



CALL Working Group on Economic Sustainability

The Churches and the Crises in Europe

Introduction

Since 2008 Europe has been facing on-going economic crises, starting with the worldwide crisis in financial markets, followed by a fiscal and political crisis in the European Union. The humanitarian impact of five years of European crises is grave. Today 120 million people in the European Union live at risk of poverty or social exclusion.¹ This is nearly a quarter of the population in the EU. The situation in some of the European countries outside the EU, especially in South Eastern Europe, is even worse. Poverty affects especially young people and single parent households, in some countries also the elderly. About 11% of the active population in the EU are unemployed.² In addition Europe faces an increasing number of “working poor”, people whose work does not provide an adequate income for daily living. The result is an increase of people excluded from participation in society: young, well educated people without access to the labour market, women without equal opportunities in society, farmers and workers who cannot live from their work anymore, elderly people who find that their pension isn’t sufficient to live in dignity after 40 and more years of work.

¹ Eurostat. Basic figures on the EU. Autumn 2013 edition.

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-GL-13-003/EN/KS-GL-13-003-EN.PDF

² Eurostat. Basic figures on the EU. Autumn 2013 edition.

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-GL-13-003/EN/KS-GL-13-003-EN.PDF

1 The different crises have not impacted uniformly across the whole population. They
2 have often led to an even worse situation for groups already at heightened risk, nota-
3 bly young adults, children and to some extent migrants, thus contributing to social
4 polarisation.³ For example, the unemployment rates of youth (aged 15-24) are
5 dramatically high in Croatia (52,1%), Spain (55,7%) or Greece (59,6%). As a result
6 the social gap in Europe is growing.

7

8 In the “Charta Ecumenica”, the Churches in Europe committed themselves to support
9 an integration of the European continent. “On the basis of our Christian faith, we work
10 towards a humane, socially conscious Europe, in which human rights and the basic
11 values of peace, justice, freedom, tolerance, participation and solidarity prevail. We
12 likewise insist on the reverence for life, the value of marriage and the family, the
13 preferential option for the poor, the readiness to forgive, and in all things
14 compassion.”⁴

15

16 Five years after the beginning of the European crises we want to analyse how the
17 Churches in Europe reacted to the economic and social decline. What is their
18 analysis of the crises? How do they perceive the social and economic impact of the
19 crises? What is their theological perception of the current situation in Europe? What
20 solutions do they offer?

21

22 On the basis of a questionnaire we analysed the positions of a number of European
23 churches with regard to the social and economic challenges in Europe. So far,
24 documents of the Church of England, the Evangelical Church in Germany, the
25 Reformed Church in Hungary, the Federation of Protestant Churches in Italy, the
26 National Council of Churches in the Netherlands and the Federation of Swiss
27 Protestant Churches have been taken into account.⁵ The results of this analysis are
28 intended to support the churches in Europe in reflecting their respective positions and
29 finding common responses to the crises. The purpose of the survey is to enable the
30 churches to recognize common ground in spite of the different situations facing each
31 country. They may then want to join forces in order to strengthen their impact.

32

³ European Commission. Employment and Social Developments in Europe 2012. 13
<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7315>.

⁴ http://www.ceceurope.org/fileadmin/filer/cec/CEC_Documents/Charta_Oecumenica.pdf.

⁵ Cf. Annex 1.

1 **1. The Perception of the Crises by the Churches in Europe**

2 The analysed statements of the churches in Europe see the reason for the crises
3 firstly in a lack of responsibility within the Market Economy System. With regard to
4 the crisis in the finance market, some of the churches like the Reformed Church in
5 Hungary foremost address the individual failure and criticise the non-ethical
6 behaviour and the greed of individual actors within the market system. Others like the
7 Church of England or the Evangelical Church in Germany focus more on the crisis
8 management of companies and politics. "Inspired by the long tradition of God's
9 liberating interventions from debt over against his people, which extends itself in the
10 biblical texts from Moses to Jesus, we hold the politics of debt which the institutions
11 of the neoliberal market extend on the nations to be incompatible with the biblical
12 message" ⁶ Other churches see the market economy system itself as the source of
13 the crises. "The combined effect of neo liberal ideology and the increasing
14 independence of the economies from public regulation is responsible for the crisis"
15 The Swiss Protestant Federation provides the most differentiated analysis of the
16 political and legal framework, the business ethics as well as the individual ethics that
17 led to the financial crisis in 2008 and the debt crisis in 2010.⁷ Criteria for this analysis
18 are a "human-orientated" and "life-serving" economy.

19

20 The different statements of the churches point out that there has been a lack of
21 responsibility in dealing with risks, a fixation on short term profits, a more generalized
22 fast money mentality e.g. the public sector wanting to act like private banks and
23 generate high returns. Some of those working in finance have used their freedom of
24 action to make quick personal gains. There has been moral failure, unrealistic and
25 risky loans to owners of real estate, an irresponsible sale of mortgages and unreliable
26 ratings. High risk taking investment policies have been driven by those chasing after
27 exorbitant bonuses. The liberalization of the financial markets and the lack of
28 regulation of the derivatives market have been problematic. Policies which were
29 introduced to minimize economic disparity were no longer pursued. The
30 interconnection between business and political parties did not help the situation. For
31 25 years the debt policies of the member states and their impact on EU cohesion was

⁶ Evangelical Church in Germany (EKD). Like a high wall, cracked and bulging. Statement by the Council of the Evangelical Church in Germany on the global financial and economic crisis. 2009. 5.

⁷ Just Finance and Fair Play. The Recent Financial and Economic Crises from a Protestant Perspective. 2010.

1 audited, but without consequences for the policies. The privatization of social and
2 healthcare services, an increase in public debt and a lack of strategic or sustainable
3 investment as well as precarious conditions of work, unemployment and inadequate
4 salaries have meant that a world economic crisis has hit some countries much worse
5 than others.

6

7 **2. The Perception of the Social and Economic impact of the crises.**

8 All statements point out to the social impact of the economic crises: the increase in
9 unemployment, the loss of financial investments, the collapse of businesses and the
10 slide of more and more people into poverty. The crises have been particularly hard
11 for people already poor. Future prospects have been badly hit.

12

13 In many countries it is only the solidarity of families and civil society including the
14 churches which prevents poverty from getting out of control. The savings of the
15 elderly are being used to sustain the younger generation. Many people in Southern
16 and Central Eastern Europe are forced to emigrate in order to find work and to
17 escape a hopeless future. The Church of England points out that food and utility
18 prices have risen and financial pressure is increasing while wages and minimum pay
19 have decreased. In many European countries people are not able anymore to live a
20 dignified life from their income. Foodbanks have been set up all over Europe to help
21 those who have been worst affected by unemployment and cuts in social benefits.

22

23 The statements of the churches also express their concern about the growing gap
24 between rich and poor people in Europe. While millions of poor people are still
25 struggling with the social impact of the financial crises, the drive for profit at all costs
26 proceeds as if nothing has happened.⁸ The Ethical Investment Advisory Group of the
27 Church of England, together with other major investors in the stock market in the UK
28 have expressed concern publicly via the media about the level of executive pay and
29 the incentives to take high risks.⁹ The Evangelical Church in Germany (EKD) criticises
30 a generalized fast money mentality. "It seemed normal that consumers should also
31 expect high short-term returns, without being capable of measuring the high risks

⁸ Cf. Church of England Commissioners Report 2012

⁹ Cf. Evangelical Church in Germany (EKD). Like a high wall, cracked and bulging. 9. „There seemed to be an endless supply of money on credit. New financial products were invented, allowing the banks to sell-on their lending risks, or to offer apparently effective guarantees.”

1 involved. Speculative deals were fed by a widespread greed that was not confined to
2 managers but pervaded all of society.”¹⁰

3
4

5 **3. The Theological Perception of the current Situation in Europe**

6 For their theological interpretation of the crises the churches draw from all the periods
7 of biblical writings. The Evangelical Church in Germany lifts her voice like the
8 prophets of the Old Testament accusing and spelling out mischief and making clear
9 that there is a point of no return: *“Is it not to share your bread with the hungry, and
10 bring the homeless poor into your house; when you see the naked to cover them
11 and, and not to hide yourself from your own in? ...”* God's claim is not without
12 comfort. Therefore the document underlines the blessings of the actions of the
13 righteous that are full of promise: *“Then your light shall rise in the darkness and your
14 gloom be like the noonday. The Lord will guide you continually and satisfy your
15 needs in parched places.”*¹¹ The criticism of false leaders in Matthew 23,23 (*“Woe to
16 you, teachers of the law and Pharisees, you hypocrites! You give a tenth of your
17 spices—mint, dill and cumin. But you have neglected the more important matters of
18 the law—justice, mercy and faithfulness. You should have practised the latter, without
19 neglecting the former!”*) is put in correlation with the prophetic promise to be nurtured
20 not by the success of your own strife and endeavour, but simply by virtue of the
21 covenant with God (*“Give ear and come to me; listen, that you may live. I will make
22 an everlasting covenant with you ...”* Isaiah 55,3), as in the document of the
23 Federation of Protestant Churches in Italy. The Leading Bishop of the Reformed
24 church in Hungary takes up the idea of the liberating truth (John 8,32), which forms a
25 humble recognition of the universal situation of debt over against God and makes us
26 realise our dependence on its cancellation. Human moral frailty and entanglement in
27 guilt, and accounts of destruction and upheaval that are redeemed by the message
28 of salvation and healing can be a source of guidance and inspiration. The Protestant
29 Church in the Netherlands refers to the biblical image of 'Mammon' (Matthew 6) to
30 point out that money that has become a value in itself and turned to an absolute goal

¹⁰ Evangelical Church in Germany (EKD). Like a high wall, cracked and bulging. 10.

¹¹ Evangelical Church in Germany (EKD). Like a high wall, cracked and bulging. 15 with reference to Isaiah 58,7-12.

1 for human life, has turned into an object of idolatry. Money has to be treated as an
2 instrument for the distribution of products and services. The goal of money can only
3 be to achieve justice in an economic, social en ecological perspective.¹²

6 **4. The Contribution of the Churches to the Solution of the Situation**

7 To raise its prophetic voice and to criticize the failure of individuals, companies or
8 governments in a crisis situation is one task of the church. But it will only be credible
9 if the churches put their words into practice themselves. In all European countries the
10 churches have strengthened their activities in the field of diaconal and social
11 services. In some European countries people would not be able to survive without the
12 foodbanks provided by parishes or the shelter for the homeless provided by diaconal
13 institutions. Many of these services are run by volunteers. In numbers the voluntary
14 contribution of church members is even greater than the monetary contribution of
15 these services.

16
17 Some churches have started to review their own investment policies in relation to
18 ethical criteria.¹³ They have defined new criteria for long-term sustainable economic
19 and financial solutions and practices. As churches and their investment funds are in
20 some countries important institutional investors, such a change of investment policies
21 can have a relevant impact on the financial market, setting benchmarks for others.
22 Some churches like the Church of Cyprus contributed financially to the reduction of
23 debts of their countries.

24
25 Churches also took part in the development of concepts for the overcoming of the
26 crises. The Swiss Protestant Federation is strongly lobbying for a „Global Green
27 New Deal“.

28
29 Last but not least the churches see an important task in the intercession for decision
30 makers as well as for those who suffer in the crisis.

¹² Council of Churches in the Netherlands, Belief and economy and the perspective on the economic crisis, October 2013,

¹³ Cf. EKD. Leitfaden für ethisch nachhaltige Geldanlage in der evangelischen Kirche. EKD Texte 113.

1 **5. Conclusion and Recommendation**

2 The analysed statements of the churches are quite coherent with regard to the
3 theological foundation and the perception of the social impact of the crises, but they
4 show quite a variety of different positions in the analysis of the reasons that led to the
5 crises and – subsequently- in the suggestions for the solutions. The level of
6 argumentation is also rather diverse. Some statements remain on a very general
7 level (e.g. the statement of the Reformed Church in Hungary), most try to provide
8 orientation on the level of middle axioms (e.g. the statements of the Evangelical
9 Church in Germany) and some provide very precise recommendations, even going
10 into the technical details of regulation of the financial markets (cf. the statement of the
11 Federation of Protestant Churches in Switzerland). All churches express their
12 intention to actively contribute to the overcoming of the crises.¹⁴

13

14 Comparing the different statements of the churches, it becomes very visible, how
15 strongly they are rooted in the respective national or regional context. That is on one
16 hand obvious as they reflect the perspective of the respective regional or national
17 church. But it has the consequence that the statements do not really focus on the
18 situation in Europe but rather restrict themselves to a specific perspective.

19

20 As a result these statements might contribute to the discourse on European issues in
21 their respective context, but they do not provide a sufficient contribution for the
22 dialogue on European level. If the churches in Europe really want to contribute to the
23 solution of the crises in Europe and to decision making on European level, they have
24 to bring together their respective positions to a common voice. The churches in
25 Europe will only make a difference if they come with a common position that
26 interconnects the different perspectives. Providing numerous diverging, sometimes
27 even contradicting positions doesn't enable the European institutions to take the
28 concerns of the churches into account in their decision making procedures.

29

30 It is therefore necessary for the churches in Europe to do more than they have done
31 so far and to focus not only on their individual perspectives, but on the well-being of
32 all Europeans, if they want to be taken seriously.

33

¹⁴ Cf. Evangelical Church in Germany (EKD). Like a high wall, cracked and bulging. 5.

1 We therefore recommend that the churches mandate the Church and Society
2 Commission of the Conference of European Churches to produce a statement
3 reflecting the common voice of the churches on the basis of the existing statements
4 of single churches. As a first step we suggest inviting the different authors of the
5 statements for an exchange of views, maybe linked to a dialogue seminar with the
6 European institutions.

7

8 For the time being we see this paper as an open process. We invite others to further
9 develop this analysis on the basis of additional church statements.

10

11 Brussels, November 2013

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1 **Annex: List of Church Statements**

- 2 • Archbishop of Canterbury and The Church Commissioners for England Annual
3 Report 2012.
- 4 • Evangelical Church in Germany (EKD). Like a high wall, cracked and bulging.
5 Statement by the Council of the Evangelical Church in Germany on the global
6 financial and economic crisis. 2009.
- 7 • Evangelical Church in Germany (EKD). For a Common Future in a United
8 Europe. Statement by the Evangelical Church in Germany (EKD) on
9 Strengthening European Cohesion. 2012.
- 10 • Federation of Swiss Protestant Churches. Just Finance and Fair Play. The
11 Recent Financial and Economic Crises from a Protestant Perspective. 2010.
- 12 • Protestant Federation in Italy. Living in debt. An Italian contribution to the
13 Poverty, Wealth and Ecology (PWE) Programme of the World Council of
14 Churches. 2012.
- 15 • Reformed Church of Hungary. Presidential Inaugural on November Synod
16 Meeting of the Reformed Church in Hungary. 2012.
- 17 • Protestant Church in the Netherlands. Belief and economy and the perspective
18 on the economic crisis. 2013.

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