous Peoples - live on less than one dollar a day, even

as the world's richest 20 percent account for 86 percent of global consumption of goods and services. The annual income of the richest 1% is equal to that of the poorest 57%, and 24,000 people die each day from poverty and malnu-



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trition. Environmental problems of global warming, depletion of natural resources, and loss of biodiversity loom ever larger: for instance, we will lose 30 to 70 percent of the world's biodiversity in a time span of 20 to 30 years. Wars rage unabated in many parts of the world, and militarisation and violence have become part of our daily existence. Financial crises have become more frequent and intense. Joblessness is growing, threatening the people's livelihoods.

The centrality of money and monetary standards, especially as economic growth aiming at capital accumulation, now drives almost every country in the world. Financial markets and transnational enterprises systematically plunder the earth for short-term profitability. The belief that corporate market-based economic growth can sustain development is deceptive. Reality again and again contradicts this naïve belief. Pressure to maintain credit-worthiness and competitiveness in the global market harm the political will of governments to create and implement a strong national social policy. The breakdown of social safety nets, expenditure cuts for health and education, and lack of protection for the ecosystem reflect the fact that governments have lost control over their finances, budgets and policies.

## 2.2 Critique of the paradigm of the current economic system

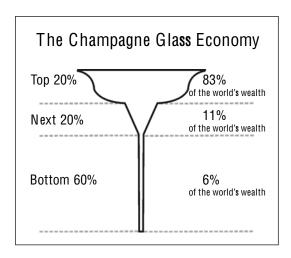
Every economic era has an ideology that seeks to legitimize the policies and practices that benefit the dominant interests of the time. These ideologies come and go, as their way of viewing economic and social life is contested and ultimately displaced by a new orthodoxy. Like others before them, each new economic theory must be vigorously tested against the standards of God's justice and the system's actual impact on the lives of the poor and on the well-being of the earth community - and it must be rejected if it fails this test.

The ideology that underlies, promotes and seeks to legitimize the concentration of multifaceted power structures has been labelled "neoliberalism". It is manifested in "neoliberal capitalism" and "neoliberal globalization". For many, neoliberalism provides an ideological cloak for an economic globalization project that expands power and domination through an interlocking web of international institutions, national policies, corporate and investor practices and individual behaviour.

<sup>&</sup>lt;sup>8</sup> There are good reasons to underline the continuity of the basic elements of the neoliberal ideology as it developed in the post-world-war-II realities as a backlash to socialism and Keynesianism. See e.g. R. Crockett, *Thinking the unthinkable: think-tanks and the economic counter-revolution 1931 – 1983*, Harper-Collins, London 1994; B. Walpen, *Die offenen Feinde und ihre Gesellschaft. Eine hegemonietheoretische Studie zur Mont Pèlerin Society*, VSA-Verlag, Hamburg 2004.



In essence, neoliberalism renders national governments powerless to protect public goods and services. It thus places the utmost importance on private capital and so-called unfettered markets to allocate resources efficiently and to promote growth. Consequently, it cancels the welfare function of the state.



Neoliberalism's facade of scientific soundness has captured the commitment of many global institutions, governments and academia. Neoliberalism assumes

- that only those who have property or may participate in contracts have a right to participate in the economy and society. But God's gifts are for the use of all to live, not for the few to accumulate wealth:9
- a world where individuals and corporations are motivated by their self-interest and where society is merely an aggregation of those self-serving individuals. But economic relations are always embedded in people's social, cultural and political realities;
- that everything and everyone's labour can be owned and traded for a
  price in the market. But creation, including humankind, has a spiritual
  essence, a God-given intrinsic value and purpose that cannot be
  commodified;
- that economic growth through "free" markets is paramount; neoliberalism claims that only through this economic model can poverty be eliminated, sustainable development ensured, gender equality achieved and the millennium development goals finally met. Yet people's concrete experience shows that market-driven economic growth is inequitable, unsustainable and irreconcilable with economic justice and a caring economy;

<sup>&</sup>lt;sup>9</sup> Cf. U. Duchrow/F.J. Hinkelammert, *Property for People, Not for Profit: Alternatives to the Global Tyranny of Capital*, W CC, Geneva 2004. Here, p. 69, see the telling quote of Friedrich v. Hayek, one of the fathers of neoliberal ideology: "A free society needs morality that is ultimately reduced to the maintenance of life — not the maintenance of all life, as it could be necessary to sacrifice individual life in order to save a greater number of lives. That is why the only rules of morality are those leading to a 'calculation of life': property and contract".





- that deregulated labour markets are essential to create new jobs and
  opportunities for workers in a competitive global economy. Yet the
  international division of labour visibly rewards an elite of property
  owners, and promotes a race to the bottom for the majority of the
  world's population through de-unionization, structural unemployment,
  exploitation in free trade zones and contemporary forms of slavery;
- that economic growth requires a dynamic process of "creative destruction": inefficient activities are "allowed" to die while successful enterprises emerge, taking advantage of new technologies. Yet there is an obvious pattern of continuous restructuring that is designed to maintain and enhance the profits of global corporations by sacrificing people and the earth. "Creative destruction" in fact promotes the survival of the fittest and the non-survival of the weak, and contradicts the biblical vision of care and love for the poor and vulnerable;
- that the economic, social and personal trauma that are caused by "structural adjustment" programmes are justified as short-term pain necessary for long-term gain. The assumption is that newly created wealth will trickle down to the poor. Yet the experience around the world is that "structural adjustment" redistributes wealth and power from the poor to the rich and deepens structural inequality. The defence of this unbearable reality amounts to an "economic theology of human sacrifice";
- that markets are always more efficient than the state. Neoliberalism
  assumes that "good governance" exists where governments liberate
  markets and restrict their sovereign right to determine their own
  policies through privatization, dollarisation or enforceable "free trade"



agreements. Failure to comply with these policies, and the failure of these policies, once implemented, to produce their promised benefits, are blamed on "bad governance" rather than on the neoliberal model itself. Yet the most fundamental understanding of democracy, justice and self-determination underlines that the only way to secure genuine good governance is through the regulation of capital and markets to serve the needs of the people, as defined by the people themselves:

- that free markets, free trade, self-regulation and competition will liberate the "invisible hand" of the market for the benefit of everyone. Yet there is no divine force that guides markets. To suggest that markets have such saving powers amounts to idolatry. In any case, "free" markets are not free. The myth of "unfettered", "unregulated", "uncontrolled" market capitalism must be directly challenged. The reality is that markets and capital are highly controlled to secure the maximum benefits for the owners of capital. Liberalization "frees" capital and markets from social obligation, and is therefore immoral and irresponsible by definition. This "freedom" is achieved through the agency of the states dominating the international institutions of the IMF, World Bank and World Trade Organization (WTO);
- that integration into the global economy will ultimately benefit every nation and empower every individual, even if some make greater gains than others. Yet the legacy of neo-liberalism is the deepening of inequality of wealth and power between and within nations. As instability, resentment, resistance and rejection increase, the global economy resembles earlier eras of colonialism that depended for their protection on mounting levels of repression and militarization. In other words, as markets become global, so do the mechanisms that protect them. In recent years, we have seen the dramatic convergence of economic globalization with political and military hegemony in one imperial power network.

Many people feel numb and powerless in face of the massive misuse of mal-distributed economic and political power and the arrogant use of military force. Jesus speaks of mammon and empire when such powers force people and nature to conform to their own spirit and logic, and when life is sacrificed for their sustenance. We experience this reality in various ways in different places and social locations, with the commonality that powers, intended to serve life, degenerate into structures of sin and death.

In their message "Serve God, not mammon", participants in a June 2001 Budapest consultation on globalization highlighted these very structures of sin and death, and called the churches to a decisive stand against mammon, arguing:

"In challenging economic globalization, the church is confronted with



Jesus' words, 'You cannot serve God and mammon.' (Matthew 6:24). Will the churches have the courage to engage with the 'values' of a profit-orientated way of life as a matter of faith, or will they withdraw into the 'private' sphere? This is the question our churches must answer... or lose their very soul!

"The message of the gospel and our traditions teach us neither to be acquiescent to the dominant powers of this world, nor to seek refuge from our responsibilities in private expressions of faith. [...] We urge the churches to raise their prophetic voice so that changes are made for the benefit of every person in every part of the world. Our mission is to transform life around us and to respond to the needs of all human beings, especially those who are suffering, oppressed and marginalized. In doing so, we proclaim Christ." <sup>10</sup>

Thus, our faithfulness to God and to God's free gift of life compels us to confront idolatrous assumptions, unjust systems, politics of domination and exploitation in our current world economic order. Economics and economic justice are always matters of faith as they touch the very core of God's will for creation.

#### For further reflection:

Can you identify oppressive structures impacting on your context?

What needs to change if the situation of the poor, and life in just relationships with each



other and with creation, are the yardstick?

How can love of God and love of the neighbour permeate economic activities - individually, in local communities, and in national and international structures and institutions?

#### 2.3 Agape: love as just and generous as God's grace

We are encouraged not to lose our hope and not to give up confronting the reality surrounding us with our vision for an economy of life. The sacred gift of life that is the free gift of God's grace is not withdrawn. Rather, it is the very basis and power for creating and living alternatives

<sup>&</sup>lt;sup>10</sup> For the understanding of mammon and empire in the gospel see Warren Carter, Matthew: *Mammon and Empire. Initial Explorations*, Harrisburg, PA: Trinity Press International, 2001



to the forces of death and destruction. It draws its power from *agape*, the love of the Triune God that permeates all creation.

This focus on *agape* underlines that earth and all life have their origins in God and belong to God. They are not the property of humanity to be commodified (Lev. 25:23; Ps. 24:1). Creation does not belong to humans, but humans belong to creation, and creation is God's. *Agape* relationships reflect that all life has its common root in God's free grace and life-giving love. Grace is God's power to sustain and renew creation, and to turn us from death to life. Discrimination, exclusion, and an unequal distribution of wealth and power deny the values of the *agape* community and violate the commandment to love God and neighbour.

Agape relationships affect all dimensions of life. Life includes having food, clothing, shelter, education, work, and health. It includes social belonging, relationships, social tasks and care. It includes: self-consciousness and self-realization, experiencing and celebrating community as well as the gift's participation. Fullness of life - the abundant life offered by Jesus - encompasses these. At the same time, agape emphasizes the value of resistance and the search for alternatives, whenever and wherever meaningful life is reduced to profit and economic growth at the cost of the necessary requirements of the earth community and its relationship to God. The world is an icon of God. Every cry of the earth and its suffering people challenges churches to seek God's loving transfiguration of humanity and creation.

#### 2.4 The centrality of transformative justice

Every form of power is tempted to constitute itself as absolute, without accountability to those affected and in denial of the manifold relationships that constitute the web of life and need to be respected and recognized. <sup>11</sup>

The biblical tradition includes some safeguards designed to prevent and correct accumulation of unjust power and the misuse and abuse of creation. One of the preventive laws is the prohibition against taking interest. Corrective laws particularly relate to the three aspects of the Sabbath and Jubilee vision concerning periodic rest:

- the Sabbath as a day of rest;
- the sabbatical year; and
- the jubilee year.

Jesus presents his own mission as jubilee justice when he reads the Isaiah scroll in Capernaum (Luke 4). The Jubilee tradition advocates access to resources in favour of just relationships with other humans, animals and

<sup>&</sup>lt;sup>11</sup> The search for alternatives attempts to restore the original life, affirming function of power that is accountable to the Creator.



the land. Justice calls for deep transformation of relationships within society and with the earth.

In this understanding, justice - itself a gift of God's grace - is "transformative justice", a term coined in the context of the WCC's work on overcoming racism. Transformative justice emphasizes the constructive task of building just, participatory and sustainable communities wherever human beings have to bear the consequences of inequality and exclusion in the economic and political system. Injustice is the systematic exclusion of people from the decisions affecting their communities. It is the destruction of their capacities to be self-providing, self-organizing, and self-governing in meeting their own needs and that of the land. Justice is present only when there is equitable distribution of social goods, as reflected in the Jubilee legislation. It also honours the Jubilee affirmation that the earth has its own requirements for its own regeneration. But the heart of transformative justice, as a matter of human agency, includes recognition and participation. This means communities and societies that:

- are genuinely inclusive and participatory (political, social and cultural justice);
- are ready to correct mal-distribution of power and to overcome the gap between the rich and powerful and the people in poverty within and between countries (economic justice);
- accept humanity's dependence upon the earth, and support sustainable ways for organizing and developing themselves and the sharing of natural resources (ecological justice).

The focus of this form of justice, then, is a clear preference for participation, mutual recognition and the agency of every member of a community, and the critique of all forms of power-concentration in the hands of only a few. The fruit of transformative justice is human dignity and peace.

## 2.5 Sharing life at God's table: an example of an AGAPE economy of life

A glimpse of transformative justice can be seen in Jesus' meal with sinners which the early church came to practise as the eucharist. The early church celebrated the eucharist embedded in the *agape*-meal in anticipation of the eschatological banquet, the final celebration of life in its fullness. In Acts 2:42ff. and 4:32-35, the early Christian community is depicted as a community sustained by a love- and life-nourishing relationship with God and with one another, a community sharing the necessities of life exchanging stories of empowerment and hope.

Like the Passover meal, the *agape*-meal is a transformative meal. It recalls the "dangerous memory" of a liberating God, and calls for a different form



of being in community. Like the Passover meal, the agape-meal marks a transformation from a life-endangering, Pharaoh- or powercentred economy to a life-sustaining and life-affirming economy of God. People were brought out of slavery because God heard



their cries for justice and life. The gospel stories of the banquets clearly reflect this spirit of God's preferential option for the poor.

Joint meals nurture a culture of love, accountability and hope. As an elderly woman from South Africa observed: "When you eat together you know that you belong to each other. And when you share pap, you give life and dignity to each other, you know that you are responsible for each other. The church calls this sharing *agape*, and they are right. It is *thanda*, love, and if you spell it in full it says: There are no death alternatives." (Sibongile Xumalo, Johannesburg, October 2002)

A meal also links those participating with the wider community of all those who laboured to produce the food, and even beyond, with all creation and its life-giving and life-sustaining power. The agape-meal challenges us to remain united in martyria, leitourgia, diakonia and koinonia (witness, liturgy, service and communion). It holds together worship, reflection and action as a bridge between the liturgy of worship and the liturgy of daily life.

The agape-community is endangered in its very being and its very essence when the agape is understood merely in either spiritual or profane terms of togetherness in mutual sympathy. Love of God and love of the neighbour belong together. Lives and relationships are at stake when the loving and sharing character of agape is neglected or ignored.

#### For further reflection:

How can love of God and love of the neighbour permeate economic activities - individually, in our community and in national and international structures and institutions?

How does God's loving grace empower us and our mission in economic and political life for social and environmental justice?





#### JUST TRADE

Woe to you who make unjust decrees and who write oppressive laws, to turn aside the needy from justice and to rob the poor of my people of their right, that widows may be your spoil and that you may make the orphans your prey.

(Isaiah 10:1-4)

#### 3.1 From free trade to just trade

Trade is about relationships and exchange of goods and services. *Agape* calls for reciprocity, mutuality, respect and solidarity in just relationships. Justice in trade relationships is a biblical principle. Amos, echoing the other prophets, decries those who "practice deceit with balances" and who "buy the poor for silver and the needy for a pair of sandals" (Amos 8:5f.). Justice for the poor remains the test of any system. Abolishing inequalities must apply at all levels of trade.

The current trade system has resulted in global inequality and injustice. Unlimited economic growth and wealth accumulation are the two pillars of the dominant paradigm that drive so-called "free trade". The current trade system simply attempts to regulate markets for the benefit of the owners of capital and, as such, it is inherently unjust. It violates the gospel values of neighbourly love, participation, and just sharing, both in terms of its institutional framework and the values on which it operates.

The Christian community is called to an even more radical standard of sharing and solidarity, and to reject seeing everything in terms of exchange values. Agape — similar to the eucharist - stands as a symbol and sign of





loving relationships that are based on self-giving and the sharing of bread for all. An "Agape economy of solidarity and sharing" is one where economic relations flow from the freely given gifts of God and are shared without reserve. This is the heart of a spirituality of transformation, promoting just relationships in consumption, production and trade.

Trade must therefore be designed to serve end goals - the ethical, sustainable and equitable production, exchange and consumption of goods and services to meet the needs of all humankind and the earth. Seen in this perspective, international trade is one small aspect of trade; other aspects and levels of trade that are more meaningful for the world's oppressed and exploited peoples must be recognized and given precedence.

Fair trade is an important step in recognizing trade inequalities, but justice requires much more. We prefer to talk of just trade that is motivated by a sense of solidarity and care for the earth. This includes, but certainly goes beyond, a sense of compassion. Just trade that is based on the exchange of goods and services locally, nationally and internationally, and complements other life-sustaining economic activities, offers a more fertile approach to economic empowerment and justice. Just trade can substantively change people's lives.

For this to occur, the fundamental values and structures of the international market must change. Simple reform of the institutional arrangements of the market, without addressing the systemic issues, is not enough. The power of the churches' spirituality and ethics of life for all provides the basis to confront the power enshrined in unjust trade relationships and accumulated wealth.



#### 3.2 Trade rules by the World Trade Organization

The ever-extending reach of "free" trade rules must also be reined in. Trade used to mean the commercial exchange of goods across national borders. The World Trade Organization (WTO) was created in 1995, with a mandate to enforce and expand the reach of free trade rules. Trade rules have since been extended to cover exchanges involving any conceivably tradable activity – including health, education, water and patents on life forms. The claim that international rules on services, investment and intellectual property are about "trade" is cynical deceit. These agreements, whether multilateral, regional or bilateral, aim to guarantee transnational corporations the right to access and control the world's social, financial, transport, communications, energy and cultural services as well as knowledge, even at the cost of the most impoverished countries.



The WTO claims to be a rules-based organization. Yet

- its rules reflect the dominance of the major powers;
- one after another, the deadlines in the so-called Doha "Development" Agenda<sup>12</sup> to address concerns of the South have been missed:
- with equal consistency, the major powers choose to comply with or ignore findings of the WTO, as suits their domestic economic and political interests.

 $<sup>^{12}\,</sup>$  The 4th ministerial meeting of the WTO held in 2001 in Doha (Qatar) agreed to give more emphasis on development concerns.



Within the WTO, its member governments from the South:

- have resisted moves to expand the reach of "trade" rules into areas like investment and competition;
- have demanded the right to revisit rules whose devastating implications are only now becoming apparent;
- their resistance risks self-defeat if the same objectives are secured through bilateral and regional investment agreements.

Free trade agreements rely on privatization, deregulation and liberalization policies that are central planks of neo-liberal structural adjustment programmes. Competition now permeates the whole world. Schools and universities compete for pupils, culture and sports, consumers rival each other in rampant consumerism, and states compete to attract investment and capital. In almost all spheres everywhere, co-operation has been replaced by competition, the public domain is rolled back and transferred to private, often monopoly and transnational corporate control. Problems are superficially addressed as a lack of finance. This does not address the root causes of the problems. This dovetails with the United Nations' Millennium Development Goals (MDGs). Promises to reduce poverty by half and deliver universal education, promote gender equality, provide access to clean water and combat HIV/AIDS by 2015 ring hollow when they are to be delivered through the commercial market mechanisms that create the very inequities being addressed.

Nowhere is the bias of the WTO towards major powers and transnational corporations more unreasonable than in the monopolies over life-saving drugs that it guarantees to pharmaceutical companies. The much-heralded interpretation of the WTO's agreement on Trade-Related Intellectual Property Rights (TRIPS) in relation to health and medicines - that was forced on the EU and US by global campaigns and resisted by the Brazilian, South African and Indian governments - purports to allow the world's poorest countries to import generic drugs. Sadly, this arrangement is so complex that no government has been able to meet its terms.

The WTO's treatment of countries seeking to join it makes its claim that it is a just, rules-based organization totally meaningless. Rules only exist on behalf of the powerful countries. Because all must agree, each country has an effective veto over a country joining. In other words, they can demand unreasonable terms. Vanuatu, for instance, was pressurized to commit such an expensive list of services, including education, health, environment, etc., that it decided the price was too high to proceed and will only join if it can reopen the package.





#### 3.3 From food security to food sovereignty

It is not difficult to show the intimate connection that exists between food security and food sovereignty. No country can guarantee the survival of its inhabitants without having control over the means to produce the food consumed within its borders.

At the heart of the debate about trade lies the fundamental right to sovereignty over the food system so as to ensure adequate nutrition for all. Although the world generates over US\$ 500 billion in agricultural exports annually, at least 15 million children below five years die each year from hunger and hunger-related diseases. Another 840 million people, including farmers and agriculture workers who produce the food, experience food shortages. The conversion of land to grow non-traditional commercial crops for export increases the dependence of poorer countries on imported food. This fuels the dominance of conglomerates such as Cargill. Continental, Con Agra and Tyson over the world's food supply, while agrochemical giants like Monsanto, Syngenta, Bayer and Dupont require contract farmers to use high-yield seeds based on genetically modified organisms (GMOs). Meanwhile, companies like the French Vivendi and Suez Lyonnais, the US Bechtel and Coca Cola, and the German RWE, are moving in to control the other essential of the life cycle – water. This expanding control is presented as both normal and inevitable. From a just trade perspective, it is neither normal nor inevitable, and it must be stopped.

There is constant pressure from the international agencies on farmers in poorer countries to convert their local production into cash crops for export. Northern countries impose trade barriers to protect their own agricultural markets against competition, while dumping their highly subsidized excess products on Southern markets. As a result, the livelihoods



of people in these countries are destroyed and food sovereignty is undermined. Using food aid as a further outlet for dumping, especially for genetically modified (GM) grain, deepens these effects. Worse, it confronts governments with the dramatic choice of accepting GMOs with associated risks to the integrity of their bio-systems, or letting their people starve.

We believe that God's economy of solidarity and justice for the household of creation includes the promise that the people of the world have the right to produce their own food and control the resources belonging to their livelihoods, including biodiversity. It is therefore the right and the responsibility of governments to support the livelihoods of small farmers in the South and in the North. It is their right to refuse the demands of agribusinesses that seek to control every aspect of the cycle of life. Such an approach requires respect for indigenous spiritual relationships to land and the bounties of mother earth.

It is the communities themselves who must determine their own solutions to land tenancy and sustenance of life.

The biblical tradition of the prophets and Sabbath/Jubilee puts the priority use of the land for the well-being of the poor, the widow, the orphan and the stranger. Trade rules and the institutions responsible for their implementation are just if they serve, first of all, oppressed and marginalized people. This is the biblical call for justice (Amos 5: 11-15).

## 3.4 Resistance and the transformation of trade rules and relationships

Today, the good news is that peoples themselves, often working alongside their governments, are daring to say "enough is enough". Peasants, workers and social movements, along with trade unions and other civil society organizations, have mobilized at the local, national and international levels. Their pressure has strengthened the resolve of Southern governments and helped them expose the power politics that drive international trade.

The people have raised their voices against the unjust trade system in the name of social justice, self-determination, democracy and the right to life. For example, peasant movements, rooted in their local struggles, have become internationally linked through networks such as *Via Campesina*, whose affiliates represent 60 million farmers across 46 countries. In Cancun in 2003, at a three-day indigenous and farmers' forum convened by *Via Campesina* around the ministerial trade talks, the farmers shared with each other knowledge and strategies around common concerns of land ownership, access to food, biodiversity, water, the impact of commercial forestry, fisheries and tourism, and the exploitation of farm workers. Significantly, their message of unity and internationalism was expressed through a rich diversity of cultures and identities.



Such movements of resistance have slowed the expansion of oppressive and unjust trade rules and agreements. But they are far from replacing the present rules of trade with a regime that gives primacy to the ethical and survival principles of just trade. The major powers have unleashed a potentially devastating wave of bilateral and regional agreements that perpetuate the same model of economic dominance because these rules must be WTO-compatible, including measures that are "WTO plus", which is more far-reaching than the WTO itself. Negotiating power is even more unequal, and dependency on aid and trade has forced governments to make commitments that could destroy their economies and deepen their dependency. In some cases, the US has even conditioned access to trade concessions on a country's compliance with its foreign policy and security interests.

Regional agreements such as the Free Trade Area of the Americas (FTAA / ALCA) and the Regional Economic Partnership Agreements between the European Union and Africa, the Caribbean and the Pacific reflect the same power imbalance that benefits transnational corporations to the detriment of national capital investment and domestic markets. A 2003 Buenos Aires consultation jointly organized by the WCC and the Latin American Council of Churches (CLAI) together with other partners decried the FTAA as embodying a model of competition between unequal partners that will inevitably entail the submission or elimination of the weakest. Again, resistance movements throughout the Americas have harnessed popular democracy so that the people's voices are heard in creative ways through people's referenda, hemispheric mobilization and the articulation of trade rules based on social justice and self-determination.

A potentially effective alternative are the regional and sub-regional agreements that strengthen the capacity of poor and vulnerable countries to promote and protect their own interests. However, these must be based on models of just trade and not on models of so-called "free trade" that the current straitjacket of WTO compatibility requires. They must also incorporate the proportionality principle, which protects the poor and the weak in exchanges between unequal partners.

Resistance is important, but it is not enough. New visions are needed to support new rules, articulated by the people themselves and backed by ethical challenges formulated by social movements and churches, before there can be genuine change.

The following principles for just trade agreements can serve as indicators of an alternative paradigm on trade. Trade agreements must:

be premised on the basic principles of the economy of life: solidarity,



redistribution, sustainability, security and self-determination;

- protect and advance the interests of small, weaker and vulnerable states:
- deliver sustainable development and poverty eradication, as defined by the people themselves;
- give primacy to people's right to food, water and the necessities of life, and protect the ability of small producers to survive and thrive;
- be subordinate to international law and agreements that guarantee universally recognized human rights including civil, political, economic, social, religious and cultural rights, gender equity, labour rights, migrant worker rights, and rights of Indigenous Peoples;
- recognize the inalienable rights of Indigenous Peoples to their territories, resources and traditional knowledge;
- strengthen respect for creation with ecological standards that safeguard the interests of future generations and the survival of the earth;
- respect the right and responsibility of governments to ensure the wellbeing of all members of society, democratic participation and public stewardship;
- contribute to world peace by ensuring the equitable distribution of resources and by restraining powerful governments from using trade as a weapon to advance their economic, military and political interests;
- ensure greater corporate social responsibility and accountability, guaranteed by government regulations on the basis of the social obligations to private property;
- be initiated, concluded, implemented and monitored through transparent processes that ensure the full, informed and timely participation of those whose lives will be affected; and
- respect the sovereign rights of peoples to choose a diversity of development paths including the right to withdraw from, or renegotiate such agreements.

#### For further reflection:

How can *Agape* and transformative justice become the norm in trade relations at all levels?





#### JUST FINANCE

And forgive us our debts, as we also have forgiven our debtors.

(Matthew 6:12)

#### 4.1 Finance: from usury to just finance

Transformation of trade cannot be divorced from transformation of the international financial institutions. Since the 1980s, the International Monetary Fund (IMF) and the World Bank (WB) have used conditions attached to loans and debt cancellation to enforce one-size-fits-all macroeconomic policies. Among these conditions are those opening poor countries' markets to competition from international companies and traders, cutting down government subsidies for their local producers and privatizing marketing boards, industries and social services. The effects have been disastrous for millions of people, destroying jobs and forcing small farmers into competition with large corporations.

Historical experience shows that people and nations can only control their development process if they control their finance.

Policies implemented by the international financial institutions (IFIs = IMF, WB and the regional development banks) through conditionalities attached to loans and debt cancellation have had devastating effects on national economies in many cases.

In December 2001, thousands of people from throughout Buenos Aires took to the streets banging on empty pots in a *cacerolazo*, a massive, noisy, non-violent demonstration. This extraordinary "cry of the people" defied a state of siege to declare that they had had enough of growing





poverty, unemployment and impunity for those who had looted their country's wealth. This massive social explosion resulted in the installation of five presidents in less than two weeks. The billions of dollars Argentina pays every year to service illegitimate debts, and the policies imposed by the IMF lay at the heart of its economic crisis. In



the 1990s, Argentina had been the star pupil of the IMF, following its advice to the letter. After a massive programme of privatization and adjustment, by 1999 the country found that its debt had ballooned to \$146 billion. When the Argentine crisis deepened, the IMF pledged more and more billions until, in late 2001, the country's entire economic system collapsed. Before the implementation of neoliberal policies, Argentina was a society of 60% middle class. After the breakdown 60% of the population is under the poverty line.

In Africa, the IMF's star pupil was Zambia. In a region wracked by drought and ravaged by the HIV/AIDS pandemic, Zambia needs all its available financial resources to support its social and agricultural infrastructure. Instead, it is expected to pay an average of US\$ 221 million a year in debt service from 2003 to 2005, which is two-thirds more than it paid prior to receiving debt relief under the HIPC initiative.

The IMF alone is scheduled to extract \$293 million in debt servicing from 2003 to 2005, after providing debt relief through the HIPC initiative, while Zambians are still paying for misguided policies imposed by the WB and IMF throughout the 1990s. Instead of admitting its responsibility and liability for Zambia's debt crisis, the IMF remains fixated on forcing the country to sell its remaining assets. When confronted with the failure of their approach in Zambia, international policy-makers hid behind allegations of local government corruption, rather than examine the true impact of their own policies.

These experiences signify a systemic crisis of the entire global financial system. No international financial institution, policy regulation or power is able or willing to control the \$1.9 trillion worth of currencies that are traded every business day. Financial speculation dominates trade in goods and services, diverting resources from long-term productive investments and areas of greatest human need. Financial markets are also increasingly unstable, with speculative bubbles and financial crises.

This risk is unevenly shared. The dominance of the US dollar in international finance provides the credit that allows the US to create new liquidity despite being the largest debtor on the planet and, among other things, invest massively in the arms industry to wage geopolitical wars. The ultimate helplessness of countries that abandon sovereignty over their currencies, peg their currencies to the dollar or adopt the US dollar or Euro is tragically illustrated by Argentina. The price is paid by the poor through loss of jobs and savings, hikes in the price of food, burgeoning poverty and, all too often, death.

In "good times", rich countries create liquidity for themselves through the





financial markets. They look after themselves in times of financial crisis too. Funding can usually be found domestically or through the international institutions to bail out their investors when their speculation turns sour. When low- and middle-income countries require concessional liquidity, they face dwindling levels of support and crippling conditionalities. Often they are forced to turn to private banks for credit at market rates, diverting resources needed for health and education to boost the dividends of the banks' shareholders.

#### 4.2 Ecological and illegitimate debts

The period of neo-liberal finance and enforced structural adjustment has added to the pre-existing social and ecological debts that the North owes to the South. Acción Ecológica, an Ecuadorian civil society organization, defines ecological debt as:

"... the debt accumulated by Northern, industrial countries toward Third-World countries on account of resource plundering, environmental damages and the free occupation of environmental space to deposit wastes, such as greenhouse gases, from the industrial countries." <sup>13</sup>

<sup>&</sup>lt;sup>13</sup> The concept of environmental space, or the "ecological footprint", starts from the assumption that every earth citizen has equal rights to the earth's resources. The 20 percent of the world's population who live in the richest countries make 86 percent of all consumer purchases; they consume 58 percent of all energy and account for 53 percent of all current carbon emissions (and for 80% historically). Collectively this richest fifth owes an enormous ecological debt to the majority of the world's population, who endure some of the worst environmental devastation and are often denied their fair share of the wealth produced.



In some cases, the ecological debt can be directly attributed to petroleum and mining corporations that damage ecosystems in pursuit of mineral wealth. In other cases, the blame for the ecological debt must be laid at the feet of the international financial institutions that finance resource extraction projects with little regard for their social and environmental consequences.

There are two kinds of illegitimate debt. The first is related to the issue of how and by whom they were incurred. In many cases, they were accumulated by dictators, many of whom got into power by military coups in cooperation with and supported by the USA or former colonial powers. Obligations to repay financial debts are also illegitimate when such payments deny basic human rights to food, shelter, health care and education. For example, despite the devastating effects of the HIV/AIDS pandemic in sub-Saharan Africa on families, communities and entire national economies, African countries paid out an average of US\$3.7 billion more in debt service than they received in new loans every year from 1997 to 2003. The inhumane cost of the long-term structural indebtedness of the South is well documented. Capital outflows constantly exceed capital inflows from direct foreign investments and aid.

That enormous financial burden for the South leads to a further enrichment of the countries and banks of the North, amounting to some three percent of their gross domestic product. Given the urgent need for financial resources to provide treatment of people with AIDS and other urgent development needs, how can official creditors justify collecting even one dollar in debt service payments from Sub-Saharan Africa? Why, if this is so well known, does the situation keep getting worse?

The reason for this shameful situation is that the structural indebtedness of the South has been exacerbated year after year for more than thirty years. The amounts paid out for amortization and interest exceed structurally the amounts coming in via foreign direct investment and aid. During the 1960s, for every dollar that flowed from the North to the South, three dollars came back to the North. By the late 1990s, after 30 years of financial market deregulation, seven dollars went North for every dollar going South. All developing countries together transferred to the so-called developed countries not less than 3% of their total Gross Domestic Product  $(GDP)^{14}$  — a clear illustration of deepening impoverishment because of continuous enrichment at the other side of the world.

As with trade, the money-lenders have no desire to change. For the

<sup>&</sup>lt;sup>14</sup> Cf. UNDP Human Development Report 2002, table 1.4: foreign direct investments in the developing countries in the millennium year 2000 was at the level of 2,4% of their Gross Domestic Product (GDP), grants and aid amounted to 0,6% of the GDP, but the return flow to the developed countries was not less than 6,3% of their GDP.



countries hit by the Asian tsunami, creditors did not offer debt cancellation, only a moratorium of payments. Power over international monetary issues rests with the seven dominant economies (USA, Japan, Germany, Britain, France, Canada, and Italy) known as the G7 and as the G8 when Russia joins the table for political discussions. The G7 also controls the IMF and the WB.

#### 4.3 Agape calls for debt cancellation and restitution

In the Bible, the system of wealth accumulation that pushes people into poverty and destroys nature is seen as unfaithful to God and the cause of preventable suffering. It is called *mammon*, and characterized as the root of all evil. Jesus clearly told us that we cannot serve both God and *mammon* (Luke 16:13)<sup>15</sup> The biblical vision firmly denounces the financial exploitation of the poor and the needy (Amos 8:4-14 is one of dozens of examples). Transformation of asymmetrical and unjust relations is realized in the traditions of the Sabbath, Sabbath year and Jubilee year. They offer a powerful vision for the organization of economic life. Every seventh (Sabbath) year, the land should rest and lie fallow, "so that the poor of your people may eat" (Exodus 23:10-12). Connected with the fallow year is the release of debts, so that "there will... be no one in need among you" (Deuteronomy 15:1-5). The Jubilee tradition (Leviticus 25:1-55; 27:16-24; Isaiah 61 and Luke 4) rests on the same foundations as the Sabbath

#### Transfer of Resources South

From 1982 to 1990

The South received

#### \$927 billion

in aid, grants, trade credits, direct private investment, and loans...



North

The South paid out

#### \$1.3 trillion

in interest and principal (not including royalties, dividends, repatriated capital, and underpriced raw materials)...



... Yet in 1990, the South was

#### 61 percent deeper in debt

than it was in 1982.

<sup>&</sup>lt;sup>15</sup> Cf. the message of the Budapest consultation quoted part 6, section 6.2, p. 48



year. In addition, a new feature appears: the land reverts to the families who had lost it because of poverty and debt. Jubilee fully restores the access by the poor to the resources of production and well-being. It goes far beyond distributive justice to restitution of people's capacity and means to provide for life.

The traditions of the Sabbath, Sabbath year and Jubilee year in the Torah confirm that God is a God of loving grace. To follow God is to enact this grace and justice for all in daily life and in the institutions that govern society. As God is the redeemer of all, loans, which place poor people in debt bondage, should be redeemed. The overriding concern is for the poor. The fallow year was instituted to provide food for the poor (Exodus 23:11): justice is the fruit of rest for the land - an insight Indigenous Peoples recognize. Impoverishment by wealth creation leads to the fragmentation of society. The first concern is for human need, not for private ownership, maximizing profits or following the "natural law" of the market. The Sabbath and Jubilee institutions are about the restoration of the people in covenant with God. This is an intentional dismantling of institutions that enslave people through debt bondage.

The Sabbath/Jubilee vision has played an important role in the struggle for justice. It has, for example, inspired the struggle against slavery and revealed how such a powerful vision can change the world. The churches' prophetic mission regarding international financial issues also affirms that "Another World is Possible" where:

- international financial systems are based on transparency, accountability and democratic control;
- financial systems are at the service of the real economy an economy
  of life in the service of people and ecological sustainability; and
- international responses to financial crises preserve the ability of affected countries and their populations to determine their own policies, priorities and long-term development strategies.

#### 4.4 Transformation of the global financial system

Any international financial system should be designed to maximize progress towards justice, poverty eradication and environmental sustainability. To reach that end, diverse strategies are needed. It is imperative to promote debate concerning alternative systems of finance that are democratic in the full sense of the word. Standard demands can still be made to the IMF and WB:

- that voting structures must change, with an end to the US veto (or that of any country) and a stronger voice for developing countries;
- decision-making must become transparent, and there must be a genuine



# What is the voting power in the IFIs?



#### International Monetary Fund (IMF)

Voting power:

17.4 % USA. The African blocks of states have 4.5 % of voting rights.



#### World Bank

Voting power:

16.5 % USA, Japan 7.9 %, Germany 4.5 %, UK 4.3 %, France 4.3 %. India, with 16 % of the world's population has under 3 % votes.

role for civil society to intervene beyond the cosmetic consultations that are conducted in the mis-named Poverty Reduction Strategy Papers;

- Structural Adjustment Programmes must be eliminated as an expression of a one-sided creditor-imposed conditionality;
- the Fund and the Bank must use their own resources to resolve the debt crisis (e.g., IMF gold reserves, WB loan loss reserves and retained earnings);
- and bail-outs for private creditors must cease so that they can assume responsibility for giving out high-risk loans.

However, these kinds of reform proposals are not sufficient, and in any case depend on the good will of the rich and powerful countries who control the neoliberal economy and its institutions, and who reject them a priori as they defend their so-called "vital interests". Countervailing actions that are driven by people's own experiences and alternatives are needed, including actions that:

- break the dominance of international financial institutions and transnational corporations by calling national governments to regulate transnational corporations, and for a more active role for transformed multilateral bodies;
- refuse the payment of interest on odious debts, especially in the form of joint action by indebted countries;



- open up space for communities and governments to exercise democratic control over critical financial issues that affect people's lives; this includes the audit of financial debts as a means to identify illegitimate and odious debts;
- reverse the flow of financial and ecological wealth from the South to the North by cancelling illegitimate debts and devoting 0.7% of industrialized countries' Gross National Income to official development assistance - not as an act of charity but as restitution for past exploitation; and
- diminish the volume of speculative financial transactions and also raise significant revenues for genuine development assistance through a Currency Transactions Tax on the \$1.9 trillion worth of currencies traded each business day.

At the height of the Asian crisis in 1997. Malaysia defied IMF advice and introduced a strict regime of capital controls that enabled the Malaysian government to adopt stimulative policies (including tax cuts), spend on infrastructure and lower interest rates without worrving about a run on its currency. In the end, even the IMF conceded that this policy was successful. At the national level, governments need to regain control over fiscal, monetary and taxation policies in order to deter excessive speculation, stop capital flight to offshore tax havens, and ensure that foreign investment is fairly taxed to provide for basic human and social needs. Governments should have the full autonomy to use the currency of their own choice. National governments need to move away from the neo-liberal ideology of lowering taxes for corporations and the wealthy. Tax reduction aims to provide the ideal climate for investment and free trade that limits the country's ability to generate revenue to fund social development. Fair and just taxes include those taxes that promote ecological justice and reduce disparities in wealth, such as taxes on carbon emissions.

#### 4.5 Support for alternative financing at local levels

The informal sector —the myriad activities taking place at the margin of the modern market economy—provides income for a majority of people in the South. It is in families and small enterprises that most people make their livelihoods. People working in one-to-five-person enterprises hold about half of the paid jobs in the world, and in some places, the percentage is even higher. Yet, the informal sector should not be romanticized, and micro enterprises are not a panacea for human development. They have a mixed record of success and failure, and working conditions are often appalling. A major constraint is their lack of access to productive assets, notably land and capital.





To some extent, the situation has improved with initiatives such as the formation of credit and savings cooperatives, worker self-managed initiatives, ethical investment banks, community currencies and microcredit schemes. The churches have been active in this field through the Ecumenical Loan Fund (ECLOF) and later Oikocredit. However, the recent upsurge in micro lending by many other actors is having mixed results, and does not address systemic inequality. A few decades ago, the practice of lending small amounts of money, often without collateral, to poor wouldbe entrepreneurs, was on the fringes of international finance. Today there are many initiatives. They are often democratic and participatory, favour loans to groups or co-operatives rather than individuals, keep procedures for reviewing and approving loan applications simple, and disburse small, short-term loans quickly. Because of their repayment record, women's groups receive a disproportionately high proportion of micro-credit. At the same time, some women's groups report that the "tyranny of repayment" and the fear of letting down their group have caused great stress and trauma to the lives of women participating.

In spite of their relative success, enthusiasm about micro-credit schemes must be tempered. Such schemes can achieve their full potential only if legal systems that discriminate against them and favour conventional lending are changed. There is the danger that some micro-credit organizations may be unable resist the temptation to "institutionalize" and shift their focus away from the poor to the less poor. Micro-credit organizations need careful judgement about their impact. The micro-credit strategy cannot replace systemic economic transformation.



# 4.6 Promoting ethical practices and corporate codes for investment

Among those working for economic justice, there is considerable debate about the efficacy of promoting ethical practices and corporate codes for investment. Many feel that the issues are systemic and can only be solved systemically, while others believe that a gradualist approach creates conditions that can foster deeper transformation. More and more individuals and institutions are applying social and environmental criteria, in addition to financial considerations, when they take investment decisions. Many religious organizations, including the WCC, have drawn up social and environmental responsibility guidelines for their investments. While there are differences of opinion about what makes for "responsible" or ethical investment, most use three strategies:

- Avoidance or disinvestment: not placing money in companies when they:
  - produce (for example) arms, alcohol or tobacco,
  - apply discriminatory employment policies,
  - support violations of human rights,
  - are involved in nuclear energy or contribute substantially to environmental destruction.
  - are involved in speculation and tax evasion (ie. boycott of some commercial banks).
- Advocacy: using investments as leverage to promote corporate responsibility through shareholder resolutions and/or negotiations with management; and
- Alternative investment: a deliberate choice to invest in enterprises
  deemed to behave in a socially and environmentally responsible way.
  Experience has shown that investments guided by social and
  environmental criteria often give a financial yield equal to or better
  than that of "normal" investments.

An example is the work of the Russian Orthodox Church in developing a code of moral principles and rules of economic activity, based on the ten commandments and the experience of their implementation by religious groups in Russia.

We acknowledge that the churches' responsibility to promote ethical practices poses different challenges at different times. Notwithstanding important efforts to inject ethical standards into the current paradigm, we submit that, given the systemic nature of neo-liberal globalization and the role of TNCs within this unjust system, churches must address the system itself. Faithfulness to the high calling of justice for the poor compels us to place less emphasis on reform and restraint and to concentrate instead on



systemic transformation, not shying away from solidarity with people's campaigns and their methods, including support for collective disobedience.

Debt, usury, and unjust financial systems designed to accumulate wealth for the rich at the expense of the poor require both a prophetic and spiritual response from the churches. Jesus' warning that we cannot serve both God and mammon requires an even deeper examination of our discipleship as communities of faith.

#### For further reflection:

Are we so complicit with the system of international finance and investments that we are in fact ensnared in service to mammon and being unfaithful in our radical service to the God of life?

Are we really in a position to love God and our neighbour as we love ourselves?





#### TRANSFORMATIVE ACTION AND LIVING ALTERNATIVES

I appeal to you therefore, brothers and sisters, by the mercies of God, to present your bodies as a living sacrifice, holy and acceptable to God, which is your spiritual worship.

Be not conformed to the structures of this world, but be transformed by the renewing of your minds, so that you may discern what is the will of God - what is good and acceptable and perfect.

(Rom. 12:1-2)

#### 5.1 Lived alternatives

Transformation compels us as churches to move beyond the difficult but conceivable to imagine, discover, embrace and embody the truly liberating, and then to make the liberating become the possible. Breaking free from the death-dealing paradigm of neoliberal globalization, we espouse a life-affirming vision of the "oikoumene" - an earth community where all peoples live in just relationships with each other, with all creation and with God.

Hebrews 12 reminds us that we are "surrounded by a great cloud of witness". These witnesses not only help us to discern the truth of the present economic system, but also inspire us to remember that creating alternatives to the existing world order is a task true to the very nature of the church. The church is called not to conform to the structures of injustice, but to herald a new creation. The biblical vision bursts forth with the





announcement of the "new things" that God is doing, and surely that means that in our time and place, the church must be a community of alternatives: alternative visions, alternative spaces, alternative spirituality and alternative economic ideas and practices.

The obvious pathway toward change is to start with people's existing realities and truths, believing them to be empowering and containing the seeds of transformation. Ecumenical social thought and action has never presented a one-fits-all solution, but has rather insisted that people are the subjects of a common journey to life in dignity in just and sustainable communities. We are committed to lift up and practise existing alternatives - especially those emanating from the poor, women, Indigenous Peoples and other excluded peoples - and to foster new ones. Amidst death and destruction, we witness a massive affirmation of life by movements of peoples.

Mindful of the involvement of churches in the destruction of other cultures and people's lives in the colonial past, churches can and should search for cooperation with and inspiration from others: any and all who are seeking life-giving alternatives. Indigenous Peoples have historically been at the frontline of a challenge to the colonization process that destroyed their ecological values and the practices that enabled them to live in just and harmonious relationships with creation. Now, large populations are being victimized in the same way as the Indigenous Peoples in the past. Therefore, solidarity between the old and the new victims of this neo-colonization is crucial to resist and transform ongoing globalization.

The Adivasis, Dalits and fisher folk of Orissa waged war against British colonialism as early as 1768. Today, in the post independence era, instead



of being blessed with freedom, they once more struggle for existence in their own homelands. As the Indian government has pursued liberalization and the World Bank's structural adjustment programmes' privatization agenda, and WTO obligations, it has devised new policies and laws that remove protective legislation and forcibly take land, forests and water away from the poor, indigenous and marginalized communities to benefit the corporations. The resulting attempts to exploit Orissa's resources threaten people with displacement, loss of livelihood, loss of customary rights over land, water and forests, the decay of culture and social relations, and destruction of the natural environment. In other words, there is a systematic demolition of real, living alternatives where people live as one with God and nature.

The widespread emergence of people's movements indicates the rising consciousness of people at the grassroots. But these movements, and their legitimate struggles against injustice are viewed as threats to national security and economic growth. Police and military, authorized by new laws, are unleashed in a reign of terror to suppress genuine aspirations and legitimate dissent. The links between neo-liberal economic globalization and militarization are laid bare for all to see.

The struggles of the people to ensure their rights over resources are suppressed as anti-development and anti-government. Formal democracy is inadequate to protect people's interest in the era of globalization. People's direct decision-making in matters that affect their lives needs to be renewed. Churches need to be outspoken in recognizing that the rich in the South as well as in the North are responsible for the systemic nature of these abuses, and hold them to account. Indigenous Peoples in Aotearoa, Australia, Canada or the US share similar stories of systematic destruction and of movements of resistance.

There are places where communities still adhere to their traditional and customary ways of life, and defend their own spirituality and customs. The churches in the Pacific, for example, have presented an encouraging model of how people in their region might resist the project of neoliberal globalization by building on their traditional ways of life. They called their detailed proposal "The Island of Hope".

An agrochemical enterprise in São Paulo, Brazil, went beyond the rhetoric of corporate social responsibility and began promoting the concept of economic justice. At a very awkward moment of high indebtedness, it started investing funds and time in its own cadre of employees. For some members of the board, the decision sounded mad, irrational. Innovations included improvements in remuneration, the creation of indirect forms of remuneration, time for study during the working year, encouragement to cooperate rather than compete in the work environment. In a few years,



with its finances balanced again through proportionally shared effort and sacrifice, the firm launched new programmes with the workers' families in the community around the factory. It started a community-oriented school, with activities for the youth and other educational initiatives. It began promoting ecological behavior among individuals, the community and the enterprise. At another stage, the firm adopted a two-pronged policy of profit-sharing and democratization of the stocks: it started granting stocks to employees with two or more years of work at the firm. Today the employees control as much as 20% of the firm's assets. Finally, the firm began transforming its own production lines, in order to fulfill an agro-ecological production plan. Beyond the firm, its entrepreneurs are active in city and country politics on behalf of a social order that enables the full exercise of individual and citizens' rights, and for the construction of a economy based on cooperation, reciprocity

and solidarity.

#### 5.2 Eco-justice

Social justice has been at the centre of ecumenical ethics in the past decades. The impact of neo-liberalism on the earth gives urgency to the call for a just interaction between creation and humanity. Many environmental and feminist movements have placed the demand for ecological justice at the centre, remembering that economy and ecology represent two interrelated and inseparable perspectives on God's household of life (oikos). Churches therefore need to reflect on how God acts to protect and promote justice in creation and in human society.

Climate change is a justice issue. Those consuming high proportions of fossil fuels put at risk other peoples' lives - people on low-lying islands and coastal zones, people exposed to severe droughts,







#### Vanishing Species

1850-1950
 1 animal species per year

• 1989 1 per day

• 2000 1 per hour



 Within 50 years, 25% of animal and plant species will vanish due to global warming.

Source: Prof. John Van Klinekn, Groningen University, Germany

floods and storms. The present "fossil fuel-based economy" with its strong emphasis on accelerated economic growth, that disproportionately benefits the already rich, undermines life as we know it on planet earth. This must be changed.

The ecumenical patriarch, Bartholomew I, did not shy away from calling this "a sin that deeply violates God's good will, God's steadfast love for life, for human beings and the whole of creation". The consequences of climate change remind us that we belong together. What one group does here has an effect on another group there. We are one human species. We are called to live in just and sustainable relationships with each other for the benefit of all - including future life on planet earth. It is a scandal if one group or one country sees itself as being above others or as not belonging to this earth community.

Eco-justice is not only an ethical and political demand. The struggle for eco-justice is a strong expression of the spirituality of resistance of Indigenous communities and those who are in solidarity with them to protect the earth and its resources for present and future generations. Those who suffer now in both poor and rich countries are re-visioning and renegotiating their interaction with creation in order to live out eco-justice, in the interests of as yet unborn generations.

Struggles over water are at the heart of people's resistance to neo-liberal globalization and their quest for transformation, not as an intellectual exercise but as an urgent imperative for survival. The best example of

 $<sup>^{16}</sup>$  Cf. his message to the  $6^{th}$  Conference of Parties of the UN Convention on Climate Change in 2000, in the Hague.



successful resistance against water privatization involves the people of Cochabamba, Bolivia. In 1999, in compliance with an IMF conditionality, Cochabamba's water and sewage supply was privatized through a 40-year lease to Aguas del Tunari, partly-owned by the US water giant Bechtel. The privatization was quickly followed by a hike in rates that doubled or tripled people's water bills. Families faced monthly bills of more than US \$20 to be paid from earnings of under \$ 100 a month. In the first of many protest demonstrations, the people of Cochabamba closed down the city in a four-day strike and blockade. From February 2000, the Coalition for the Defence of Water and Life (La Coordinadora) led further peaceful demonstrations, marred by violence and death. In an unofficial referendum, 96 percent of 50,000 votes disapproved of water privatization and the company's water contract. By April 2000, the Bolivian government had declared martial law. After the arrest of the protest leaders, and the death of a protestor, the Bolivian government withdrew the contract, reduced water rates and transferred control of Cochabamba's water to La Coordinadora.

Bechtel then launched a US\$ 25-million-dollar claim against the Bolivian government at the World Bank's little-known arbitration centre for expropriation of its investment, pursuant of a bilateral investment agreement between Bolivia and Holland. This action in turn prompted a massive international outcry that brought bilateral investment agreements into even greater disrepute, and reportedly forced the company to back down. The success of the people's resistance in Cochabamba and their communally operated water services have become the icon for a growing international campaign against the privatization of water, the source of life.

Any viable alternative for the future must fulfil the criteria of social and ecological justice, enabling life in dignity in just and sustainable communities for generations to come. The present level of accelerated resource extraction and energy consumption cannot be sustained in the longer term. It is an utter illusion to believe that the dominant economic model can offer a future for all.

In the economy of God, social life is an uninterrupted circulation of goods and services, concretely expressing human beings' complementary life and obligatory solidarity. This circulation is assured by economic exchanges as one form of social solidarity. As long as it is faithful to its original mandate, economic exchange is a concrete, visible and necessary expression of people's solidarity. It implies a permanent exchange among peoples - a reciprocity that binds them one to another.





#### 5.3 Economy of solidarity

This type of economic exchange is already happening. The charter of principles produced by the assembly of the Brazilian Network for a Solidarity Socio-Economy in June 2004, for example, calls for practices that build a solidarity exchange of goods, services, information, knowledge, affection and mutual support among their members. An economy of solidarity is one

- in which women and men work in solidarity;
- which promotes the restoration and valorization of the cultures, traditions and wisdom of traditional peoples, and of their solidarity – reciprocal economies;
- which is at the service of human, social, ethical and environmentally sustainable development;
- where working women and men, as consumers, consume ethically, responsibly and in solidarity.

#### The Network links

- ethical consumption in solidarity;
- self-managed, eco-sustainable production in solidarity;
- ethical fair trade in solidarity;
- solidarity finance and informal or community currencies;
- sharing of knowledge and technology;





- cooperative education and culture; and
- · communication in plural dialogue.

The emphasis on solidarity is based on realization that what is produced, and the conditions of production, are key for the quality of life and the health of people and the earth. For a transition to an economy of life as an economy of solidarity, far more attention needs to be paid to lifegiving agriculture, labour, and the extraction and use of resources.

Transformation to an economy of solidarity is a transformation led by society as the agent of its own development. The state and multilateral governance organizations must be the subsidiary actors of development managed by society. It is the mandate of the state, as the servant of society, to assure that the democratically formulated development project is carried out harmoniously, and to implement public policies that guarantee access for all to productive and reproductive goods and resources and the just redistribution of income and wealth.

Highlighting this, we reiterate one of the basic assumptions of this document: matters of economy and of politics cannot be separated. One of the major challenges since the WCC's 1998 assembly in Harare has been the need to pay more attention to present geopolitical tendencies. The integration of increasingly inter-linked power networks in one imperial matrix is a main feature of recent history. This process is led by a coalition of powerful states and societies, with the USA as the most powerful among them. All efforts to change and transform the economy are confronted by this reality.



Against this background, and against the conflicts that arise in this context, it becomes more urgent than ever for the churches to speak with one voice and act together. Ethics, ecclesiology, and mission all merge in this ecumenical effort.

It is equally important to work with other actors in society and other faith communities. <sup>17</sup> There is little hope if the globalization of domination is not confronted by a response in the globalization of solidarity and justice and care for creation on the part of all people of good will.

This is already underway. Some examples are:

- women's struggles for equal relationships and care can transform the patriarchal, hierarchical structures of our lives and institutions;
- the African tradition of *ubuntu*, being person in community, that entails an economy of solidarity and caring;
- the traditional, customary and faith-based values undergirding the Pacific concept of the Island of Hope;
- the Korean search for a Sang-Seng economy of sharing and caring;
- the Taoist understanding of economy in the image of water, beneficial
  to all, not competing, constantly flowing, reaching to the lowest space
  without the danger of concentration of too much or too little in any
  one place;
- Islamic banking, which reminds the Christian churches of the biblical warning against unjust interest charges;
- the Christian economy of communion of the Focolari movement.

We are called to transformation, to choose life so that we and our descendents can live. (Deut 30). This we do, led by the Holy Spirit, in faithfulness to the God of life who through Jesus Christ has come so that all may have life in all it's fullness.'

For further reflection

Where do you see our strength as churches?

In what ways does the Bible inspire us to change?

In what ways can our churches advocate for an economy of

<sup>&</sup>lt;sup>17</sup> Cf. Colloquium 2000, faith communities and social movements facing globalization, ed. By Ulrich Duchrow, WARC study document, Geneva.





MILESTONES FROM
THE ECUMENICAL
JOURNEY: TEXTS,
DECISIONS AND
ACTIONS



How can we work ecumenically as churches together on these concerns?

# 6.1. Milestones, texts, decisions and actions from the ecumenical journey

Following the WCC assembly in Harare in 1998, a number of churches, communions, regional ecumenical organizations and the wider ecumenical family organized consultations, studies and reflections on globalization in general, and economic globalization in particular. Women, youth, Indigenous Peoples and people with disabilities analyzed the impact of globalization on their lives. The outcomes — in terms of texts, decisions and actions — were significant for transformation of the current system. The decisions taken at these many gatherings, drawn from every day realities and experiences of the churches and the wider ecumenical family, provide the spirit and basis of this background document.

# 6.2. Milestones from the ecumenical journey: texts and decisions

The WCC assembly in Harare in 1998 discussed, among other issues, the impact of globalization on people, communities and the earth. The assembly noted that "increasingly, Christians and churches find themselves confronted by the new and deeply challenging aspects of globalization which vast numbers of people face, especially the poor". This led to the question:



"How do we live our faith in the context of globalization?" Harare recommended (*Together On the Way*, WCC 1999:183) that the challenge of globalization should be a central emphasis of WCC work, building upon many significant efforts in the past.

"The vision behind globalization includes a competing vision to the Christian commitment to the *oikoumene*, the unity of humankind and the whole inhabited earth," the assembly said, and recommended that "the logic of globalization needs to be challenged by an alternative way of life of community in diversity. Christians and churches should reflect on the challenge of globalization from a faith perspective and therefore resist the unilateral domination of economic and cultural globalization." <sup>18</sup>

At its 23rd general council in 1997, the World Alliance of Reformed Churches called for a commitment process that included recognition, education and confession regarding economic injustice and ecological destruction. The WCC assembly acknowledged this call and encouraged its own member churches to follow this process. It was also emphasized that work on globalization should build upon and strengthen existing initiatives by churches, ecumenical groups and social movements, support their cooperation, encourage them to take action, and form alliances with other partners in civil society working on issues pertinent to globalization. One of the challenges formulated was the need for a critique, for alternative responses to transnational corporate activity, to the Organization for Economic Cooperation and Development, the International Monetary Fund, the World Bank, the World Trade Organization, the International Labour Organization etc. and the multilateral agreements they generate. The churches were asked to identify the harmful as well as the positive impact of the policies of these organizations.

# The January 2001 Potsdam, WCC Central Committee's policy on economic globalization

The central committee of the WCC meeting in Germany in January 2001 approved a policy on economic globalization that directed the WCC to focus on searching for alternatives to economic globalization based on Christian values in the following three areas:

- the transformation of the current global market economy to embrace equity and values that reflect the teachings and example of Christ;
- development of just trade;

<sup>&</sup>lt;sup>18</sup> See *Together on the way, the WCC assembly report*, WCC 1999 pp. 183-184 and the January, 2001, central committee minutes.



 promotion of a just financial system, free from debt bondage, corrupt practices and excessive speculative profit-making. (Policy Reference Committee II, Potsdam, 11.33, iii.)

Following up on these recommendations, several church-related consultations on economic globalization were organized around the world.

#### Symposium on globalization, Bangkok, 12-19 November 1999

The WCC, the World Alliance of Reformed Churches in conjunction with the Church of Christ in Thailand and the Christian Conference of Asia organized a symposium on the consequences of the so-called Asia crisis related to globalization. Poor women from the inner city, fisherfolk and farmers testified to the effects of the crisis on their lives. The symposium released an open letter to the churches in the North, calling on them to act in solidarity with the churches in the South in dealing with the impact of economic globalization.

# The ecumenical team at the UN World Summit for Social Development, Copenhagen +5 (or Geneva 2000):

At Geneva 2000, an ecumenical team coordinated by the WCC with the Lutheran World Federation (LWF), and composed of representatives from churches, specialized ministries and social movements made an oral statement to the Committee of the Special Session of the General Assembly of the UN (UNGA). The team's message was simple and clear: "Now Is the Time" for people, their governments and the United Nations to claim the Jubilee vision and to move boldly towards it. It was a vision of the global community whose interdependence is not reduced to trade and markets. According to the statement,

"This requires a change of heart, which recognizes that real value can not be expressed in monetary terms, and that life in its many forms can not be commodified. The economy should serve the well-being of people rather than people being servants of the economy." 19

# Budapest consultation on the impact of globalization in Central and Eastern Europe, June, 2001:

This consultation was organized by the WCC, WARC, LWF in conjunction with the Conference of European Churches. It was hosted by the Reformed Church in Hungary. Churches in Eastern and Central Europe worried about the increasing poverty and unemployment in the region had looked

<sup>&</sup>lt;sup>19</sup> Oral statement presented on 26<sup>th</sup> June to the committee of the whole of the special session of the UN general assembly on the implementation of the outcome of the World Summit for Social Development and further initiatives, Geneva, 2000. *WCC dossier on globalizing alternatives to globalization*, October 2000 pp. 41-42.



critically at globalization, and found that it had had a deleterious effect on people's lives. They had experienced that globalization had led from a lack of markets to a situation where the world itself is a market, a commodity to be developed so as to return a profit. Their message to the world - "Serve God, not mammon" - was addressed not only to churches in Eastern and Central Europe, but also to churches in the West and in the South.

This linking of church conferences around the world on the subject of globalization is a new ecumenical form of dealing with globalization that contributes to the *AGAPE* process. Budapest asked a challenging question, "Will the churches have the courage to engage with the 'values' of a profit-oriented way of life as a matter of faith, or will they withdraw into the 'private' sphere?" and suggested that "This is the question our churches must answer or lose their very soul."<sup>20</sup>

"We ask the churches to help their members to rediscover the traditional Christian values of self-restraint and asceticism (simplicity of life-style), and to propagate these values in their societies as a way of countering individualism and consumerism, and as an alternative foundation for economic and social development." Budapest said.

## Global conference on economic globalization: The Island of Hope, Fiji, August 12-16 2001:

The WCC in conjunction with the Pacific Conference of Churches organized a consultation on economic globalization in order to accompany the Pacific churches' efforts to find alternatives to globalization. Their concept, the Island of Hope, holds up life-centered values deeply rooted in Pacific communities as a viable source for a just and sustainable economy and life in dignity.

"Spirituality, family life, traditional economy, cultural values, mutual care and respect are components of the Island of Hope which prioritizes relationships, celebrates the quality of life and values human being and creation over production of material goods. The Island of Hope is an alternative to the project of economic globalization which entails domination through an unjust system..."

"On our Island of Hope, life is valued and celebrated in *maneaba* (Kiribati), the *fale* (Samoa), the *cava* ceremony (Fiji and Tonga), the *bilum* and *sam* celebrations (Papua New Guinea) and the *nut* celebration (Solomon Islands)... These symbols and rituals are living examples of the ethos of communal life and communal economic and social relations:

<sup>20</sup> "Serve God, not mammon", message from the joint consultation on globalization in Central and Eastern Europe: response to ecological, economic and social consequences, June, 24-28, 2001, Budapest

<sup>21</sup> The Island of Hope: the Pacific churches' response to economic globalization, WCC, 2001



sharing and caring; celebrating life over material wealth; communal ownership of resource bases and high levels of intra-community interaction and solidarity... The Pacific Churches see the 'Island of Hope' as fitting expression of the global, ecumenical concept of the Kingdom of God in the Pacific context... The best of our traditional values are like seeds of the kingdom of God which, as Christians, we can offer to the world."<sup>21</sup>

A youth consultation on economic globalization held just before the global conference concluded that "Never before has it been so important for young people to search for alternatives to the current dynamic of globalization. It is our future that is being threatened."<sup>22</sup>

#### Churches in Western Europe: economy in the service of life, June 15-19, 2002, Soesterberg, Netherlands

The Soesterberg consultation on "The economy in the service of life" was jointly called by the WCC, the Lutheran World Federation, the World Alliance of Reformed Churches and the Conference of European Churches. and was hosted by the Dutch Council of Churches. The consultation analyzed how globalization and, specifically, the role of money affects European societies, and the questions and challenges that could pose for churches. It drafted a response from Western European churches to questions raised by churches in the South and the East at previous consultations. A letter from Soesterberg to the churches in Western Europe contains an explicit critique of economic globalization: "The gospel promises life in all its fullness for all people and the whole creation (John 10:10). This promise was incarnated in Jesus Christ. Nobody is excluded from God's household of life. The Christian community reflects this vision for the sake of the whole world. Guided by this vision, we strive for an economy in the service of life. Market and money should enable the exchange of goods in order to satisfy human needs and contribute to the building of human community. Today, however, we see a growing domination of real life by private financial and corporate interests. Economic globalization is guided by a logic which gives priority to accumulating capital, unbridled competition and the securing of profit in narrowing markets. Political and military power are used as instruments to secure safe access to resources and protect investment and trade."23

Asia/Africa beyond globalization (the spirit of Bandung and a new world order), Bandung, Indonesia, 25-27 June, 2002

<sup>&</sup>lt;sup>23</sup> Analytical report: *Economy in the service of life*, June 15-19, WCC. Lectures are available on the Oikos website www.stichtingoikos.nl



 $<sup>^{\</sup>rm 22}$  Youth voices against globalization: Consultation statement, 2001 in the WCC dossier on The Island of Hope, 2001

This conference was organized by the WCC, the Christian Conference of Asia (CCA-FMU) and local NGOs in Indonesia, both Christian and Muslim. The main questions addressed in this gathering were "Is there still an alternative to strengthen the spirit of resistance of the people in facing globalization? Do people in Africa and Asia still have what we call the geo-political vision outside of the dreams promised by the free market and globalization?"

The "spirit of Bandung" - the theme of a 1955 conference of nations under colonialism held to discuss liberation - was evoked to enable countries to liberate themselves today from corporate globalization. Churches in Asia will celebrate 2005 as the 50th anniversary of Bandung. A communiqué issued at the end of the June 2002 conference called for an alternative, peaceful and just world. Such a world, it said, is achievable if people and governments cooperate for a future of solidarity to overcome the implications of globalization.<sup>24</sup>

# Council of Churches in Latin America: consultation on economy in the fullness of life, Buenos Aires, 2003

For this consultation jointly organized by the Council of Churches in Latin America (CLAI) and the WCC, the Latin American churches produced a document entitled "Seeking solutions, moving forward: the Protestant Churches say 'Enough is enough'". "We have reached our limit: we have had enough of such injustices," the document declares. And continues:

"The globalized economic system is no answer to the evils in our societies. We pray to God that God will inspire us, despite our differences, to walk together the path of justice. The churches recognize that the social movement against free market globalization has begun to emerge and is gaining in strength. This demonstrates two things: that it is a social movement against an order accentuating inequality, and that denying solidarity is continuing to grow. It finds its major expression in the World Social Forum. Secondly an alternative approach to economic globalization is being formulated to the exclusive free market approach. The churches are called to work for alternatives."

# Communiqué of an LWF-WARC- WCC consultation on ecclesiology and economic globalization, Cartigny, Switzerland, October 2002

Theologians and economists probed ecclesial entry points - from the Orthodox, Roman Catholic, Anglican, Lutheran, and Reformed Traditions - into discussion on economic globalization at an 11-14 December 2002

<sup>&</sup>lt;sup>25</sup> Communiqué of the LWF-WARC-WCC consultation on ecclesiology and economic globalization, December 11-14, 2002, Cartigny, Switzerland.



<sup>&</sup>lt;sup>24</sup> Africa-Asia: Beyond globalization: spirituality of common future, edited by Josef P. Wiyatmadja and A. Wati Longchar, CCA, Hongkong, 2002.

consultation in Cartigny, near Geneva.

"We discussed how understandings of covenant and confession, eucharist, the in-dwelling of Christ and communion are helpful in empowering resistance and alternatives to the logic of neo-liberal globalization. We were particularly keen to find out how our respective approaches and understandings are seen by others and were excited to discover how our various perspectives can complement each other."<sup>25</sup>

The theologians met twice, and produced a document called "Moved by God's Spirit: spirituality of resistance and alternatives".

#### LWF Tenth assembly-Winnipeg, Canada, 21-31 July 2003

The Lutheran World Federation's assembly affirmed a document entitled "A call to participate in transforming economic globalization" in which delegates committed themselves to work on world economic globalization. The document asks about the implications for the self-understanding of the LWF as a communion of churches, and emphasizes

"with Martin Luther, that economic practices that undermine the well-being of the neighbour (especially the most vulnerable) must be rejected and replaced with alternatives. Luther also reminds pastors that they are obliged to unmask hidden injustices of economic practices that exploit the vulnerable. We recognize that this vision of an economy that serves life will need to be pursued ecumenically. We join with the World Council of Churches, the World Alliance of Reformed Churches and other church families in a continuing ecumenical process focussed on how economic and ecological injustice challenges us as churches." 26

Accra declaration: covenanting for justice in the economy and the earth, WARC general council, July 30 - August 13 2004.

The World Alliance of Reformed Churches culminated its *processus* confession is of recognition, education and confession regarding economic globalization at its General Council in Accra, Ghana. Delegates had an opportunity to visit the slave dungeons of Elmina and Cape Coast where millions of Africans were sold as slaves. In partnership with the WCC the LWF and regional ecumenical organizations, WARC organized several meetings on economic globalization which produced the powerful Accra declaration.<sup>27</sup> This document takes a strong stand on economic

<sup>&</sup>lt;sup>27</sup> See document G C 23-e *Covenanting for justice in the economy and the earth, as agreed by the general council*, July 30-August 13, 2004.



<sup>&</sup>lt;sup>26</sup> For the healing of the world: official report, LWF tenth assembly. Lutheran World Federation, Winnipeg, Canada, 21-32 July 2003, p.61.

globalization, and the commitment to transform the system:

"We reject the current world economic order imposed by global neoliberal capitalism and any other economic system, including absolute planned economies, which defy God's covenant by excluding the poor, the vulnerable and the whole of creation from the fullness of life. We reject any claim of economic, political, and military empire which subverts God's sovereignty over life and acts contrary to God's just rule."

After the critique of economic globalization, the delegates underlined the need to covenant in justice with God:

"On this common journey, some churches have already expressed their commitment in a confession of faith. We urge them to continue to translate this confession into concrete actions both regionally and locally. Other churches have already begun to engage in this process, including taking actions, and we urge them to engage further, through education, confession and action. To those other churches, which are still in the process of recognition, we urge them on the basis of our mutual covenanting accountability, to deepen their education and move forward towards confession."

The Accra declaration will remain a very critical challenge to churches for years to come.

#### WCC / World Bank and IMF encounters 2002-2003

Following a request from the Bretton Woods institutions, three external encounters with these institutions, and one internal encounter with churches and specialized ministries were organized in 2002 and 2003. The request had come in response to a WCC background document entitled "Lead us not into temptation: churches' response to the policies of international finance institutions. During the encounters, the WCC emphasized that poverty eradication can be achieved only by addressing injustice and inequality, the roots of which lie in the present unjust economic order.

A final paper on "Common ground and differences" and a joint statement issued at a high-level encounter in November 2003 with the president of the World Bank and the deputy managing director of IMF indicate that the WB/IMF will not shift from the concept of growth as the panacea to alleviate poverty. They claim that they are not mandated to promote human



rights — this is for the UN to handle. They believe that their work contributes to human rights in the sphere of economic development and related social policies, thereby complementing the work of the UN. They maintain that growth and markets will reduce poverty.

In order to address the specific impact of Bretton Woods policies on the ground, four case studies will be conducted as the basis for further work. It is imperative to continue putting pressure on these international financial institutions, which are the main actors in the project of economic globalization.

# 6.3. The WCC/APRODEV study on Christianity, wealth and poverty: the findings of 'Project 21', 2003:

APRODEV-WCC-related agencies in Europe and WCC have been engaged in a study on "Poverty and wealth" based on case studies in 24 countries. It concluded that

"Poverty is still a major global reality. It has many dimensions - material, social and psychological - and many side effects. It is characterized above all by a lack of income and power. Wealth is the reverse of poverty, and is just as great a problem unless and until it is shared by everyone and is based on moral, social and spiritual values."<sup>28</sup>

In this study, it is noted that

"Excessive wealth is contrary to gospel teachings. It cannot be separated from poverty. They have common causes and integral related characteristics: the ability of the rich to earn a living, for example, is the inability of the poor; the strength of the rich is the weakness of the poor. Worse still, excessive wealth is itself the cause of poverty. The drive to create a rising tide of wealth and become rich does not benefit the poor and the rich alike. It does not bring an end to poverty but often exacerbates it. And by concentrating only on poverty, attention is deflected from the rich. At most, they are seen as possible source to solve poverty. They are not seen as a major part of the problem."

A culture in which greed and endless accumulation of material possessions are regarded as normal and legitimate has to be eroded by alternative values such as self-restraint, simplicity, a sense of proportion, justice, generosity, volunteerism (a "giving culture"), holism and greater discernment as to "means" and "ends". Major questions were raised:

<sup>&</sup>lt;sup>28</sup> Michael Taylor, *Christianity, poverty and wealth: the findings,* 'Project 21', WCC Publications, Geneva 2003, p.1.



- Can excessive wealth be defined as concretely as we sometimes define poverty?
- Is there a wealth line above which no one should rise just as there is a poverty line below which no one should be allowed to fall?
- Can we speak of "relative wealth" in a way we speak of "relative poverty", so focussing once again on unacceptable disparities within countries and communities, rich or poor, as well as between them?
- What might be the indicators of excessive wealth to stand alongside poverty indicators like income per capita for example or infant mortality rates, where governments and international institutions are encouraged to monitor and report both?

The proposals given included the "2015 Millenium goals for the churches - a call to action". Some churches like the Evangelical Church in Hessen and Nassau have taken this study, adapted it and prepared the study for the German situation (see www.woek.de "Reichtum und Armut").

# Women's voices on alternative globalization addressing people and earth, August 2004

The consultation, which brought together more than 35 church women, feminist economists and activists from the global South, aimed to provide a space for women to contribute and assess their initiatives in the continuing search for alternatives to globalization, thereby ensuring that women's perspectives are brought to bear on the AGAPE message to the 2006 WCC assembly in Porto Alegre, Brazil. The consultation drafted a "Call to transformative reflection and action" addressed to churches worldwide, that suggested a vision for a more just, sustainable and caring global economy. The Call also produced a commitment for church women in partnership with feminist economists and women's organizations to continue to monitor trade and financial policies, to carefully study their impacts at the grassroots level, and to network, mobilize and advocate for economic systems, institutions and policies that, above all, support and uphold the sacred nature of life and all creation.

## North American churches' consultation on just trade: Stony Point, January 2004.

"What does God require of us?" churches in North America asked at this consultation. Coming out of the meeting, a declaration for just trade in the service of an economy of life says: "We work for just trade because of justice of God. God's justice creates and sustains the conditions of life... What does God require of us? Act justly, love tenderly and walk humbly with our God." "The economy of God is an economy of life that promotes sharing, globalizing solidarity, dignity of persons, forgiveness as well as love



and care for the integrity of creation," it continues. "We believe and teach that God sustains and offers abundance for all from the bounty of the gracious economy of God (oikonomia tou theou)." Realizing that trade and investment treaties work unjustly against the poor and reward the already rich, the churches in Mexico, Canada, and the United States declared their commitment to principles and policies for just and fair trade.

#### Pan-African ecumenical consultation on NEPAD, March 2003

This was an opportunity for African churches and the ecumenical organizations to discuss the impact of globalization in Africa and the solutions offered by the New Partnership for Africa's Development (NEPAD). The consultation's theme was "Behold, I create something new. "We are called to renew our beloved, transform our social and political institutions, reassert African values and ensure that all of Africa's people enjoy abundant life," the consultation said. Participants recognized NEPAD as a framework and a vision for a new Africa because it seeks to eradicate poverty, promote democracy and good governance, and drew up an action plan at the end of the consultation. But they were also aware of the need to monitor the NEPAD process in order to avoid its co-optation by neoliberal forces.

A code of moral principles and rules of economic activity, adopted by the 8th World Russian People's Council, Moscow, 4 February 2004.

In her efforts to provide guidance to the business community in Russia and to address the problem of crony capitalism the, Russian Orthodox Church has produced a "code of moral principles and rules of economic activity".<sup>29</sup>

This code of is offered for voluntary reception by leaders of enterprises and commercial structures, businessmen and their communities, workers, trade unions and all other participants in the economic processes including state bodies and public associations involved in economic activity.<sup>30</sup>

#### 6.4. Actions

This last section reflects a broad variety of actions taken and statements made by churches in different places. The AGAPE process challenges all the churches to consider these and to act in appropriate contextual ways.

#### 6.4.1. Decent jobs, emancipated work and people's

<sup>30</sup> ibid.



<sup>&</sup>lt;sup>29</sup> See http://www.mospat.ru/text/e\_news/id/6682.html for the text itself.

#### livelihoods

- Churches, congregations and service organizations are called to align their economic management and investment structures with the principles of an AGAPE economy.
- Churches are encouraged to build alliances with social movements and trade unions that advocate for decent jobs and just wages.
- Work for programmes that encourage participatory budget processes where they become subjects of their own resource allocation for self development.
- To support alternative ethical financing of small entrepreneurs, farmers, Indigenous Peoples, women, youth and people with disabilities.
- To support and develop economies of solidarity by drawing lessons from the solidarity economy initiatives and networks, public policies that foster an economy of solidarity, the economy of communion, the practice of the Focolare movement, developing further the El Escorial guidelines of sharing resources, and the Russian Orthodox church initiative of developing a code of moral principles and rules of economic activity.
- Churches are encouraged to engage in efforts of regional ecumenical organizations and world communions to develop alternative economies, such as the efforts of the Pacific churches on the "Island of Hope" concept.
- Encourage churches to be engaged in inter-faith cooperation in the search and work for alternatives such as the "economics of enough" as a challenge to the economies of greed and competition.
- Support initiatives promoting adequate social services and access to medical care in particular in the fight against HIV/AIDS.
- Encourage churches to advocate for education for all, particularly for women and youth.

#### 6.4.2. Trade

- Churches need to advocate the shift from fair trade to just trade.
- Churches should establish the practice of using fair trade products as a minimum.
- At the global level, churches should join the trade for people campaign.
- Churches are expected to contribute to the re-negotiations of entitlements under multilateral trade agreements, and should collaborate closely with social movements in making those agreements just, equitable and democratic.



#### 6.4.3. Finance

- Churches and congregations should use money and manage their finances according to biblical standards. This would include investments only in businesses following social and ecological justice as well as in alternative banks which do not apply interest rates higher than the real growth of the economy, which do not engage in speculation, nor in helping money owners to avoid taxes. We also call upon the WCC to develop an ecumenical code on these issues.
- Churches and specialized ministries reaffirm their commitment to the campaign for debt cancellation and the control and regulation of global financial markets.

Churches and congregations are supposed to:

- work on global financial systems that link finance and development;
- break the dominance of international financial institutions and transnational corporations by calling national governments to regulate transnational corporations, and for a more active role for transformed multilateral bodies;
- open up space for communities and governments to exercise democratic control over critical financial issues that affect people's lives; this includes the audit of financial debts as a means to identify illegitimate and odious debts:
- advocate to reverse the flow of financial and ecological wealth from the South to the North by canceling illegitimate debts and devoting 0.7% of industrialized countries' Gross National Income to Official Development Assistance, not as an act of charity but as restitution for past exploitation; and
- seek redress for injustices such as illegitimate debts and unfair trade conditions for capital retention for poverty eradication and development.

#### 6.4.4. Ecology

Churches and congregations should

- care for the web of life and the rich bio-diversity of creation;
- become engaged for a change of unsustainable and unjust patterns of resource extraction and use of natural resources, especially in respect of Indigenous Peoples, their land and their communities;
- support movements, groups and international initiatives defending vital common resources against privatization, such as water and biodiversity;



- advocate for resource and energy efficiency and a shift from fossil fuel-based energy production to renewable energies; this implies that the churches themselves adopt appropriate policies;
- encourage public engagement in the reduction of greenhouse gas emissions beyond the targets of the UNFCCC, and work with churches on adopting policies and programmes for peoples affected by the sea level rise;
- strengthen the eco-justice movement that involves the wider ecumenical family.
- Churches in rich and affluent societies should work for sustainable consumption and production patterns by adopting self-restraint and simplicity in lifestyles and resistance to dominating patterns of consumerism.

#### 6.4.5. Public goods & services

Churches and congregations are encouraged to:

- join the global struggle against the privatization of public goods and services; and
- actively defend the rights of countries and people to define and manage their own development.

#### 6.4.6. Life-giving agriculture

Churches and congregations are called to:

- ensure the use of church land for life-giving farming;
- build and promote a life-giving agriculture ecumenical forum;
- oppose TRIPS and patenting of seeds and life forms;
- ensure food sovereignty;
- oppose the production of genetically modified organisms (GMOs);
   and
- promote organic farming and joining resistance movements against agro-business.

#### 6.4.7. Churches and the power of the empire

 Especially churches are encouraged to analyze the convergence of the imperial powers and their military hegemony and economic domination.



- Churches are called to reflect on the question of power and empire from a biblical and theological perspective, and to take a clear faith stance on hegemonic powers.
- Churches are encouraged to support global initiatives to transform multilateral bodies such as the United Nations to address the real needs of the peoples of the world for peace and justice.
- Churches are asked to support initiatives of the churches in their reflection on hegemonic powers, such as critical efforts of the European churches on the contract for a European constitution, and the US churches' debate on empire.

#### Conclusion

So let us, as churches together, make a clear decision, choosing between God and mammon, and opting for an economy of life:

- We affirm that the earth and all it contains are God's gifts, given out of love and care for all created beings living and non-living.
- We acknowledge the interdependence of creation and human society, and that the sustainable use or excessive abuse of this relationship will either enhance or destroy our living together in this interdependence.
- We affirm our hope that a just global economy built on the creative alternatives of people the world over is not only possible, but that it already exists in communities based on communitarian sharing and resources distribution. Here in small pockets, we discern the absence of the selfish pursuit of wealth. God's love and justice calls the church to its true vocation to accompany these small initiatives in all regions that seek just alternatives. The church can not only learn from such local initiatives, but can draw lessons from them in seeking global alternatives.
- We acknowledge that this process of transformation requires that we
  as churches make ourselves accountable to the victims of the project
  of neoliberal globalization. Their voices and experiences must
  determine how we see and judge this project in the light of the Gospel.
  This implies that we as churches from different regions also make
  ourselves accountable to each other, and that those of us closer to the
  centres of power live out their first loyalty with their sisters and brothers
  who are suffering and oppressed.



# Appendix

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